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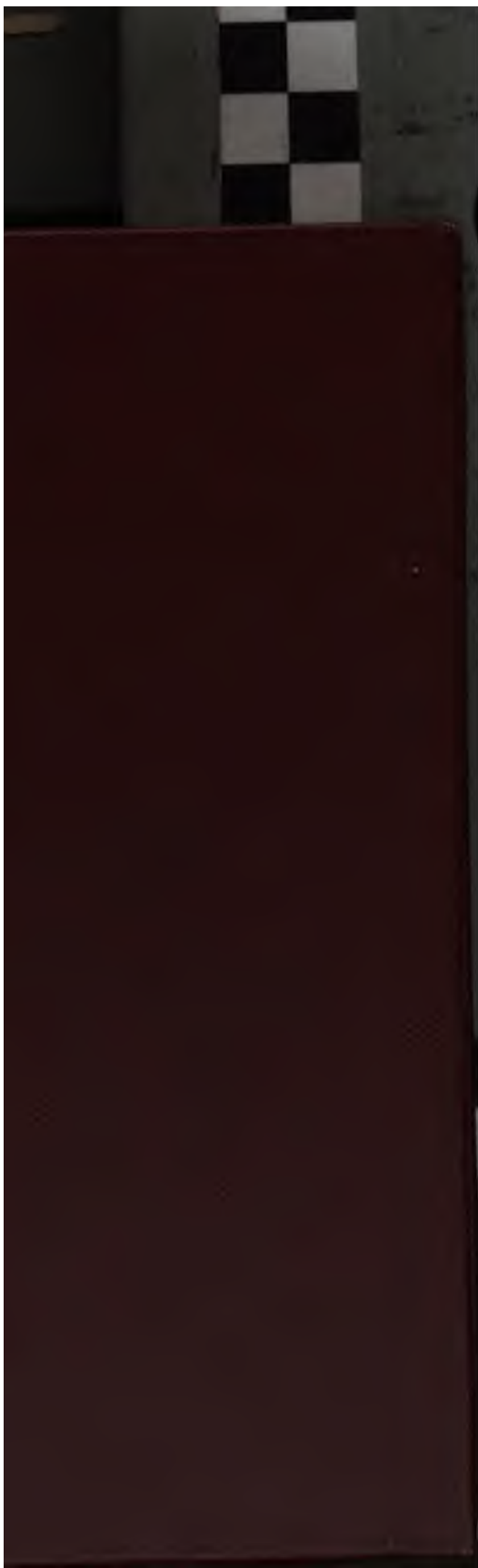
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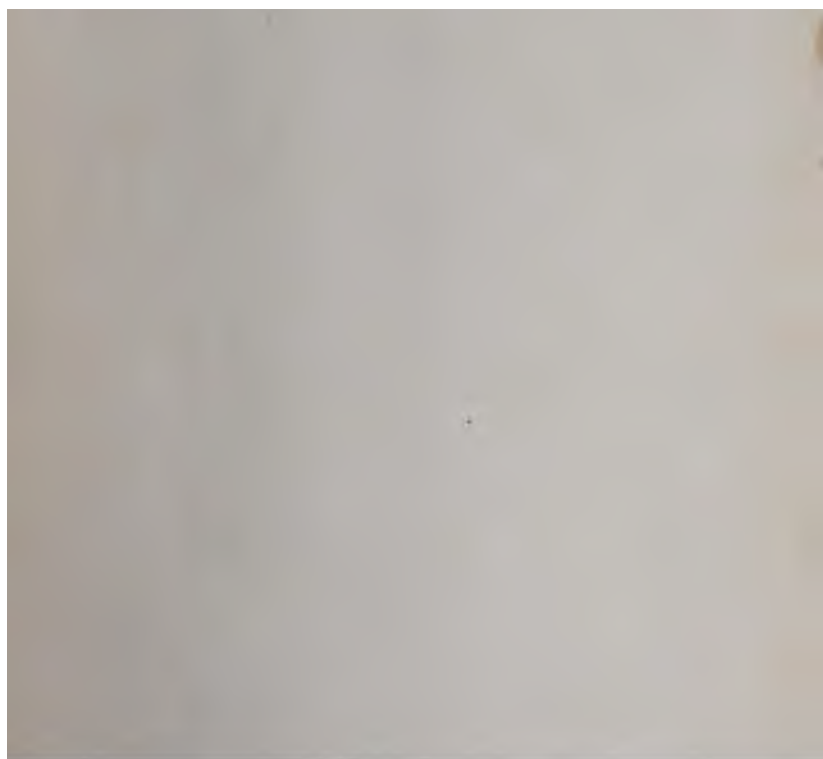


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OUR PHILIPPINE
PROBLEM,

A Study of American Colonial Policy

BY

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PREFACE

IN the following pages I have attempted a review of our experience as a nation in governing the Philippine Islands and an appreciation of the main elements of the Philippine problem as it now presents itself. The first of these objects has been made subordinate to the second. Only so much of the history of our administration has been given as seemed to be necessary to an understanding of present questions.

So fully has the subject been canvassed, that without first-hand information I should hardly feel justified in adding to the voluminous literature bearing upon it. This book is the outcome of a study of the Philippine situation during the years from 1901 to the present time. While I had felt unusual interest in our relations to the archipelago from the beginning of our colonial enterprise, my first serious attention was devoted to the subject when engaged in editorial work in New York City during the year 1901. A feeling that our relations to the Philippines involved considerations of first-class importance from the broadest national standpoint led me to devote more and more attention to the issues involved in these relations, while stationed at Washington, during the year 1902-1903, as correspondent for the *New York Journal of Commerce and Commercial Bulletin* and for the *Springfield (Mass.) Republican*. During this latter period, decisive action was taken by Congress upon the fundamental questions involved in the Philippine Civil Government Act and the Philippine Tariff Act. At the same session of Congress

occurred the lengthy investigations into Philippine conditions conducted by the Senate Committee on the Philippines.

In March, 1904, I started for Manila, arriving early in May, and remained in the islands several months, devoting myself to as careful a study of insular conditions and of the working of our administration as circumstances permitted. A part of the stay only was occupied with investigations in Manila, the remainder of the time being spent in visits to the provinces of Central Luzon and a trip to some of the southern islands. In all, I travelled some 2,700 miles outside Manila.

While the ground covered in the Philippines was relatively small, and while this period of investigation on the spot might well have been extended had circumstance favored, I believe that the conclusions formed are substantially correct. Owing to the kindness of friends in this country and of others who wished to facilitate my inquiries, I was able to gather, before leaving the United States, a set of letters of introduction to persons living in the Philippines who were in position to know the true state of insular affairs. These letters were largely augmented in number through the courtesy of those whom I met in the Philippines, to many of whom I am under obligations for further letters and for valuable aid in collecting the material upon which this book is based. Conditions in the Philippines are such that no individual acknowledgments would be desirable, and a general statement of obligations is therefore all that can be offered. I have taken pains to make careful inquiries on all material points from the persons most directly responsible for or conversant with the conditions to which I have made reference. These have included the higher officers of the insular administration, some of the insular judges, a larg

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number of subordinates, ecclesiastical leaders, both Catholic and Protestant, and some army officers and privates, as well as a large number of business and professional men in Manila and elsewhere. I should add that I have been especially fortunate in receiving the confidence and aid of many of the best-informed Filipinos, including some now resident outside the Philippines. It is fair also to state that various unpublished court records, state papers, and other materials to which I am not at liberty specifically to refer have been placed temporarily in my hands for examination. So far as the conditions of the work have permitted, I have attempted to give in footnotes the titles of reports and documents, to which reference may be made by those who care to verify the conclusions herewith submitted or to study further the merits of the questions discussed. I regret that circumstances have not warranted me in making such citations more complete and in giving the personal testimonies furnished me by those who are on the ground. It has been sought throughout to rely on documentary and other evidence, and to use my own personal observations chiefly as an aid in forming judgments and in indicating the true bearings of the subjects dealt with. I have tried to avoid bias, though I should be the last to pretend that no conclusions have been reached or that no responsibility attaches to those who have produced the existing state of affairs in the Philippines.

The Philippine question has now reached a critical stage in its development, for reasons presently to be set forth. It is high time that citizens of the United States, interested in the conduct of our government in harmony with its fundamental principles, should abandon the attitude of indifference or obstinacy which many of them have hitherto adopted. Whatever be our ultimate policy with refer-

ence to the islands, it can be properly and honourably worked out only through the same direct interest and hearty co-operation on the part of Americans which is the moving spirit in our management of home affairs.

WASHINGTON AND LEE UNIVERSITY,
March 1, 1905.



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CHAPTER I

THE PHILIPPINE PROBLEM

THE relation of the United States to the Philippines is one phase of the general question which is known as imperialism. That question, in its briefest form, is nothing more than the problem whether or not certain peoples, described as "lower races," shall be controlled by other peoples higher up in the conventional scale of civilisation. In the development of an imperialist policy, it has now turned out that the so-called lower races are practically all tropical peoples, while the races among whom imperialism has gained a footing are comprised in Western nations, inhabiting the temperate climates. In some quarters, there has, therefore, been a disposition to restate the problem and to make it appear that the real issue is dependent on a supposed necessity for the control of the tropics by non-tropical peoples.¹ This view is bluntly put by Mr. Kidd and others. It must be evident, however, without endeavouring to labour the question of a supposed necessity of tropical control, that such control is merely an incident in the general problem and does not affect the basic questions involved. Fundamentally, the problem of imperialism is simply whether considerations of political ethics or political expediency can be such as to justify the assumption of control by one nation over another. The tropical phases of latter-day imperialism must be regarded as merely the tem-

¹The best statement of this point of view is found in Mr. Kidd's monograph, "The Control of the Tropics," Part III.

porary and unessential shape assumed by an issue of eternal and world-wide importance.

Can the assumption of such political control as is here contemplated be warranted by any circumstances; and if so, by what? It is fair to say that not only is popular opinion sharply divided on this question, but that scientific writers on imperialism and kindred topics are in wide disagreement concerning it.

One school of thinkers urges the necessity of expansion as a means of obtaining political control over outlying regions, and of using this control for the opening up of such regions to the goods and capital of the home country. To these men it is an all-sufficient reason for imperialism to say that the protective policy of modern nations makes it necessary to pre-empt portions of the earth's surface as trading areas, in order to prevent themselves from being wholly shut out by protective duties and discriminating legislation.

A second group of apologists for imperialistic methods speak of the government of lower races as a "trust for civilisation" imposed by some unknown power or authority upon the nations highest in the scale of thought and material progress.

"We must conclude," says Professor Burgess, "from the manifest mission of the Teutonic nations, that interference in the affairs of populations not wholly barbaric which have made some progress in state organisation, but which manifest incapacity to solve the problem of political civilisation with any degree of completeness, is a justifiable policy. . . . The Teutonic nations are the political nations of the modern era, . . . the duty has fallen to them of organising the world politically."¹

¹"Political Science and Constitutional Law," Vol. I, p. 47.

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According to this view, the practical duty of the Western nations is to diffuse as widely as possible their own institutions, laws, etc., imposing them upon the peoples under their control, and gradually educating these people to a point where they can appreciate and adopt the institutions offered to them.

Another group of reasoners, while accepting the view that duty dictates to the Western nations that they shall exert some political control over those of less advanced type, insist that such control must in every case be wholly unselfish, and that some definite means of designating territory and populations as suitable spheres for the exertion of civilising forces by given nations must exist.

Sharply distinguished from any of the foregoing classes of thinkers, is a group composed of those who believe that, in the nature of things, no such control can be legitimately exercised by any one set of men over another, and that such control, if permanently assumed, can never avoid the taint of selfishness.

To which one of these theories concerning the relations between nations has the United States given its adherence? This is the question which for about seven years has been pressing for an answer, but to which no answer has been given.

Some of the main facts in the history of our relations to the Philippines are familiar, though their sequence is often neglected or ignored. But no intelligent comprehension of the Philippine problem in its present status can be gained unless these facts are apprehended in their chronological order, as well as in their bearing upon the larger question of national policy. For these reasons, a brief review of the origin of the Philippine problem is here attempted.

Very shortly after the outbreak of hostilities between the United States and Spain, orders were sent to Admiral Dewey, then in command of a squadron on the China coast, to go to Manila harbor, engage the Spanish fleet there stationed, and sink it. The Philippines were just then in a perturbed state. Spasmodic revolutionary movements had been in progress there for years, and one such was just about to reach a climax. In Hong Kong, Emilio Aguinaldo and a number of exiled Filipino leaders were anxiously awaiting the action of the American fleet. These leaders had already had dealings of various kinds with Mr. E. S. Pratt, American Consul-General at Singapore, and with Consul Wildman at Hong Kong. The latter gentleman had gone so far as to accept a post in a Philippine revolutionary organisation, while Mr. Pratt had encouraged Aguinaldo to believe that the United States would aid the Filipinos in securing independence from Spain. That such was the object of Aguinaldo's efforts that leader freely announced, and there was no pretence on the part of our consuls that we had ulterior motives. Admiral Dewey did not scruple to seek the aid of Aguinaldo in his proposed attack on the Spanish, sending to Mr. Pratt at Singapore the now famous despatch, "Tell Aguinaldo to come soon as possible."¹ Although Aguinaldo did not arrive at Hong Kong in time to cross with Dewey himself, he was conveyed to Manila in a government vessel, and was there supplied by him with guns and ammunition, and was enabled to put himself at the head of the insurrection. In this way, while no direct pledge or recognition was given by Admiral Dewey to Aguinaldo, his plans and objects were tacitly recognised. Admiral Dewey himself succeeded in engaging and destroying the

¹S. Doc. No. 62, 55th Congress, 3d session, p. 342.

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Spanish fleet in Manila Bay on May 1st, 1898, thus accomplishing the work assigned him, but in the meantime the plans of our Government had considerably developed.

Prior to the Spanish War, President McKinley had entertained very vigorous anti-expansionist ideas. Speaking of an interview between himself and the President relative to the acquisition of Hawaii in 1898, Senator Hoar of Massachusetts says:

I never at any time during the discussion of the Philippine question, expressed a more emphatic disapproval of the acquisition of dependencies or oriental empire by military strength than he expressed on that occasion. I am justified in putting this on record, not only because I am confirmed by several gentlemen in public life who had interviews with him, but because he made in substance the same declarations in public.¹

Nor was this attitude adopted toward the island of Hawaii alone. It was accepted by Mr. McKinley with reference to the territory acquired in the Spanish War as well. "Forcible annexation," he pointedly said, "according to our American code of morals, would be criminal aggression." Yet no sooner had we come fully into possession in Manila Bay than a change of policy became evident. It was resolved to keep Admiral Dewey on guard at Manila, and to await developments. As early as the middle of June, Mr. Day, then acting as Secretary of State, wrote to Consuls Pratt and Wildman repudiating their support of Aguinaldo, and cautioning them concerning their expressions and attitude toward the revolution. Investigators were sent to the Philippines to inquire into the wealth and resources of the islands, and their retention was seriously discussed in Washington and elsewhere.²

¹"Autobiography of Seventy Years," Vol. II, p. 308.

²S. Doc. No. 62, 55th Congress, 3d session.

What had caused this change of attitude? It had apparently begun with President McKinley. Mr. Hoar, than whom there could be no more trustworthy witness, asserts that it was President McKinley's Western trip in the year 1898 which changed his mind by leading him to the conclusion that it was the will of the people that we should acquire the Philippines.

"The feeling," adds Mr. Hoar . . . "in favor of permanent dominion over the Philippine Islands was uttered by excited crowds, whom he [Mr. McKinley] addressed from the platform and the railroad cars as he passed through the country. But the sober conservative feeling which seldom finds utterance in such assemblies did not make itself heard."¹

The reasons for this change of front on the part of the administration can be readily indicated. There existed in the United States, as a residuum from the Spanish War, an exuberant feeling of jingoism, exemplified in the statement that "the flag must not be hauled down," etc. This feeling furnished the basis for the "expansion policy," but the more substantial motive force in that policy was afforded by the wish to enlarge our commercial prospects and to find new fields for our export trade. While it was apparently true that no definite interests stood ready to invest in Philippine enterprises, it was also the fact that our apparent prosperity and the seeming abundance of capital had produced a sentiment in favor of the control of outlying territories in which "markets" might be found. This reasoning, if it might be called such, was vague and unsubstantial, its authors never stopping to inquire what were the resources or probable buying power of the areas to be annexed, but assuming the possibility of development and economic growth on their part. The feeling

¹Autobiography, *ante cit.*

thus produced in favor of expansion carried the country well past the Treaty of Paris, and did not begin to wane until the time came for the ratification of that agreement. Even then, enough impetus remained to start the war with the natives of the Philippines, and carry us forward to a point whence retreat was for the time impossible.

While a distinct revulsion of popular feeling did ultimately come, it is hard to fix a definite date for the awakening of the country from the dream of profitable imperialism. The change of feeling, like all such reactions, was a matter of development, and did not take place instantaneously. With the recognition of the fact that earnest and assured resistance to our acquisition of the islands was being offered by the natives, and that a real feeling of antipathy to American rule existed among them, a large body of American citizens became aware that our action in the islands could never be harmonised with our past constitutional declarations, or with the alleged motives that led us to undertake the occupation of the Philippines.

It is now necessary to turn our attention to affairs in Manila. The precise nature of relations between the Washington Government and our military commanders in Manila and between the latter and the native leaders cannot, in my judgment, be fully determined with the historical information now available. Probably it can never be ascertained, until sufficient time has elapsed to permit the publication of all records now in possession of our War Department, and to make it safe for the actual participants in the struggle, both on our side and on that of the Filipinos, to tell the plain truth concerning their share in the events of the time.

Meanwhile, there are a few important points upon which the evidence now available seems conclusive. Our occupation of the city of Manila was from the outset dis-

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tinctly distasteful to the natives. They had aided in attack on the city, and they considered themselves entitled to hold it jointly with the Americans. On the 15th August, 1898, the day of the capture of Manila by the combined armies of the Americans and Filipinos, General Aguinaldo had wired to the governor of Cavite, in consultation with Señors Araneta and Buencamino, an offer to assert the right to enter Manila and to share in the occupation of the city, on the ground that his troops had borne a share in the siege.¹ Representations to this effect produced a reply from General Anderson that the city could not be occupied by the Filipinos, even in part, on account of the danger of conflicts between them and the Spaniards. General Merritt, then acting in conjunction with General Anderson, further declined to make any promises as to the future, owing to the absence of instructions from headquarters. All this was wired to Aguinaldo on the 14th,² who thereupon turned instructions to renew the demand for a joint occupation. On that very day, a peace protocol, signed at Washington between Spain and the United States, gave the United States control of "the city, bay, and harbor of Manila pending the conclusion of a treaty of peace which shall determine the control, disposition, and government of the Philippines." Aguinaldo's requests, being transmitted to Washington authorities, were promptly refused, and the Filipinos accordingly saw themselves compelled to retreat from the approaches of the city they had helped to capture. The best judgment of Filipino leaders saw no course but to acquiesce in this decision and the native troops were accordingly withdrawn.

This was the first occasion on which the issue between the hitherto allied forces was clearly stated. The ten-

¹Philippine Insurgent Records, No. I (Washington, 1903), p.

²*Ibid.*, p. 15.

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of the protocol, as well as the very action of the Americans in refusing to admit the joint occupation of the natives, conclusively showed that we did not regard our interests as identical with those of the Filipinos. It meant, if it meant anything, that either the restoration of the city to Spain or its retention for our own purposes was not only possible but probable. It implied that we had made use of native help merely in order to further our own interests, or to place ourselves in a stronger position.

Further, a serious danger of immediate difficulty arose from the ambiguous terms of the protocol, and the failure of our generals to define the terms used in an unmistakable manner. The protocol had spoken of the "city" of Manila, as if reference were made to the walled city only and not to the suburbs, yet the latter were included by our generals without precise definition of their extent. Thus was opened a possible source of serious friction which culminated in open hostilities. Aguinaldo had asked for a clear statement of the limits to be given to the city, but none was furnished until October 14th, after nearly two months haggling and bargaining.¹ Under threat of the application of force, the Philippine army was finally withdrawn outside the prescribed lines on October 25th. One point is here worthy of especial mention—the claims of General Otis as to the proper limits of the city and suburbs were never conceded by Aguinaldo and remained a source of bickering and contention during the remainder of the interval before the actual outbreak of hostilities.

In the meantime, friction between the Americans and Filipinos was daily growing more intense. A review of the correspondence between the Washington government

¹Correspondence relating to the war with Spain (letter of General Otis), Washington, 1902, Vol. II, pp. 845, 846.

and our commanders on the one side, and between Aguinaldo and his officers and representatives on the other, leaves no doubt that both sides clearly foresaw the coming on of war. General Otis was evidently fully advised of the possibility of our retaining the Philippines and many of his despatches recommended measures looking to that end. Aguinaldo, well aware of the situation, would possibly have begun the struggle. He hoped that the negotiations at Paris might so turn out as to improve his position; while, even if he could have foreseen the exact outcome, his lack of arms and ammunition would almost have compelled delay. But the certainty of future disagreement, and the possibility of armed conflict, made both sides suspicious and unyielding. Contemporaneously, the ill-feeling between our troops and the natives was increasing. Very early, a tendency toward community of feeling between the Spanish soldiers and our own men had been noted, while a sharp race or colour line had been drawn against the natives. The conditions which gave rise to this state of affairs have been vividly reviewed by Mr. Foreman in a recent discussion.¹

The American volunteer regiments marched into Manila in good order like regular troops, but as soon as the novelty of their strange environment had worn off they gave themselves up to all sorts of excesses, debauchery, and vice. Drinking bars were opened all over the city and suburbs. Drunken brawls, indiscriminate revolver firing, indecent assaults on women, kicks and cuffs to any Filipino, burglary in broad daylight, and thefts from shops and street vendors were of hourly occurrence. Towards evening intoxicated groups took possession of the highways, entered any Filipino's house, maltreated the inmates, stole what they liked and attempted to ravage the women. Especially in the suburban thoroughfares no native's life, liberty or honour was

¹"Americans in the Philippines," *Contemporary Review*, September, 1904, p. 393.

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safe. After the day's drinking was over, heaps of besotted humanity were seen lying helpless in doorways or in the gutters—a sad spectacle never before witnessed by any Filipino.

While the attitude of our representatives in Manila toward the Filipinos was at any rate harsh, and that of our soldiers abusive and overbearing, the policy of our Government toward Philippine interests was devoid of consideration or respect. For reasons already set forth, a desire to acquire the whole or some part of the islands had already taken firm root in the minds of some of our administrators. This fact appeared very clearly, when the negotiations for peace were opened. A Spanish-American Commission, charged with that duty, met in Paris October 1st, 1898. While there was nothing in the instructions to our commissioners binding them to secure the cession of the Philippines, it was apparently well understood that this end would be attained if possible. After the status of Cuba and Porto Rico had been determined, our representatives presented a demand for the cession of the Philippines upon the payment of \$20,000,000. At the end of a long debate, in which the Spanish commissioners vigorously resisted the demands of the United States, they were obliged to yield, and reluctantly accepted our basis of peace at a session on December 8th, 1898. The Treaty of Paris, embodying the final settlement, was signed December 10th.¹ Aguinaldo, however, had not been idle. Reluctant to embark on a hopeless war, he had sent Felipe Agoncillo to Washington in September, to urge the claims

¹For these negotiations see S. Doc. No. 62, 55th Congress, 3d session, p. 198 *et seq.* This document gives the text of the Treaty of Paris and of the various papers accompanying it. A description of the proceedings is also found in Foreman's "Philippine Islands," 2d ed., p. 625. See also papers relating to the Treaty with Spain, S. Doc. No. 148, 56th Congress, 2d session.

of the revolutionary government to consideration. This emissary had received no recognition from our administration, in pursuance of the plan of Mr. Day, and had consequently proceeded to Paris, where he had been refused a hearing by the Peace Commission, and had handed in a duplicate protest to the Spanish and American commissioners. In this document, Agoncillo contended against what he considered our breach of faith toward the insurgents and set forth their claims to consideration.

The Treaty of Paris, signed on December 10th, had still to be ratified, and for this purpose a period of six months had been granted. But, without waiting for action on the part of the Senate, President McKinley, on December 21st, announced to the Secretary of War (for transmission to General Otis) that :

The destruction of the Spanish fleet in the harbour of Manila by the United States naval squadron commanded by Rear-Admiral Dewey, followed by the reduction of the city and the surrender of the Spanish forces, practically effected the conquest of the Philippine Islands and the suspension of Spanish sovereignty therein.

With the signature of the treaty of peace between the United States and Spain, by their respective plenipotentiaries, at Paris, on the 10th instant, and as the result of the victories of American arms, the future control, disposition, and government of the Philippine Islands are ceded to the United States . . . the military government heretofore maintained by the United States in the city, harbour, and bay of Manila is to be extended with all possible despatch to the whole of the ceded territory.¹

Thus was given a new interpretation to the purpose of the battle of Manila and the object of the United States in the occupation of Manila and its environs. The sov-

¹Correspondence relating to the war with Spain, Washington, 1902, Vol. II, pp. 858, 859.

ereignty of the United States was explicitly substituted for that of Spain, and without apology, though we had all along given assurance that the exercise of such authority was regarded as abhorrent to our institutions and our genius, that we, in short, regarded it as "criminal aggression."

The statements just quoted form part of a lengthy document which was communicated to General Otis by cable on December 27th. So strained was the situation then existing at Manila, that more than a week elapsed before any announcement of the President's attitude was made. On January 4th, 1899, General Otis, instead of publishing the President's communication, issued what he called a "conservative proclamation."¹ In this emasculated form—nothing being distinctly said of a change of sovereignty—the announcement produced no actual outbreak, though Aguinaldo at once issued a proclamation declaring the independence of the archipelago. This was on January 5th.²

Mr. Foreman maintains, in his latest contribution to the Philippine discussion, that the news of the Treaty of Paris 'fell like a thunderbolt on the Filipinos;'³ but this seems, to say the least, an overstatement. As already seen, Aguinaldo had had representatives in Paris and Washington who had kept him informed of the progress of events. The treaty had certainly been heavily discounted in advance by the revolutionary leaders. It was now their policy to work for the rejection of the agreement by our Senate. But events moved faster than had been anticipated. A considerable party of selfish *mestizos*, who wished only to be on the winning side, promptly aban-

¹Otis's despatch of June 8th; Correspondence *ante cit.*, p. 872.

²*Ibid.*, pp. 911, 912.

³Americans in the Philippines, *ante cit.*



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done the revolutionary government and attached themselves to the Americans. Dissensions naturally ensued and discontent among the rank and file of the natives made its appearance.¹ On the night of February 4th, a Filipino, said to have been 150 yards within the American lines, refused to halt upon being challenged, and was fired on by a picket.² This action resulted in a sharp exchange of shots between the opposing lines during the night. The next morning "at daybreak," according to General Otis's despatch of February 5th,³ our forces

"advanced against insurgents, and [drove] them beyond the lines they formerly occupied, capturing several villages and their defence works. Insurgent loss in dead and wounded large."

This engagement lasted all day, and, as General Otis later testified in his official report, "was strictly defensive on the part of the insurgents." Within the next day or two, our pursuit of the Filipinos had driven them six miles northward, where they made a stand. During these days the loss was tremendous, General Otis estimating it at 3,500 in killed and wounded and 500 prisoners.⁴ Aguinaldo had not desired the opening of hostilities, and as soon as possible put himself in communication with General Otis. What happened can best be stated in that officer's own words. In a despatch received in Washington February 8th, at 1.58 A.M., he said :⁵

"Night of 4th. Aguinaldo issued a proclamation charging Americans with initiative and declared war. Sunday issued

¹An excellent collection of documentary evidence on both sides of the question above discussed (presented with little or no comment) is found in Pamphlet No. VII, 1st Series, published by the Philippine Information Society, 1901 (Boston).

²Official Gazette (Manila), No. 1, p. 10.

³Correspondence *ante cit.*, p. 894.

⁴*Ibid.*, p. 896.

⁵*Ibid.*, p. 898.

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another, calling all to resist *foreign invasion*. . . . Now applies for cessation of hostilities and conference. *Have declined to answer.*"

General Otis, in fact, not only declined to consider peace, but he continued his aggressive movement. The war had begun.

Much debate has raged about the question whether firing was begun by our troops or by the natives—a point of no importance. Slight skirmishes or combats had occurred before, with no general results. The significant question in the matter relates to the attitude of the American and Philippine commanders respectively. Mr. Alleyne Ireland, a careful writer, accepts the strict official view of the situation, asserting that "the war was commenced by the Filipinos, but only after the American soldiers had submitted with a self-restraint that cannot be too highly praised to every indignity and insult which could be expected to provoke an attack on their part."¹

This, however, neglects General Otis's despatches of February 5th and 7th, in one of which he wrote: "Positive, insurgent attack not ordered by insurgent government."² The evident fact is that an unauthorised skirmish (whether brought on by our men or by Filipinos is of no consequence) was accepted by our authorities and was enlarged into a general engagement. The Treaty of Paris was ratified by our Senate February 6th, 1899, the first news of the engagement sent by General Otis being received February 5th, at 10.52 P. M.

It is certain that even in view of the Treaty of Paris and the President's proclamation the opening of vigorous

¹*Atlantic Monthly*, November, 1904, p. 580.

²Correspondence *ante cit.*, pp. 894-896.

warfare in the Philippines might have been avoided. Conservative Filipinos in Aguinaldo's entourage were bitterly opposed to war, for they recognized the certainty of failure. On the other hand, our officers and men, inexperienced in tropical campaigning, were inclined to neglect the seriousness of the situation and to consider the prospective war as merely a source of pleasurable practice and training for our troops. This tone is noticeable in General Otis's early despatches concerning the outbreak of hostilities, for he speaks of the troops as "enthusiastic," "in excellent spirits," etc. Nowhere is there a conception of the real problems involved. Moderate negotiations, as now conceded by all, would have rendered possible a *modus vivendi*. Experienced colonial administrators like Sir Andrew Clarke pointed the way to a peaceful settlement of the difficulty, through the establishment of a protectorate with native rulers advised by able and upright Americans¹ but such counsels were brushed aside. War was wanted; "war enough," in the later words of President Roosevelt, at Sea Girt, N. J., "to go around."

From the very outset, the war was relentlessly and ruthlessly pursued by our soldiery and the officers in command of them. Few prisoners were taken, the proportion of captured and wounded to those killed being itself conclusive evidence that quarter was seldom given. At the battle of Caloocan (February 10th) the order to take no prisoners was definitely given, as is established by credible witnesses, and the practice of refusing quarter became general. The Filipinos killed during the most active period of the war were later officially stated at 14,627 while wounded were 3,297—a striking reversal of the proportions of killed and wounded in all other known

¹See letter of Sir Andrew Clarke to F. B. Forbes, Esq., in Senate Doc. No. 62, 55th Congress, 3d session, p. 628 ff.

wars of modern times. Moreover, the use of torture for the ascertainment of information as to the enemy's position, location of concealed arms, etc., soon became a recognised method. The information on all these points first reached the people of the United States through soldiers' letters, and was then denied by general officers, but later fully confirmed by official investigations. It was early seen that these and other facts, if made known to the people of the United States, would lead to a revulsion of public opinion, and the military consequently made every effort to keep them from public knowledge. A strict censorship was established. Something had, however, become known, and the public was already feeling a growing irritation at the lack of trustworthy information when, about the middle of the year 1899, a group of correspondents stationed in Manila became deeply dissatisfied with the conditions which surrounded the sending out of news, and telegraphed their newspapers complaining of the censorship established by General Otis, and of the fact that Otis had misled people at home by omitting or altering statements of important facts relating to conditions in the islands. The charges thus made were nominally denied by General Otis, though nothing immediate resulted from them. An ultimate effect was to alarm the public mind still further, and to deepen the disgust already beginning to make itself felt with reference to the policy of forcible annexation and conquest. This reaction in feeling was of double importance in view of the approach of the Presidential campaign of 1900. It was sought to allay public disquiet and to introduce a new element into the discussion by giving great prominence to the work of what has since become known as the "Schurman Philippine Commission." This body, consisting of four members headed by President Schurman of Cornell University,

was appointed by President McKinley, in January, 1899 to go to the Philippines "in order to facilitate the most humane, pacific, and effective extension of authority throughout these islands," and to "study attentively the existing social and political state of the various populations. . . ." In a preliminary report to the President dated November 2d, 1899, this Commission took a new view of the situation. It spoke of the wealth of the islands and advanced the theory that our temporary occupation had practically committed us to a permanent or at least indefinite tenure as a trust for civilisation. Moreover, it was urged, if we did not take them, some other nation would.

"Should our power by any fatality be withdrawn," wrote the Commission, "the government of the Philippines would speedily lapse into anarchy, which would excuse, if it did not necessitate, the intervention of other powers and the eventual division of the islands among them. . . . The welfare of the Filipinos coincides with the dictates of national honour in forbidding our abandonment of the archipelago."¹

Thus was put forward in distinct form probably for the first time (so far as concerned the Philippines) the "trust for civilisation" theory, immortalised in Secretary Gage's phrase, "Philanthropy and five per cent. go hand in hand." The new point of view thus exploited by the Schurman Philippine Commission was shortly seen to be of great usefulness, and speedily became popular with speakers and writers on the Philippine question. The erroneous and too hopeful view taken by the Commission concerning a termination of hostilities was confirmed in the minds of the administration by the reports transmitted by the military, who announced that the insurrection was

¹Report of Schurman Commission, Vol. I, p. 183.

almost extinct. Those in power in Washington manifestly felt an increasing degree of regret at our action in the islands and of shame at our conduct in the prosecution of the war. As the extreme barbarity of the military methods employed became more and more evident, it was felt that milder plans must be put into effect. The outcome of these forces was a resolution on the part of the President to appoint the members of a rudimentary civil government for the islands. On the 7th of April, 1900, he transmitted to Secretary Root complete instructions for the guidance of this Commission, which he had already appointed, with William H. Taft of Cincinnati at its head. The work of the Commission and its mode of organisation will be discussed at a later point. It is sufficient to indicate here that the Commission was to be vested with that part of the power inhering in the military governor which could be considered of a legislative character, dating from the 1st of September, 1900.

Upon arriving in the Philippines, the Commission found itself confronted with considerable difficulties. It was evident at the outset that the islands were in no condition even for the partial establishment of civil rule. This fact, and the natural jealousy growing out of the competitive positions in which the civil government and the military found themselves placed, gave rise to much friction, which further increased the troubles of the Commission. On the one hand, that body felt itself compelled to justify the retention of the Philippines by pointing to the supposed dangers of anarchy and disaster which would ensue were the strong hand of foreign control to be removed. On the other hand, its dislike of the military inclined it to urge that peaceful conditions were practically established and that military aid was no longer needed. The logical difficulty speedily made itself evident in the



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reports sent home by the Commission. In a sort of preliminary report, made public September 20th, 1900, the Commission said:

Hostility against Americans was originally aroused by absolute falsehoods of unscrupulous leaders. . . . Policy of leniency culminating in amnesty had marked effect . . . until definition of political issues in United States, reported here in full, gave hope to insurgent officers. . . . Existing insurrection organizations now maintained with greatest difficulty.¹

Thus was outlined the view that no real fundamental resistance existed in the islands. The Commission, in a despatch to Mr. Root (January 2d, 1901), further explained their attitude toward the army:

Strong peace party organized, with defined purpose of securing civil government, . . . and relief for inevitable but annoying restraints of military rule. . . . Time near at hand, . . . when disturbances . . . can better be suppressed by national police. . . .²

Wholly inconsistent with these views was the suggestion that "change of policy . . . will blight . . . future prospects of enormous improvement drive out capital, man, life and property . . . most insecure," and that what was needed was a "*civil government with army as auxiliary force.*"

The attitude of the Commission toward the Philippine problem, apart from any inconsistencies therein, was the thing of greatest import, and this had now been fully outlined in little more than six months succeeding the arrival. As this attitude has since been the controlling

¹Quoted, International Year Book, 1900, p. 724.

²Message from the President, transmitting report, etc., 1900, p. 5.

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factor in the Philippine problem, it should be carefully noted. It may be stated as follows:

1. Resistance to American rule is slight, and the insurrection is practically over.
2. Hence military rule should be terminated, and civil government substituted.
3. The natives are incompetent to govern themselves, hence self-government is impossible.
4. Native police and American forces must be maintained as an aid to the Commission in enforcing its "civil" authority.
5. The islands should be opened to commercial development by American capital.

Two things of much importance were noticeable in this attitude: 1. The doctrine of the trust for civilisation in the Philippines was now deposed from the prominent place it had occupied in the Schurman report, and the notion of commercial exploitation was again pushed forward. 2. A marked development had taken place in the attitude of the Commission itself between the middle of 1900 and the opening of 1901. Both of these facts must be explained by reference to conditions in the United States. The Presidential campaign of 1900 had turned in part on the issue of imperialism, Mr. Bryan being nominated by the Democratic party on a platform which explicitly declared against imperialism and particularly deprecated a colonial policy dictated by commercial considerations.

In the course of the campaign much argument was made by critics to turn on the commercial motives of the administration in holding the Philippines, and on the preparations for exploitation. This naturally coloured the utterances of Republican speakers and led them to fall back upon their rôle as philanthropists and missionaries of civilisation. The outcome of the election, resulting as it did in a complete Republican victory, gave greater assurance to those who adopted the commercial view of the

Philippine policy, and led to a fresh revulsion of feeling in favour of that view. The truth was that American citizens had already begun to weary of the Philippine question, and that they no longer were willing to devote earnest thought to it. Meanwhile, the war had been slowly dragging toward a new phase. In a great number of "engagements" during 1899, the native forces were met and routed at every point. Resistance of the kind previously offered was evidently useless. At a military council held at Bayambang about November 12th, 1899, it was resolved by the Filipino leaders to change the form of operations and resort to warfare in small detachments. The plan behind the dissolution of the field army was not understood by our commanders until long afterward, as it was supposed that the insurrection was now practically over. This was the impression received by the Taft Philippine Commission upon its arrival in the islands, and led to the declaration of a general amnesty on June 5th promulgated on June 21st, 1900. Owing to a period of inactivity, during which the Filipino forces were being reorganised for the new conflict, little was done in the way of field operations during the first few months of 1900, but later in that year fighting recommenced. The amnesty expired September 21st, without having had perceptible results, and the American army authorities found themselves facing a new and more troublesome phase of the war. New methods of campaigning were mapped out. A penal colony was established in the island of Guahan and to it were deported during the year 1901 a considerable number of Filipino leaders. On December 20th, 1901 a proclamation from headquarters indicated penalties to be expected by those who should assist the forces in the

¹General MacArthur's report to the adjutant-general, Manila, 1901, Vol. I, p. 2.

field either directly or indirectly. Instructions to the different station commanders ordered them to regard all prominent families who had not committed themselves to the American cause as suspects—probable supporters of insurgents in the field.

Further than this, "very drastic military methods"¹ were adopted. Crops, houses, and villages were destroyed or burned for the purpose of depriving insurgents of means of support, and reconcentration was finally resorted to. General J. F. Bell estimated in 1902 that one-sixth of the natives in Luzon died as the direct or indirect result of the operations, a figure which would mean a total death-roll of at least 600,000 persons. Notable among these independent local campaigns were those of General J. F. Smith in Samar, signalled by the notorious "kill and burn" orders which led ultimately to the retirement of that commander; of General Bell in Batangas, Laguna, and Tayabas; and of General Hughes in Bohol and Cebu. In many parts of the islands resistance of a very active character continued until the year 1902 was far advanced. On July 4th of that year, President Roosevelt, who had assumed the executive authority on the death of President McKinley, issued a proclamation declaring the war at an end and releasing political prisoners. The proclamation marked the conclusion of the second phase of the war and the opening of the third. This last phase has continued to the present time, and is still in progress. It has been characterised by the maintenance of more or less feeble and fugitive organisations in the field.

For some time after we had definitely decided to assume the control of the Philippines public opinion remained formless, except for a certain responsiveness to sentimental appeals about the "flag." This was partly due to

¹MacArthur's report, 1901, *ante cit.*, p. 23.

the absence of trustworthy information and a failure to comprehend the real situation. But during the four years intervening between the re-election of Mr. McKinley and the campaign of 1904 the real outlines of the Philippine question have been drawn. Yet public opinion has been almost completely quiescent. Except for the "anti-imperialist" agitation, which has chiefly concerned itself with special phases of our occupation of the islands, there has been but slender criticism of the administration policy. The Commission, subject to the action of Congress, has been given a free hand to work out its plans for the Philippine Islands without obstruction. At the same time, intelligent opinion at home has been able to develop among those interested in public affairs, and to consider the question in sober earnest. This development of opinion has modified the original criticism of the administration policy on some points, and has strengthened it on others. What some of the sober minds of the country now believe to be for our own best interests and for those of the Filipinos was clearly expressed by a body of independent thinkers of all classes, who a year or more ago practically combined in the recommendation that the United States should agree to do for the Philippines what it did for Cuba and to do it at the earliest possible moment. It has been seen that the action already taken in the Philippines has committed us to a further stay of some duration. No one, probably, would recommend that we should "solve the Philippine problem by simply sailing away," as some apologists for the present policy like to phrase it. What has been thought best is found in the petition presented to the national Presidential conventions in the summer of 1904, which contained the following words:

We ask that the inhabitants of the Philippine Islands be granted their national independence as soon as, with the countenance

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aid, and under the protection of this Republic, they can install a free government of their own.

This request, though signed by many men of the greatest weight in the community, was rejected by the Republican National Convention, but was accepted by the Democratic and found a place in the platform which it formulated, as well as a position of prominence as an issue in the Presidential campaign of 1904. While the Democratic candidate in that campaign was overwhelmingly defeated, there is little to indicate that the Philippine issue either won or lost him many votes. It has remained, as it has always been, a thing apart from American life. In the annual message to Congress in December, 1904, President Roosevelt, contrary to the action of his party at their convention, accepted the notion of ultimate home rule for the Philippines, but rejected the idea of a pledge to that effect as purely academic. He followed the lead of Secretary Taft in regarding independence as so far in the future that it can be neglected. He thus stigmatised the issue raised by the independent and public-spirited citizens in the petition already described as of no consequence.

The issue, however, is untouched by the fact that some time will be required to work out the policy recommended. It is fundamentally this: Shall we enter upon a plan of conscious colonialism, lasting for an indefinite period, or shall we set before ourselves the object of so shaping matters as to reduce the extent of our authority over the islands as far and as soon as circumstances will warrant, assuring the inhabitants, meanwhile, of our good faith by giving a specific pledge as to our intentions for the future?

If it shall be determined that the islands are to be held indefinitely by the United States without pledge to their inhabitants, and without formal understanding with our-

selves as to our ultimate intentions, the Philippine problem is still one of great difficulty. Is our theory in retaining them that of a "trust for civilisation"? If so, what must be the practical policy to be pursued in the islands?

It is evident that the theory of the trust for civilisation is one that requires very exact definition. Probably the first question that would be forced upon an administrator who should seek to apply it in practice would be, "How far is this ideal consistent with measures probably resulting in profit to the citizens of the dominant country? Such an administrator would almost necessarily find himself compelled to ask whether plans whereby large profits would accrue to citizens of the home country could be reconciled to the ultimate well-being of the native population intrusted to his care. He would have to decide in his own mind whether schemes which implied the saddling of the country with debt for permanent improvements of questionable value to the natives would harmonise with his theory; whether economic institutions resulting almost inevitably in greater stress of competition, and greater severity of pressure upon the commercially weak natives would not conflict with his nominal idealism; and whether schemes for development whereby the natural wealth of the country should be mortgaged for the future through leases or sales or grants made with a design of securing immediate exploitation could be warranted.

Mr. Hobson, than whom no clearer or more logical opponent of what is called imperialism can be found, pointedly states the abstract principles upon which alone the present relations between the so-called lower and higher races can be continued. He fully admits that "to lay down as an absolute law that the autonomy of every nation is inviolable does not carry us very far. . . . It is difficult for the strongest advocate of national rights

to assert that the people in actual occupation or political control over a given area of the earth are entitled to do what they will with their own, entirely disregarding the direct and indirect consequences of their action upon the rest of the world."¹

In spite, however, of this full admission of all that can fairly and honestly be urged by imperialists, Mr. Hobson lays down distinct principles for the guidance of those nations which find themselves in charge of the welfare of others.

"Interference with the government of a lower race," says he, "must be directed primarily to secure the safety and progress of the civilisation of the world, and not the special interest of the interfering nation. Such interference must be attended by an improvement and elevation of the character of the people who are brought under this control. Lastly, the determination of the two preceding conditions must not be left to the arbitrary will or judgment of the interfering nation, but must proceed from some organised representation of civilised humanity."

In the absence of some such tribunal as here pointed out, thinks Mr. Hobson, "the claim of a trust is nothing else than an impudent act of self-assertion." With but a few conspicuous exceptions, the imperialist nations of the present day have set about the fulfilment of such a trust by grafting upon the lower races under their charge their own political institutions, religion, law and economic methods, arranging all in such a way as to compel these lower races to contribute to the prosperity of their masters, either through the necessity of working for them or through the shaping of commercial relations in such wise as to benefit the stronger nation.

The question how far we have lived up to Mr. Hobson's

¹Imperialism, p. 237.

suggestions in our government of the Philippines is substantially the same as the question how far we have really endeavoured to fulfil the notion of a "trust for civilisation," and it is on this basis that we must determine the extent to which our imperialism is to be identical in purpose with the imperialism of other countries, or, as we like to think, is to be guided by better motives.

The time has come when it is necessary to test every step taken by our government with reference to the Philippines in order to assure ourselves that its results will not be out of harmony with the Philippine policy nominally adopted by us. In default of such care, and in view of the general ignorance of problems of tropical colonisation which prevails among our legislators and people, there is every danger that, without our being aware of it as a nation, conditions will arise in the Philippines which will commit us to a policy wholly distasteful to our better sense. We have already had time to see how the fact that anything whatever has been done promptly gives rise to a demand for continuance, in order that the given policy may have time to work itself out, and in order that our people may not seem to retire from duties to which they have once addressed themselves. Unless great caution is exercised, therefore, there is every reason to fear that our dealings with the Philippine question will only result in entangling us more and more completely with the islands. This may result in consequences permanently injurious, not merely to the Philippines, but to the United States.




CHAPTER II

THE BEGINNING OF "CIVIL GOVERNMENT"

PRESIDENT MCKINLEY'S desire to establish in the Philippine Islands a system of civil rule at the earliest possible date has already been referred to. In the first place, it was considered discreditable to the administration that it had so long maintained military rule in the Philippine Islands. It was further believed that the severities inflicted by the military would be mitigated if even a portion of the authority of government were to be transferred to a civil authority, which could act as a check on the army. These facts, and a natural desire to go before the country in the campaign of 1900 as having taken distinct steps toward terminating the period of war and securing the re-establishment of civil order, led President McKinley, in March, 1900, to appoint a commission consisting of William H. Taft of Ohio, President; D. C. Worcester of Michigan, Luke E. Wright of Tennessee, Henry C. Ide of Vermont and Bernard Moses of California,¹ ordering it to proceed to the Philippines to "continue and perfect the work of organising and establishing civil government already commenced by the military

¹When the Commission had been in the Philippines about a year, and had had time to familiarise itself with insular conditions, it was decided to increase its size by the addition of native members. An order which took effect September 1st, 1901, but whose purport had been made public on the 4th of July preceding, appointed Señors T. H. Pardo de Tavera, Benito Legarda, and José Luzuriaga (the first two being residents of Manila and the last a resident of the island of Negros) as members of the Com-



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authorities, subject in all respects to any laws which Congress may hereafter enact."

There has been much speculation as to the reasons for the appointment of a commission, or body of men, to perform this duty. It has been pointed out with much force that no real precedent for it existed. In Cuba, we had attained seemingly good results by the efforts of a single man acting as governor. No such body had been recommended by any competent investigator. It seems hard, therefore, to account for this action on the part of the authorities. A reason for it is probably to be found in the fact that President McKinley had shown much fondness for the practice of referring matters to commissions for investigation, and that he failed to appreciate the reasons why an efficient machine for investigation and arbitration of public questions may be inefficient as a mechanism for administering and legislating on problems arising from day to day. The commission already sent to the islands for the purpose of investigating and reporting on conditions there furnished a model upon which to pattern the new organisation, which was to go to the Philippines for purposes of government.

There was, further, a manifest feeling that there might be friction with the army authorities, and that continual difficulty might be encountered in taking the control of affairs out of their hands. It was therefore desired to bring to this task the supposedly greater weight which would be derived from the sending of several men to act in a legislative capacity rather than a single individual, whose powers would apparently not be materially different

mission (Second Report U. S. P. C., 1901, p. 16). The new appointees were mestizos, two of whom had been identified with Aguinaldo, but had deserted his cause upon the outbreak of hostilities with the Americans.



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from those of the military governor whom he would supersede.

As an agency of government, a "commission" was, of course, unknown to our constitutional or legal system. Nor are its powers anywhere precisely and carefully defined in the order establishing it. These circumstances make it worth while to note the basis upon which its authority rests and the extent to which practice or legislation has succeeded in modifying the scope of that authority.


As already noted, the Philippine Commission was originally created under the executive order of April 7th, 1900, as extended by that of June 21st, 1901.¹ The first of these orders provided that :

Beginning with the 1st day of September, 1900, the authority to exercise . . . that part of the power of government in the Philippine Islands which is of a legislative nature is to be transferred from the military governor of the islands to this Commission, to be thereafter exercised by them in the place and stead of the military governor, under such rules and regulations as you [Governor Taft] shall prescribe. . . .

The order of June 21st, 1901, continued :

On and after the 4th day of July, 1901, until it shall be otherwise ordered, the President of the Philippine Commission will exercise the executive authority in all civil affairs in the government of the Philippine Islands heretofore exercised in such affairs by the military governor of the Philippines. . . . Such executive authority will be exercised under, and in conformity to, the instructions to the Philippine commissioners, dated April 7th, 1900, and subject to the approval and control of the Secretary of War of the United States.

¹Text of orders given in Official Gazette, Vol. I, No. 1
(Manila, P. I.)



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Under these orders, the status created, therefore, was that the governor of the Philippines should be vested with the executive power formerly held by the military governor, while the Commission should be vested with the legislative power formerly exercised by that governor, but to be used "under such rules and regulations" as the civil governor might prescribe. Put in brief form, this statement merely amounted to saying that the civil governor should have the power formerly held by the military governor, except in so far as he might choose to be assisted by a body known as a "Commission"—irregular in its character and unknown in the history of representative government.

It had been supposed that this state of affairs was temporary, and would be modified as soon as Congress undertook to legislate for the Philippines. Congress, however, took no important action at the short session of 1900-1901,¹ and it was not until the new House of Representatives, elected in the autumn of 1900, took its seat that an effort was made to regulate conditions in the Philippines. In the meantime, all power had been transferred

¹It, however, passed the so-called "Spooner Amendment" to the army appropriation bill. This amendment provided that "all military, civil and judicial powers necessary to govern the Philippine Islands . . . shall, until otherwise provided by Congress, be vested in such person and persons, and shall be exercised in such manner as the President of the United States shall direct, for the establishment of civil government, and for maintaining and protecting the inhabitants of said islands in the free enjoyment of their liberty, property, and religion." The only qualification upon the power thus granted appeared in clauses limiting the power to grant franchises, and to sell and lease lands.

Of this amendment Senator Bacon (Congressional Record, 57th Congress, 1st session, Vol. XXXV, Part 6, p. 5670) later said:

"The Spooner bill, as originally introduced in Congress, was one which had no limitation upon the power of exploitation, and

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to the Commission by the executive order of June 21st, 1901, and that body had passed a large number of acts of legislation.

At the opening of Congress for the session of 1901-02, the two main branches of the Philippine question were presented to it for discussion—the relations between the islands and the United States and the actual conditions then existing in the islands. It was characteristic that of the two subjects the tariff question was first taken up and first pressed to a conclusion. Yet the broader question of government in the Philippine archipelago itself was not far behind. During the summer, the War Department had been at work upon a measure known as the "Philippine Civil Government Bill," which had been practically completed before the assembling of Congress. This measure was introduced simultaneously on January 7th, 1902, in the two houses of Congress, in the lower chamber as H. R. 7925, in the upper as S. 2295.

As originally drafted and presented by the War Department, this measure consisted of 111 sections. Sections 1-5 ratified the instructions of the President, as conveyed in the orders of April 7th, 1900, and June 21st, 1901, confirmed the acts already passed by the Commission, and

that bill was not only introduced in Congress, but it was pressed under whip and spur. Everything was subordinated to it. We were threatened with extra sessions, and everything else, if it were not passed, and when it was passed, and the provision was put upon it which limited the power of exploitation, it was immediately dropped as a useless piece of furniture, and there has never been any action taken under it. . . . We had from those in civil office in Manila cablegrams to the effect that it was extremely important that the Spooner bill should be passed as quickly as possible, . . . and when in the last moment this amendment was put upon it, all interest in it ceased, and there has never been anything done under it since that time."

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vested large powers of control for the future in the President, and, under his orders, the Commission. Sections 6-12 regulated the conditions under which certain lands might be disposed of, and provided for the disposition of public property inherited from the Spaniards. In sections 13-49, forestry regulations and an elaborate system of mining laws were laid down. The purchase of the "friar lands" was authorized in sections 50, 51 and 52. Certain appeals to the Supreme Court of the United States were provided for in section 53. Sections 54-61 regulated the issue of municipal bonds for public improvements. Sections 62 and 63 dealt with the granting of franchises. In sections 64-109, an elaborate system of money and banking was outlined. Section 110 placed the Bureau of Insular Affairs—an administrative mechanism created in the War Department to deal with insular conditions—on a permanent basis, and the final section was merely the usual paragraph repealing all inconsistent legislation.

It thus appears that the measure for the government of the Philippines of which so much had been heard could only in a Pickwickian sense be termed a "civil government bill." It said practically nothing whatever about government in any form, except in the few bare sections confirming the power of the Commission and providing for certain appeals to the Supreme Court of the United States.

The Civil Government Bill was passed in the Senate in somewhat the form in which it came from Mr. Root, but in the House considerable changes were early made in it. One of the first drafts of the measure contained two new sections, numbered 6 and 7, and made very considerable changes in the provisions relating to franchises and public lands. The new sections were of interest because they contained the first suggestion of provision for some



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measure of home rule in the islands. They provided for the ultimate creation of a Philippine legislative body, to consist of the Commission as an upper chamber, with an elective lower house, to consist of natives. These provisions again underwent considerable modification at the hands of the Committee on Insular Affairs, to which the measure was referred. Several different "committee prints" of the measure succeeded one another before it assumed a shape in which it could be reported. In the Senate, the bill was referred at once (January 7th) to the Committee on the Philippines, and was there parcelled out among a number of sub-committees.

It would be inappropriate to undertake at this point any complete analysis of the Philippine Civil Government Bill as such. It was not in any proper sense a bill, but a combination of bills, dealing often in an intricate way with complex and unrelated subjects. The discussion on these different phases of the measure, so far as any occurred in open session, may be referred to in reviewing the several subjects to which they relate. All that can be considered at this point is the general drift of the debate and its application to the broader questions of government in the archipelago.

The debate on the Civil Government Bill began in serious earnest in the Senate on the 18th of April, 1902, and continued with various interruptions until near the closing of the long session shortly after the opening of July. Of such interruptions, the longest occurred during the month of June, when the measure was under debate in the House. While this discussion in the lower chamber and the work later done in conference committee by representatives of both House and Senate resulted in grafting upon the measure several desirable provisions, and in eliminating or modifying several injurious features

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of the measure, the discussion in open session was unsatisfactory and brought out but little that was of interest. One would expect, however, to find in the lengthy and unrestrained debates in the upper chamber a sufficiency of serious discussion of the measure from the technical standpoint and a revelation of actual conditions, social, economic, and political, as then found in the Philippines. Contrary to this expectation, one can find technical or minute criticism or justification of the provisions of the bill at but few points during the whole course of the debate. This is due to two facts: the real state of affairs in the islands was then known to but few persons on the one side or on the other, and the two political parties were concerned far more deeply with the discussion of the Philippine policy as a whole and with the manufacture of political capital from it than with developing the finer points of legislative care for insular interests. Democratic members of the Philippine committee had aided in the elaboration of the technical sections of the measure on theoretical lines, and were as ready to accept these sections as any others. They knew that the measure would be forced through by a partisan vote, and they therefore, perhaps wisely, preferred to address themselves to a review and criticism of the Philippine policy as a whole. Republicans, on the other hand, had fully determined to accept the War Department programme and to pass the measure by brute strength. During the debate it often appeared that hardly a single member on the Republican side of the chamber was in his seat, and for discussion, therefore, there was usually substituted a succession of oratorical shots in the air, first by one side and then by the other. The debate further suffered in seriousness from the fact that discussion of the tariff bill had so recently closed, and that some of the more important

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matters relating to Philippine administration had then been reviewed.

Logically, the history of the Philippine Civil Government Bill in the Senate divides itself into two parts, an arraignment of the general policy of the administration in the Philippines and an attack upon the conduct of military affairs in the islands and the treatment accorded to the native inhabitants. In reply to the criticisms of general policy, the adherents of the administration had little to say; but the charges of cruelty and misrule in the islands preferred by the opposition called forth lengthy and emphatic rejoinders and attempts at justification.

The complaints of military cruelty and misrule were supported by detailed evidence of an official character, and were rebutted by Republicans chiefly on the grounds that the conditions referred to were sporadic or were temporary military expedients necessitated by the exigencies of warfare. They have already been referred to in general terms,¹ and need not be considered here, since they relate properly to the history of our Philippine military experience and enter only indirectly into the present problem of government under the act of 1902.

The indictment of the administration's civil policy was chiefly directed against the possibilities of exploitation said to have been opened by the measure, although it in part took the shape of criticisms of the extreme powers granted to the Commission and the absence of suitable checks upon the exercise of its authority. Thus, in his opening speech Senator Rawlins of Utah pointed out the possibilities of despotic control and the lack of restraints upon the Philippine Government, the dependent character of the judiciary established under it, and the possibilities of unwise or vicious use of the power to dispose of lands:

¹*Supra*, pp. 23, etc.



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"The Commission," said Mr. Rawlins, ". . . may declare war and make peace, . . . can raise armies and provide navies, . . . can regulate commerce, . . . lay taxes to the extent of the destruction of the subjects of taxation, . . . may pass *ex post facto* laws and bills of attainder, . . . may take the property of one man and give it to another, . . . can destroy freedom of speech and of the press, make the thought as well as the word, and the thought and word as well as the act, punishable capitally."¹

Much the same ideas were enlarged upon by later speakers, Senators Carmack, Culberson, Patterson and others devoting special attention to military phases of the Philippine situation, while Senators Bacon and Dubois and several of their associates dwelt upon the economic side of the problem. Senator Hoar of Massachusetts in a lengthy speech rebuked the whole Philippine policy of the administration, though he had relatively little to say of the details of the pending legislation.²

Republicans had not intended to make much reply to the attacks made from the Democratic side, but were finally forced into rejoinder. Senators Lodge, Spooner, Foraker and others in able discussions sought to vindicate the army and throw obloquy upon its critics. They defended the ideas at bottom of the pending measure, and laid special stress upon the excellence of its technical features. Senator Spooner especially complained of the general vagueness of the debate and its tendency to drift away from the points at issue. Senator Foraker drew special attention to the alleged impracticability and hypocrisy of the substitute bill offered by the Democrats.

¹Congressional Record, Vol. XXXV., Part 5, 57th Congress, 1st session, p. 4525.

²*Ibid.*, Part 6, p. 5788 *et seq.*



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The ideas of the latter measure had been presented by Mr. Rawlins as an amendment to the bill itself. They included the appointment of a governor and secretary for the islands, to be assisted by a legislative body consisting of thirteen natives designated annually by the President, the extension of the land laws of the United States so as to apply to the islands, and a system of appeals in important cases to the Supreme Court of the United States.¹ It is hardly necessary to say that none of these or other suggestions of the minority was accepted, and that the bill passed substantially as it came from the committee. In conference between the representatives of the upper and lower chambers, a few important changes were, however, made.²

As the Civil Government Bill finally emerged from conference committee and was signed by the President July 1st, 1902, it retained most of the provisions enumerated in the summary already given, except those which provided a currency and banking system, the latter being eliminated owing to the effort of the Senate to introduce provisions favourable to silver, which were antagonised by the House and its conferees. This reduced the number of sections to 87. Several matters not provided in the original draft were, however, introduced. In sec. 5, a bill of rights (omitting trial by jury and some others) was incorporated, as already indicated. Secs. 6 and 7 provided for taking a census of the Philippines, and ordered the calling of a native legislative assembly, to con-

¹*Ibid.*, Part 5, p. 4367.

²The main debate on this measure is to be found running through the Senate sections of the Congressional Record, 57th Congress, 1st session, Vol. XXXV, Parts 5 and 6. The most significant speeches have been referred to in the text. Limits of space prevent more extended quotation.



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sist of at least one member from each province, two years after the completion and publication of the census as provided for.¹

Prior to the passage of this Civil Government Act, it had been expected that the precise powers of the civil governor and the Commission would be enumerated and discriminated from one another in such a way as to give the Commission a distinct standing apart from the governor. The only clause relating to this matter is, however, found in sec. 1 of the act, which provided:

That the action of the President of the United States in creating the Philippine Commission, and authorising the said Commission to exercise the powers of government to the extent and in the manner and form and subject to the regulation and control set forth in the instructions of the President to the Philippine Commission, dated April 7th, 1900, and in creating the offices of governor and vice-governor of the Philippine Islands, and authorising said civil governor and vice-governor to exercise the powers of government to the extent and in the manner and form set forth in the executive order, dated June 21st, 1901, . . . is hereby approved, ratified, and confirmed. . . .

The temporary basis which had been given to the power of the Commission by the orders of April 7th, 1900, and June 21st, 1901, was thus made permanent, while the confusion or lack of classification already apparent in them was allowed to remain. Only in a very moderate degree, if at all, did the Civil Government Act alter the power of the Commission for the present. In sec. 5, as already noted, appeared an emasculated "bill of rights," and in sec. 9, which vested the power of appointing the

¹The complete act may be found in Vol. I of the Laws Passed by the Philippine Commission (Manila, 1903), pp. 1056 ff. The census was taken in 1903 and 1904, and its results announced in March, 1905.

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Insular Supreme Court in the President and Senate of the United States, some slight check on the power of the administration may have been created. Neither of these can be held to be of any importance, for the whole machinery of government being in the hands of the Commission, the bill of rights must rest solely upon the willingness of the Commission to have it regarded. As for the Supreme Court, the conditions surrounding its appointment would necessarily subject it in large measure to the will of the Commission, as will later appear, while the Commission's legislative power would enable that body, even in the event of resistance by the court, to shape matters according to its will.¹

Government in the Philippines is thus obliged to find its theoretical basis in the military régime and not in the Civil Government Act. It has been thought by some that in practice the members of the Commission prove co-equal with the governor, and that they act as a check on one another. To what extent this has been the case may be gathered from an account of how business is conducted by the Philippine Commission to-day, set forth with much unconscious humour in a letter written by one member of that body early in the autumn of 1904. This commissioner says :

The Commission . . . have . . . a sort of *esprit de corps* which carries them like a well-trained crew at high speed over a great many obstacles which would block them if there were any factional disputes or disagreements. *Everything is always passed unanimously*, . . . the civil governor declaring what the sense of the meeting has been, after a reasonable time has passed, and there is never any dispute with his findings, so it stands as the law of the islands. . . .

¹Congress, of course, expressly retained the power to annul the legislation of the Commission.

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From this extract, and much more to the same purpose, it appears that the Commission can hardly rank as a legislative body. The absence of voting or of serious differences of opinion means that the legislation of the Philippines proceeds from one source only—the governor. Acts are in practice drafted by all members of the Commission, but it seems to be the case that they are drafted at the request of the governor and embody his views. An amusing incident is narrated by the Rev. Homer C. Stuntz, an American missionary stationed at Manila, who went to Governor Taft for some legislation on an important topic concerning the holding of land by religious organisations.

"I laid the case before Governor Taft late one Friday afternoon, stating all material facts briefly, . . ." says Mr. Stuntz. "*After a few minutes' conversation, he called his stenographer, dictated a law . . . and asked that it be put into shape for presentation to the first legislative session of the Civil Commission. Before noon the next day it had been enacted.*"¹

It is not hard to see how the Commission has been forced to assume this attitude of subserviency. The instructions of April 7th, 1900, ordered that the "Commission shall meet and act as a board," but singularly enough provided that their power should "be exercised . . . under such rules and regulations as you [Governor Taft] shall prescribe." This would in any case have vested the civil governor with very large powers, but these have been materially enhanced by the lack of public opinion in Manila to which the Commission could look for support. This situation undoubtedly prevented any movement toward the holding of public sessions or the adoption of binding rules of legislative procedure. A legislative pro-

¹Stuntz, "The Philippines and the Far East;" Jennings and Pye, 1904, p. 349.

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cedure act¹ was adopted by the Commission shortly after it began work (September 26th, 1900). This act provided a method for the passage of bills. Each bill is to be presented in executive session and given a first reading. It is then to be "perfected in committee of the whole," and then reported to the Commission "in executive session on a subsequent day" and given a second reading. The bill is then to be published and public hearings appointed, at which outsiders may be heard. A third reading is then had and the measure passed or postponed, according to the will of the Commission. All of this elaborate mechanism is completely vitiated by the second section of the act:

The order of procedure herein provided shall not be obligatory whenever the Commission shall determine that the public good requires the more speedy enactment of a law.

It would appear that the provisions even of this loose act are disregarded when convenience dictates.² The public hearings when held are mere travesties upon discussion. At several attended by the writer during the summer of 1904 those who spoke were not even listened to with attention by the Commission. It is rare that public protest ever changes or leads to the withdrawal of a measure³ until a test in actual practice has demonstrated its unsuitability.

Added to these various considerations is the fact that the members of the original Commission were all men of

¹No. 6. See Report of War Department, 1901, Vol. 1, Part 10, p. 20.

²See the protest of the Filipino World's Fair commissioners in their letter of July 26th, 1904, addressed to Secretary Taft (published *Springfield Republican*).

³A conspicuous exception is found in the case of the bill for the regulation of opium smoking. See p. 252 *infra*.



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less ability and experience than the governor. In the hands of Mr. Taft, the authority of the executive daily increased and finally became absolute. What will be the course of development under his successor is yet to be determined. To-day, the powers of the civil governor are greater than those of any military potentate, since the latter is presumably restrained by the laws of war and administers justice through a court drawn from a body of officers whom he has had no hand in appointing. In studying the Philippine situation, therefore, it should be understood that the islands are not now under civil, but under military, rule. The only way of even finding out what is being done by the governor is through the requirement that he report regularly to the Secretary of War but in this also he is on the same basis as a military commander. A large military force is at his command, besides the constabulary, which no more resembles a police force than the civil government resembles the government of the United States. How far the so-called civil governor really diverges from American notions of what such a functionary should be may be seen from an examination of his power in the employment of these military forces. It is the present intention of the authorities to maintain in the islands about 10,000 to 15,000 white troops. In addition, the Philippine constabulary, from 5,000 to 7,000 men, and the Philippine scouts, 5,000 men have been provided for as permanent forces, so that all told there will be from 20,000 to 25,000 men under arms in the archipelago. The President's instructions in the executive order of April 7th, 1900, specified that "the military force shall be at all times subject . . . to the call of the civil authorities for the maintenance of law and order and the enforcement of their authority," a provision which, in the words of Major-General Davis, is "simplicity itself com-

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pared with those [formalities] that must be observed in the Union." General Davis, in fact, in his last report as commander in charge of the Division of the Philippines,¹ speaks of the civil government as "politico-military," claims that its character is identical with that of a British Crown colony, and urges that the mask be thrown off by expressly denominating the governor commander in chief of the military in the islands and by giving the general in immediate charge at the time a seat on the Commission.

It may conduce to clearness to enumerate the powers now actually in the hands of the civil governor. They are as follows :

1. All executive authority.
2. Leadership of the "legislative" body, and power to prescribe its rules and mode of operation, including the practical power to initiate all legislation.
3. Appointment of all officers of the government, outside the civil service, including judges of the courts of first instance.
4. Practical direction of military forces in their operations and distribution.

It has been inquired by some whether the law as now in force will provide for any substantial change in the existing régime as a result of the appointment of a native lower house of legislature. To answer this question fully would make it necessary to anticipate much of the discussion that is to follow. It is sufficient to call attention at this point to the following facts growing out of the Civil Government Act: (1) The governor and commission will constitute an effective block to bills passed by the lower house; (2) the appropriation bills of the preceding year are to continue, if no action on appropriations is taken

¹For 1903, Manila, p. 139.



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by the lower chamber at a given session ; and (3) all bills may originate with the Commission, while added to these should be the fact that (4) at the present rate the Commission will soon cover almost all possible subjects of legislation and leave little or nothing except appropriations to be dealt with by the assembly. It is fair to conclude that the native assembly will do little more than to afford a forum of discussion in Philippine problems.

Whether the Commission should be maintained in existence, and if so, what should be the modifications to be introduced into its power, is a question for discussion. As at present organised, it has done distinct work, fallen into unmistakable errors, and assumed a definite place in popular opinion.

Up to September 1st, 1904, four years from the date when they first began to legislate, the Philippine Commission had passed 1,225 acts of legislation.¹ Of these, a great proportion were of private or local application and need not be considered. A large number were appropriation bills, which deserve attention only in connection with the objects for which money was appropriated. But when all deductions have been made, there remains an immense mass of legislation on many different subjects. Up to July 1st, 1902—that is, in little less than one-half its life prior to September 1st, 1904—the Commission passed 424 acts. Since that date it has proceeded nearly twice as fast in the number of acts passed. It may have been felt that the passage of the Civil Government Bill with its provisions for a native assembly had made it expedient to complete the body of law under which the islands must live, and thus to minimise the amount of work to be intrusted even in part to a body of doubtful composition.

"The Commission," said a member of that body not

¹Official Gazette, September, 1904.




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long ago to the writer, "has been criticised by jurists for going too fast and for not taking more time to consider its legislation. Such critics neglect that there was certain work to be accomplished, and that we could not wait, but had to get it done."

Be the cause of the haste shown what it may, the fact remains that the legislation has been delivered, and that the Commission must stand or fall with it. Among the important measures passed, only the most significant can be enumerated. The Commission has done, among others, the following things of first-class importance: It has created a civil service (Act No. 5), established a system of education (No. 74), organised a system of municipal and provincial governments (Nos. 83 and 84), extended these acts in operation to various provinces, organised a judicial system (No. 136), incorporated the city of Manila (No. 183), created a constabulary system (No. 175), revised the code of civil procedure (No. 190), reconstructed the tariff system (No. 230), prepared libel legislation (No. 277), and sedition legislation (No. 292), regulated immigration (Nos. 317, etc.), provided against the danger of famine (No. 517), defined and provided for punishing brigandage (No. 518), defined vagrancy (No. 519), conferred various franchises (sundry acts), granted the right of eminent domain to certain holders of franchises (sundry acts), provided for the registration of land titles (No. 496), established a currency system and bonded the islands for its cost (No. 696), purchased the lands of the religious orders, instituted a system of internal revenue taxation, and created departments, bureaus, offices, boards, as they were deemed necessary.

Detailed study of these numerous and weighty measures would be impossible within the limits of a single chapter, and they must be postponed for further analysis in con-



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nection with some of the different topics treated. Y some general observations are desirable. From Septemb 12th, 1900, to August 29th, 1903, the Commission pass 862 acts of legislation. By the spring of 1904, wh the gross total of acts had risen to about 1,000, act count showed that a total of 403 acts of legislation speci cally altering other acts had been passed, included amo which were 118 acts repealing in whole or in part oth pieces of legislation. This is an unfavorable showir On the very face of things, it is clear that where 4 changes have been made by special legislation in a to number of acts amounting to 862, the legislative body c not know its own mind, or else conditions changed ve rapidly, almost from day to day. As a matter of fact, t unrestrained license to legislate has been used by the Co mission in exactly the same way that the same privile was misused by legislatures in the United States. many States we now have laws limiting the number days during which the State legislature can sit. T quantity of legislation that can thus be turned out narrowly limited. In the Philippines, the Commissi can sit continuously if it chooses, and the temptation legislate has not been resisted. In brief, an immer quantity of ill-considered legislation has been turned c by it, and much of this mass has had to be rescinded repealed.

This, of course, is not to deny that many of the Co mission's acts have been wise and well considered. is a general criticism upon the work of the Commissi as a legislative body. It is indeed the criticism of fa upon inexperienced efforts. One could hardly expect tl a small group of men, none of whom had ever before liv for a long period in the East, and none of whom had h practical experience in legislation, could be suddenly



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moved to an Oriental country and there sit down to legislate successfully on a vast range of subjects. Many errors, however, seem to have been due to unwillingness to hear remonstrances presented by those likely to be affected. For a long time the commissioners appear to have thought it derogatory to their dignity that they should concede anything in response to native remonstrance, while the local Americans were seldom of sufficient standing or influence to have much weight.

A second important feature of the Commission's work of which something should be said is the immensity of the field covered and the variety of detail into which the legislation has gone. Apparently there has been an unwillingness to commit even trifling details to bureau chiefs. The Commission not being an all-wise body, some mistakes were unavoidable. This apology, however, could not be offered for the readiness to shift legislative provisions to suit special personal needs as these arise. An instance in point is the act which entirely changed the requirements for judicial appointments in order to put a particular individual on the bench.¹ Other instances may be cited, but the important fact is that this disposition on the part of the Commission, coupled with the changes it has made in legislation, has seriously affected the attitude of the Philippine public toward it. The state of public feeling as now found in the islands may be summarized as follows:

(1) A general distrust of the Commission as a legislative body. This feeling is not confined to Americans and other foreigners, but extends to the natives.

(2) A widespread opinion that the Commission can be made to withdraw anything it has done if the right kind of pressure is applied. This belief leads to constant com-

¹Fuller discussion of this case may be found in Chap. v.



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plaint concerning every act of the government, even those which are manifestly legitimate, and constant agitation by both natives and foreigners for the repeal of objectionable legislation.

(3) A quite general disregard by public officers of the legislation enacted. The writer has frequently asked of such officers the question, "Is your action in harmony with Act No. so-and-so?" The reply, delivered usually in a pitying tone, is often about as follows: "That is nominally the law, but the Commission is likely to repeal it at any time, and it would cause a good deal of trouble to observe it. Conditions are so unsettled in the Philippines that we are not always able to act in accordance with the law." It is safe to say that while few countries have more minute legislation, few have so little observance of law as these islands.

This general view of work accomplished tells nothing concerning the economic and political conditions produced by the Commission's labours, a large subject which must be reserved for other chapters.

It is obvious that an absolute government such as exists to-day in the Philippines cannot lay claim to merit as the representative of popular will, and must rest for its justification (so far as any is possible) upon results. It must stand as a despotism, and those who believe in despotism anywhere applied can warrant such belief only on the ground that it is benevolent. This logical necessity has been frankly accepted by our representatives in the Philippines. They and those who support them rebut criticism by references to "the good we are doing." In conversation with missionaries and others in the islands, I have often heard men assert that they were not in sympathy with the idea of imperialistic control, and found themselves able to apologise for it only on the ground that



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we are doing good to the native inhabitants, and that this good outweighs any theoretic evil inherent in our governmental methods. This is also undoubtedly the view of many people in the United States.

Three questions at least must be answered in judging the work of our representatives in the Philippines. (1) What beneficial results have they attained? (2) What has the work cost? (3) Who has paid for it?

In Chaps. III-XV the results of the Commission's legislation will be reviewed. Chap. XVI will seek to answer the second and third questions just propounded. In a final chapter, some results of the discussion will be set forth.



CHAPTER III

THE PHILIPPINE CIVIL SERVICE

It had been understood from the outset that offices in the Philippines were to be filled without distinction of party. Very shortly after the Commission undertook the work of legislation, therefore (September 19th, 1900), there was drafted and passed "an act for the establishment and maintenance of an efficient and honest civil service in the Philippine Islands."¹

This act provided for the appointment of three persons to act as a civil service board, one being designated as chairman. The members were to receive salaries of \$3,000 each and necessary travelling expenses. They were to formulate rules for the guidance of the civil service system and to conduct examinations under these rules. The act was made applicable to most of the subordinate civil officers in the different bureaus of the government, except teachers and members of the judiciary. Even unskilled labourers were to be selected according to priority by non-competitive examination. "The law contemplates," wrote the Commission in its first report, "the holding of examinations both in the United States and in the Philippine Islands, and requires that the examination shall cover the Spanish and English languages where the applicant seeks a position in which a knowledge of the two languages is essential."² The service was made interchangeable with

¹Act No. 5, Report of War Department, 1901, Vol. I, Part 10, pp. 14-20.

²Report United States Philippine Commission, Washington, 1901, p. 22.

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that of the United States, but it was ordered that whenever possible the board should, other qualifications being equal, prefer (1) natives, and (2) discharged soldiers and sailors of the United States, in making appointments.

The new civil service board was duly appointed, and consisted of two Americans, Messrs. Frank M. Kiggins and W. L. Pepperman, and one Filipino, Chief Justice Arellano of the Insular Supreme Court consenting to accept membership pending the complete establishment of the system.¹ This membership naturally changed from time to time, unfortunately not in some respects for the better. Chief Justice Arellano resigned on June 29th, 1901, and was succeeded by Felipe Buencamino, a Filipino of questionable record. Mr. Kiggins was later succeeded (August 11th, 1901) by W. S. Washburn of New York; and Mr. Pepperman resigning about the middle of 1902, was followed by B. L. Falconer of Mississippi. Finally, Señor Buencamino gave place to José E. Alemany. Thus, within about three years of its foundation the civil service board changed every one of its incumbents, in some cases more than once.

This fact alone would have been sufficient to unsettle the policy of the board and injure its continuity. A fair judgment of the Philippine Civil Service Commission and the force it has helped to create can, however, be properly formed only by a general review of its work. In the following table, the number of persons examined and appointments made during the first three years of the board's work has been represented:

¹Report U. S. P. C., 1901, p. 22.

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EXAMINATIONS FOR COMPETITIVE APPOINTMENTS.

	EXAMINED		PASSED		APPOINTED	
	English	Spanish	English	Spanish	English	Spanish
¹ To July 2, 1901.....	550	821	314	383	126	157
² July 3, 1901—September 30, 1901.....	154	259	68	79	89	75
³ October 1, 1901—September 30, 1902....	1,267	2,072	794	916	558	515
⁴ October 1, 1902—September 30, 1903....	1,248	3,015	828	1,633	579	820
Total.....	3,199	6,167	2,004	3,011	1,352	1,567

It is thus seen that of a total of 3,199 English-speaking applicants examined from the creation of the board to September 30th, 1903, or about three years, 2,004, or nearly two-thirds, passed, and that of this number 1,352, or nearly three-fourths, received places. A smaller percentage of the 6,167 Spanish-speaking applicants examined was passed, yet nearly fifty per cent of them "got through," while more than one-half of this latter number were appointed. Of 5,015 "eligibles" all told, 2,919, or practically, in all, three-fifths, were appointed. These figures speak for themselves. They show (1) that the "competitive" features of the service were little more than nominal; and (2) that the examinations offered could not have furnished any adequate test of the fitness of candidates to do the work for which they offered themselves.

¹First Report U. S. Philippine Commission, Report of War Department, 1901, Vol. I, Part 9, p. 287.

²*Ibid.*, p. 301.

³Second Report U. S. Philippine Commission, Report of War Department, Vol. X, Part 1, pp. 54, etc.

⁴Third Report U. S. Philippine Commission, Report of War Department, Vol. I, pp. 460, etc.

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A glance at some of the examinations set fully bears out this opinion. The following extract from the papers set by the Commission is fairly representative, and does not give an elevated idea of the dignity of the force chosen through such tests :

Spell the words Philippines, qualify, principle, civilisation.

On April 7th a Manila merchant desires to obtain \$1,440. For how much must he give his note, due September 14th, without interest, to obtain the required sum when discounted at a bank at the rate of 9% per annum?

Name five American statesmen who died before 1850.

In what country is each of the following: Vera Cruz, Oporto, Madras, the Bosphorus, Lake Maracaybo.¹

Commenting upon these questions, Mr. Alleyne Ireland remarks :

The only other required subjects in which competitors are examined, except the language tests, are letter writing, penmanship, and copying from plain copy and from rough draft.

This compares unfavourably with the English civil service examinations. Mr. Ireland gives the following as "a few of the subjects which may be selected by competitors" for the English civil service places in India :

English language: a general acquaintance with the works of Chaucer, Langland, Spencer, Shakespeare, Milton, Dryden, Pope, Gray, Collins, Johnson, Goldsmith, Crabbe, Cowper, Campbell, Wordsworth, Scott, Byron, Keats, Shelley, Coleridge, Bacon, Sir Thomas Browne, Cowley, Bunyan, Swift, Defoe, Addison, Burke, and Macaulay.

Mathematics: Algebra, Euclid, Geometrical Conic Sections, Plane Trigonometry, Plane Analytical Geometry, Differential and Integral Calculus, Statics, Dynamics of a Particle, Hydrostatics, Geometrical Optics.

Political Science: Analytical Jurisprudence, Early Institutions,

¹Given in official Civil Service manual. Quoted by Ireland in *Outlook*, December 24th, 1904.

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Theory of Legislation, Comparative Politics, History of Political Theories.

Sanskrit Language and Literature: Translation from Sanskrit into English and from English into Sanskrit, History of Sanskrit, Literature, Sanskrit Grammar, Vedic Philology.

But neither an intelligent judgment of the meaning of this condition of affairs, nor any fair criticism of conditions now existing in the Philippine civil service, can be formed until it is known in what proportions the employees of the Commission are of American and Philippine extraction, respectively. This is a point upon which much current misconception exists in the United States. It is often maintained that Filipinos are now holding most of the civil positions, and that whatever defects exist in the service are attributable to them. On the other hand, this alleged preponderance of Filipinos in official positions is frequently referred to as evidence of the friendliness shown toward the natives by our government. An analysis of the names and salaries listed in the official roster will render possible a decision as to the soundness of these statements. Such an analysis has been prepared, and its results are presented as an appendix to the present volume.¹

It will be observed that the number of employees for 1904 has been given under the heads "Americans and other Foreigners" and "Filipinos and Chinese."² The object has been to indicate what proportion of government employees is drawn from outside the islands and what proportion consists of actual bona fide residents or inhabitants. In addition, there are presented results showing the gross total of salaries paid to Americans and natives in the respective bureaus and divisions during

¹Appendix I.

²The number of Chinese is insignificant.

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the year 1904. As given, the figures for number of men in each class employed would indicate that a very considerable share in "government" had been accorded to the Filipinos, there being 3,318 natives and 3,458 American employees. This illusion is quickly dispelled when attention is directed to the columns showing salary payments, from which it appears that even where many Filipinos hold places in a bureau or division, their combined salaries are invariably less than those of a much smaller number of American employees. Such conditions are due to two circumstances: first, the vast majority of Filipino civil servants are in strictly subordinate places—office boys, typewriters, third-class clerks, etc., and second, lower salaries are paid Filipinos than are received by Americans for work of the same grade. A few examples will make the nature of the conditions clear.

Probably there is no branch of the work of the government in which a better supply of qualified natives could be found than in the judicial department. Filipinos had more or less opportunity to study and practise law even under the Spanish régime, as shown by the fact that the chief justice of the islands is now a Filipino and that there are associated with him on the supreme bench two other natives, all admittedly competent men. Yet in the offices of the Supreme Court there are found a total of 29 employees, including the judges of the court themselves, of whom 9 are Americans receiving gross salaries of \$38,200 and 20 are Filipinos receiving gross salaries of \$26,840. In the Bureau of Customs and Immigration, we find 267 Americans receiving \$361,250 and 320 natives receiving \$104,150. In the Bureau of Public Health, there are 76 Americans receiving \$111,620 and 82 natives receiving \$38,270. In the Coast Guard and Transportation Service, 143 Americans receive \$161,300 and 116

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natives \$49,270. In the Bureau of Forestry, 40 Americans are paid \$53,060 and 144 natives \$52,590. The claim that Filipinos are being employed in increasing numbers as compared with Americans, and are thus displacing Americans, may be readily tested by a comparison of the statistics of the distribution of employments between natives and foreigners in former years with those already quoted above. Such a comparison for number of men employed and for salaries has been instituted in the following table,¹ from which it appears that in the years 1901, 1902 and 1903 the number of Americans employed was 2,044, 2,777 and 3,429, respectively, while the number of Filipinos employed at the same dates was 2,562, 2,691 and 3,326. In other words, there were employed 25 per cent. more natives than Americans and foreigners in 1901, while in 1902 there were some 3 per cent. less Filipinos than Americans, and in 1903 again 3 per cent. less Filipinos than Americans. Detailed results throw a strange light upon the claim of the administration that Filipinos are being gradually introduced into government offices in place of Americans. They show not only that the absolute number of American employees is greatly increasing, but that, in the highly-paid places, it is increasing relatively to that of the Filipinos.

The latter have increased steadily in numbers, but have held a decreasing proportion of the total number of places. The gross salaries paid them have increased, but fell off in 1902 as compared with the total salaries paid all em-

¹Data showing the number of natives employed in each department and bureau of the government as compared with the number of Americans are furnished by the Civil Service Board in the report for 1901 and again for 1902, but not for 1903. In the accompanying table, the data for 1901 and 1902 are taken from the published reports, while those for 1903 are drawn from the table given in Appendix I., prepared by the writer from official rosters.



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ployees, not even recovering their old rates in 1903. In view of these facts, little can be said of the claims of the Philippine administration, except that they are without basis, and little of the fears of American employees, except that they have no foundation.

The legal provision upon which the fears of Americans as to discrimination in favor of natives are presumably based is found in sec. 19 of the Civil Service Act passed September 19th, 1900.¹ That section reads as follows:

In the appointment of officers and employees under the provisions of this act, the appointing officer in his selection from the list of eligibles to be furnished him by the Board shall, where other qualifications are equal, prefer:

First: Natives of the Philippine Islands.

Second: All honourably discharged soldiers, sailors, and marines of the United States.

The clear and plain meaning of this provision would seem to be that where qualifications were equal a Filipino should have preference over every other eligible applicant for a given office. Were such a provision lived up to, and were the whole service of the government actually made subject to the provisions of the act, it would imply that the government of the islands would be turned over to the natives as soon as the latter could pass certain examinations. As has been said, the act has been very far from having this effect down to the present time, few natives being in high positions and a relatively small number in the great mass of well-paid responsible places in the service. This outcome of the act is due to several circumstances.

(1) Enough of the higher offices in the central government are exempted from the operation of civil service

¹Laws, Vol. I, pp. 2-9.

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rules to guarantee the retention of the principal authority in all departments permanently in American hands.¹

(2) The civil service of the islands having been made interchangeable with that of the United States, it would be possible, did the exigencies of the case demand it, to transfer clerks, etc., from the United States to places in the Philippines. Thus the necessity of giving civil service examinations open to natives can be readily avoided.

(3) For the present, no such expedient need be resorted to. The examinations being in English, it necessarily follows that the number of natives who can successfully compete must be, and for a long time remain, small, no matter how competent the applicants may be in the work to be assigned to them.

(4) In those classes of administrative appointments in which an adequate supply of qualified Filipinos can be relied upon, and which the government is willing to intrust to natives, the general grade of the salaries seems to be artificially lowered by an elaborate classification of clerkships and similar positions. When an American withdraws from one of these positions, the bureau chief under whom he has been working is often informed that the appropriations do not permit the appointment of another clerk of the same class, but that a clerk of a lower class can be sent. This clerk usually turns out to be a Filipino, and of course receives a much smaller salary than his predecessor, though assigned the same work. Indeed, the main reason why Filipinos are making any progress in getting into the service is that they work cheaper than Americans, and that the civil government is in a difficult

¹Secs. 5 and 20, Act No. 5, Laws, etc., Vol. I, p. 702; also sec. 5 of Act No. 589, Laws, Vol. II, pp. 206-208. These sections afford an interesting view of the growth of civil service exemptions.



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financial situation. The lower pay accorded to Filipinos is often apologised for on the ground that natives can live more cheaply than Americans, and that they do less work. The natives themselves object to this reasoning, rebutting it by the claim that the cost of their living is no affair of the government's, since it does not undertake to discriminate between Americans on the ground of their lower or higher cost of living. On the other hand, while denying the charge that they accomplish little or nothing, they say that if appointments are to be made by examination, they should get the salaries of the places for which they have been examined and not salaries based on the work they do.

The truth is that without any official recognition of the fact there exist practically two civil services, one for Americans, the other for natives. The facts do not show that the policy of preferring Filipinos has been carried far in practice, however extensive an application it may have reached in theory. The Filipinos now holding office under the government must in general be put in two classes: (1) a small clique of higher government officials appointed for the sake of conciliating native opinion and (2) a large body of office boys, lower clerks, etc., underpaid (as compared with Americans), and appointed because they do a kind and quantity of work for which American labor cannot be had.

To sum this matter up, it is not unfair to say that thus far the "share in government" accorded to Filipinos, so far as the insular administration is concerned, is merely a share, and a large one at that, in routine or semi-menial labor. As for the provincial and municipal governments, while the lower officers are now preponderatingly native, they have no real authority, the balance of power as well as the bulk of salaries being in the hands of Americans.

It hardly needs to be said that the civil service situation thus created is not one that is calculated to produce the best results. President Schurman's Commission, reporting upon the kind of government best adapted to Philippine needs, pointed out the smallness of the number of Americans that could profitably be employed. Recalling that in British India the work of the government "is performed by 1,000 British officers with the aid of natives, an average of one such European official to every 1,000 square miles of the country and to every 230,000 inhabitants," the Commission calculated that "only a small number of Americans are needed, as the organising and directing brain of the civil administration of the Philippines, but these should be men of the very highest qualifications."

This advice has been followed neither as to the number nor the qualifications of the men employed. Personal acquaintance has led the writer to think favourably of the good-will and courtesy of the subordinate officers of the government with few exceptions. It is unfortunate that the same judgment cannot be passed upon their ability as administrators. Granting that a government on the American model is to be established in the Philippines, we have not selected the kind or quality of men who are fit to carry it on. Two classes of individuals may be distinguished among our Philippine administrators, the first consisting of very young men (under thirty years of age for the most part), who have had no previous experience in administrative work of any kind; the second of men who have filled more or less obscure places in the administrative service at home. They have in few cases a thorough knowledge of Spanish and in still fewer a knowledge of any of the native dialects. The vast majority of them have never visited, much less lived in, the East



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prior to visiting the Philippines. They have their own society, their own clubs, their own dissipations. Their object seems to be to live as nearly in the American style as circumstances will permit. Worst of all, they have no sympathy, save officially, with the natives, and the latter have little respect or regard for them. We have failed thus far to secure the type of English administrative force which has done the best work in British colonies. We have men who are more or less familiar with the work of their own offices, which in many instances is merely the overseeing the work of other offices. They are naturally desirous to carry on their bureaus without friction and as successfully as possible, for this is one road to promotion, but that does not make them capable men. Only a small per cent. of the civil employees of the central government have travelled to any extent in the provinces. They are content to remain in Manila during the working season, and when a vacation is due, they go to Hong Kong or Japan to spend it. They are in every sense a foreign government, wholly aloof from the population in thought, feeling and experience.

Why have we not obtained better employees for the Philippine service? The Schurman Commission recommended that the men obtained for Philippine service should be the best, and that their salaries should be correspondingly high. While the salaries paid American officials have been much higher than would be given for corresponding work in the United States, they have not been high enough to get the class of men contemplated by the Schurman Commission. Twenty thousand dollars for a governor, and fifteen thousand for the heads of different departments are of course exorbitant sums as judged by comparison with American official salaries (which are usually considered low in comparison with

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those paid by foreign governments). They are perhaps not high in any individual instance as compared with the amount paid the governors of certain British Crown colonies, but it should be remembered that there are eight members of the Philippine Commission, and it is their combined salaries that must be considered in drawing such comparisons. The salaries are not considered high by the commissioners themselves, nor in general by Americans resident in Manila, who have suffered from the era of high prices consequent upon American occupation. Mr. Taft's story of his personal expenses before the Senate Investigating Committee in 1902¹ is generally regarded as a representative plea from the American standpoint; and if it be considered that a palatial style of living and entertainment is necessary for our representatives in the Philippines, doubtless the salaries paid the commissioners are not excessive. It remains true, however, that the natives themselves regard these payments as ridiculous in the extreme, and that they feel the burden entailed by them upon the tax-paying public of the islands to be oppressive.

It seems probable, however, that the salaries paid to the commissioners themselves would not be so seriously objected to if they stood alone as an example of high salary payments. The greatest difficulty is found in the fact that so many subordinates and obscure bureau chiefs are paid more highly than they have ever been elsewhere, ever can be again or ought to be at present. A glance over the roster shows a very large number of relatively high salaries paid to men in offices such that charges for entertaining and for supporting a public position cannot be claimed. It is true that the men themselves maintain that the amounts paid them are no more than absolutely

¹Hearings before the Committee on the Philippines, S. Doc. No. 331, Part 1, 57th Congress, 1st session, pp. 258, 259.




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necessary for their existence, but association with the officials themselves convinces the observer that the men are well satisfied with their places and would not return home under any circumstances, except on vacation. It is common matter of remark among them that their associates are "doing better now than they ever did before," a judgment which the writer has heard applied by some public officer to practically every other public officer with whom he has come into contact.

As a matter of fact, these bureau chiefs, clerks, etc., live in a style previously unfamiliar to them, so that it is not strange that little is left for a savings or investment account. The epidemic of extravagance among public officials, which has been raging ever since the organization of the civil government, not to speak of the disorder and riot of the previous military occupation, is in part due to the fact that many men, introduced to salaries much higher than any they had previously enjoyed, have not known how to make proper use of the money placed in their hands and have fallen into reckless modes of living. These have been aggravated by the fact that the recipients of the salaries in question have suddenly found themselves transported to a place where the restraints of Western civilisation have been relaxed and where a perfectly free system of credit operated as an inducement to extravagance by those upon whom pecuniary obligations sat lightly.

The high salaries are often spoken of as necessary in order to induce "good men" to come to the Philippines and to retain them in the islands subject to the various risks, expenses, etc., incident to a stay there. Mr. Taft, in fact, speaks with approbation of the existing system, saying:¹

¹Report U. S. P. C., 1902.



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"We find it wiser to pay good salaries, salaries in excess of those paid for the same service in the United States, to all who occupy responsible positions."

The facts are, however, that the administrative force does not possess the high moral and intellectual qualities attributed to it by Mr. Taft. Whatever may be thought abstractly of the Taft policy of unusually high salaries for uncommonly good men, the truth is that the salaries have been paid, but that the men have not been forthcoming. It is a safe statement that with few exceptions among the higher officers a horizontal reduction of 25 per cent. in all salaries above \$1,200 would lead to no disorganisation of the public service through resignation.

Closely connected with the unquestioned payment of excessive salaries should be noted another characteristic of the present civil service system in the Philippines. This is the existence of over-organisation and the retention of a very large number of highly paid but useless officials. These men are useless from two points of view: there are more of them than are necessary to carry on the present system of government, and the present plan of organisation involves a great deal of unnecessary official inspection and examination and of many circumlocutory operations. So elaborate has become the machinery, so complicated the formalities of the port of Manila, that business men complain that the importation of goods has become almost impossible. In certain cases, the formalities, inspections, taking out of papers, etc., have been found so numerous that owners of small schooners have sometimes preferred to tie their vessels up permanently rather than to fritter away the little earnings arising from insignificant coastwise shipments of fruit, etc., in paying official fees and liquidating other expenses incurred in the delays incident to the moving of the official machinery.

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good," remarks the governor rather tritely in his annual report for 1903, "and the punishment of American officials for dishonesty has furnished the Filipinos a spectacle which they never enjoyed during the Spanish régime. . . . It is a matter of observation that the prompt trial and severe punishment of American officials has inspired in the Filipinos confidence in the sense of justice of this government." This seems an oblique kind of reasoning, but without disputing the claim that the prosecutions have raised the Filipinos' notion of American "justice," it is undeniable also that the defalcations which led to these prosecutions have thrown a serious shadow upon claims concerning the superior honesty and efficiency of American officials as compared with Filipinos.

The injury thus done to American claims of superiority has been materially enhanced by the dishonesty in private life of some American officials resident in Manila, who have taken advantage of the credit system there prevailing to pile up huge bills they had neither the means nor the intention to liquidate. This fact has occasionally been noted in official reports, but these documents afford very little idea of the extent to which the evil has become rooted among our officials in common with other Americans. When Filipinos are charged with dishonesty, as they so often are in general statements made by Americans, the *tu quoque* response rises readily to their lips and has a telling effect.

Taken all in all, the Philippine civil service is far from filling the needs of the situation. One primary evil is the present organisation of the civil service board, whose dangers have been very clearly noted by Mr. A. R. Colby him as startling. Secretary Taft has also rehearsed the personal history of some of these men (Governor Taft's Report, 1903, Vol. I, p. 65 ff).



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quhoun, an English civil servant and a competent student of colonial conditions. Says he:¹

It is obvious that the heads of departments are somewhat restricted as to . . . "selection." It is, in fact, the board which is the appointing authority, and only the strictest impartiality on the part of its members can prevent the recurrence of abuses which it was particularly intended to avoid.

Out of this original danger, as well as in part from others, have grown the resulting conditions already described, preponderance in the service of Americans of questionable suitability and sometimes of questionable honesty. On the shoulders of the Commission and of the Washington administration jointly must be laid the unusually large number of places created, the excessive salaries paid and the over-organisation of the government. These three factors make it abundantly clear why the "costliness" ascribed by the Schurman Philippine Commission to Spanish methods of government must in much larger degree be attributed to those we have ourselves introduced.

¹"Greater America," p. 337.

CHAPTER IV

LOCAL GOVERNMENT

ONE of the things that had been chiefly enjoined upon the Commission was the making of suitable provision for provincial and local government. This, therefore, was among the earliest matters to receive consideration. Act No. 82, passed January 31st, 1901, provided a complete system for the government of municipalities, and Act No. 83, passed February 6th, 1901, made similar provision for the government of provinces. Immediately upon the passage of these acts, the Commission undertook the work of organising local governments by visiting the several provinces and there putting into operation the provincial government act, passing in each case a special act providing for its extension to the province in question. Beginning with the province of Pampanga, which was visited on February 13th, 1901, thirty-three provinces were thus visited and organised.¹ This covered the whole list of provinces, with the exception of eight, which for various reasons remained unorganised until a somewhat later date. During this same trip, copies of the municipal code were distributed and the people encouraged to consider it. In the next report, the Commission announced the formation of some six hundred and sixteen "towns" or "municipalities."

Extensive progress had thus apparently been made in the creation of local self-government, yet it was not long before serious doubt was cast upon the wisdom of the

¹Report U. S. P. C., 1901, p. 10 *et seq.*

Commission's action. The time seemed singularly inopportune for the work, and would hardly have been selected, according to trustworthy testimony, save as a matter of expediency from the standpoint of home politics. To use the Commission's own words, "During December, 1900, and January and February, 1901, there was great military activity in all parts of the islands." This, too, was in the face of the fact that the "Federal party" formed to assist the Commission in its efforts had "spread like wildfire," as the Commission conventionally phrased it, through the archipelago. General Aguinaldo himself was not captured until well into 1901, and his downfall seemed merely the signal for a determined guerilla warfare. In Batangas, Samar, Cebu, Bohol, Laguna, Tayabas and Mindoro armed and active insurrection was in progress during the first half of 1901, and in other provinces the independence leaders were only waiting a chance to reopen hostilities. In Samar, most extreme measures, resulting at one point in the retributive massacre of Balangiga, were in progress against the natives. The inhabitants, though nominally friendly in some regions, were at heart otherwise disposed, and had little or no inclination to accept the unfamiliar institutions which the Commission sought to impose upon them.

The result of this situation was what might have been expected. In three cases, Batangas, Cebu and Bohol, it shortly became necessary to restore military authority. Batangas had been organized for civil government on May 2d, Cebu on April 17th, and Bohol on April 19th. The act (No. 178) restoring these provinces to military control took effect July 17th, so that Cebu, the earliest organized, had barely three months of civil government. The municipal governments of these provinces, of course, fell under military control, with the provincial govern-

ments to which they belonged. During 1902 and 1903, the organisation of municipal governments continued, and the maintenance of existing provincial governments was attempted. Sometimes, however, upon reports of disorder or lawlessness, the Commission turned a given province over to the military. The organisation of some municipalities shortly turned out to be farcical, and in 1903 the governor reported¹ that "it became perfectly evident that many of them were not able to maintain decent government with the tax-producing capacity which they had shown." The result was legislation reducing the total number of municipalities in the islands from 1,035 to 623, at which figure it now remains. At the date of the Commission's report for 1903, 34 provinces had recovered nominal civil governments and 6 were still without them. This summary, of course, excluded Mindanao and the Sulu archipelago.

It is thus seen that the provincial and municipal government acts were introduced in consequence of political necessities at an unfavourable time, and were, to say the least, coldly received by the natives at the outset.

What are the actual provisions of these acts, to what has their lack of success been due, and what can be expected for them in the future? These questions must be answered seriatim. Both the provincial government act and the municipal code are long and complex, providing in great detail for many matters which in the United States would be left to the ordinary sense of the citizens guided by familiar principles of law. The main ideas running through the two acts are, however, sufficiently simple and may be very readily summarised.

The system prescribed for the choice of municipal officers is essentially as follows: Upon the request of ten

¹Report U. S. P. C., 1903, p. 83.

or more residents of a pueblo (village) asking for the organisation of a municipal government, the Philippine Commission may, if it thinks fit, appoint some person to act as the chairman of a committee for the organisation of the pueblo. Should the Commission think best, it may appoint such a chairman without waiting for a petition from the inhabitants. After the chairman has been appointed in the way just indicated, he shall choose five residents of the pueblo, who must have the qualifications of electors under the act. The process of swearing in electors then begins and continues for fifteen days, after the chairman has published a proclamation fixing a time and place of holding the election. Electors must be 23 years of age, have had a legal residence in the municipality for six months preceding the election, must not be citizens or subjects of any foreign power, and must belong to one of three classes, (a) those who before August 13th, 1898, held office either as municipal captain, gobernadorcillo, alcalde, lieutenant, cabeza de barangay or as members of any ayuntamiento; (b) those owning real property worth 500 pesos or annually paying 30 pesos or more of established taxes; (c) those who can speak, read and write English or Spanish.

After a list of electors has been prepared from persons conforming to the foregoing requirements (and who are willing to take a prescribed oath of allegiance), the election committee are authorised to hold an election, at which the electors vote by secret ballot for a president, a vice-president and a number of municipal councillors, varying according to the population of the town. All terms of office are two years. The qualifications of the president, vice-president and councillors are that they shall be at least twenty-six years of age, shall have had a legal residence in the place for at least one year prior to the election,

and shall be able to speak, read and write either Spanish, English or the local dialect. A plurality of votes elects.

Before attempting to describe the relations between this system of municipal government and the scheme of provincial government, something may be said of the practical operation of these features of the act. It will be noted that the elective franchise is so limited as to throw the voting power into the hands of three classes of persons, either ex-Spanish officials or property owners who are comparatively wealthy or relatively well-educated men. Of these classes, the ex-Spanish officials can usually be trusted to subserve American interests. Property owners are proverbially conservative and are few in number in any event. Those who can speak, read and write English or Spanish are also comparatively few, so that in reality a very restricted elective franchise has been granted, and that, too, to classes of men having a strong predisposition to sympathy with American rule. The result has been to throw the control of the towns into the hands of little oligarchies consisting of the most conservative men in each place. The nature of the situation can be realised when it is stated that in some instances Americans have succeeded in being elected to the office of president, and that frequently these very Americans have been men who are in the habit of displaying considerable brutality toward men of the lower classes. Moreover, the failure to give any voice to the mass of the inhabitants has brought about many peculiarities in the way of raising taxes in these towns. A presidente who represented property owners would naturally be loth to take measures obnoxious to his clients, and numerous absurd expedients for getting money with which to carry on municipal business have resulted.

We may now note the conditions which govern the relations between the municipal and provincial governments. There are many formalities and safeguards of the usual type, designed to secure fair elections, which surround the mere process of municipal balloting, but the whole of this legislation is rendered quite nugatory, so far as representative government is concerned, by the following provision in the municipal code: A duplicate of the election certificate shall be sent by the chairman of the board of judges to the provincial board. Should the provincial board, upon investigation and after hearing evidence, if necessary, find the election legal, they shall within seven days after the receipt of said document direct the newly elected officers to qualify and enter upon their duties on the day fixed by this act; but if the provincial board determine that there has been an illegality committed in the election of any officer, or that any candidate returned is not eligible, they shall so declare in writing with reasons therefor, and shall certify their finding and order to the municipal secretary."

In this way, the whole question of the legitimacy of any and every election is turned over to the provincial board of the province in which the election occurs. No mechanism whatever exists for making the municipal council the judge of the qualifications of its own members, but this duty is intrusted to three men (the provincial board), of whom at least two are Americans appointed by the central government itself. It would be rather absurd to expect much honest competition and struggle for election between two men, one of whom knew that he was obnoxious to the Americans on the provincial board. The state of the case would be much the same in such an instance as it would be in a local election in the United States where the judges were chosen exclusively from the party

opposed to that of the supposedly successful candidate.¹

In provinces where the municipalities have been organised in the manner just set forth, and where all the machinery is in working order, an arrangement has been made by the Commission for what is known as provincial self-government. On a specified date in each second year the municipal councillors of every organised municipality in a given province are to meet in convention at the provincial capital and there by a majority vote (secret ballot) elect the provincial governor. After the election has taken place, a certificate of election is forwarded by the presiding officer of the electoral convention to the Philippine Commission, which may then decline to confirm the election if "it shall find that the governor was unfairly elected, that he is ineligible or that there is reasonable ground to suspect his loyalty." The provinces are governed by the so-called provincial board, consisting of the governor, a treasurer and a supervisor, the last two officers being "appointed by the Commission to hold office during its pleasure." Practically all important duties relating to the province are handed over to this board, including taxation, road building, all financial affairs, the appointment of subordinate officers, etc. The duties of the governor are little more than *pro formâ*, the only ones that the ingenuity of the Commission has allowed him being that he is to "call" upon the insular chief executive for troops when necessary to repress violence, and that curiously enough he acts as a sort of sheriff or jailor, having "custody of all persons held awaiting trial or duly sentenced." It might be expected under these conditions that

¹Serious dishonesty and corruption is found in many provincial and municipal elections where the restricted character of the electorate makes vote buying possible and profitable.

the governor would inspire very little respect. In some provincial capitals the writer has found that resident Americans could not even give the name of the governor of the province if he happened to be a Filipino, and an inquiry as to his place of residence is usually met by a broad stare and the question, "What do you want to see *him* for?" The governor is usually afraid to make himself obnoxious, as any independence on his part serves no purpose but to lay him under suspicion. His salary is seldom greater than that of the Americans on the provincial board and is often inferior. The provincial treasurer is the controlling factor in the province, and it is a common subject of complaint with him that his motions are so much hampered by the governor. Some provincial treasurers say in conversation that the governor serves no purpose except "to quiet the Filipinos." It is necessary to have some sort of governor and let him draw a salary, they say, but he has no serviceability as a factor in governing. It is hardly necessary to add that the provincial governors do not feel well satisfied with their position. Many of them resent the humiliating position in which they are placed, and it often seems that instead of quieting the Filipinos, the appointment of governors on this basis is a source of irritation.

It is thus seen that practically the whole control of each province rests with the board of three, two members of which are American appointees of the Commission. This board, being the judge of the legitimacy of municipal elections in which the question of loyalty to the United States plays so large a part, may easily throw out any municipal president who is disliked at headquarters on the ground that he is ineligible, while the final decision as to the legality of the election of provincial governors rests with the Commission, who expressly reserve the right

to disallow the election, if there is ground even to "suspect" his loyalty. The game of local politics in the islands is therefore played with dice so heavily loaded in favour of the central government that the Commission can by no possibility help winning. The system is a mere travesty upon the plan of local government evolved in the United States. It provides a sort of form of representative institutions, while withholding every vestige of substance that could be eliminated from them.

It sometimes happens that in practice administrative and governmental institutions meet with a success that is not due to any merit in the forms under which they have been shaped, and such might be the case with the municipal and provincial governments of the Philippines. In such a case, the facts could be learned only by actual observation, yet it must be admitted that one would find it difficult indeed to cite a white man in the Philippine Islands to-day who would say a good word for the municipal governments. Even Mr. Taft loses his customary optimism in speaking of them:

"The truth is," says he, "that the municipal governments have not been as satisfactory as could be wished. By the misuse of the school fund . . . the native school teachers have been compelled to go without their salaries. The municipal police have also gone unpaid."

In Albay, one cause of the practical insurrection, which resulted in the tremendous reconcentration operations of 1903, was the oppression of those who had risen to the higher offices in the towns. Even in its first report after the inauguration of local government,¹ the Commission complained of what was termed "caciquismo," a kind of bossism, or, as the Commission phrased it, "a tendency to exercise arbitrary powers which have not been conferred

¹Report, 1903, p. 84.

appropriated in the last appropriation bills for such purposes shall be deemed to be appropriated.


It is evident that a body of the kind indicated would not be likely to prove a very efficient factor in popular government. Stripped of the chief force of representative assemblies, controlled by an autocratic governor, and its every act subject to ratification or rejection by a small body of foreigners—the Philippine Commission—it could do little. There are, however, two points in which it would be a great advance over any representative institution now in the islands: the act of July 1st, 1902, provides that it shall be the judge of the qualifications of its own members (subject, of course, to the restrictions imposed by the act), and it furnishes a vehicle through which emphatic protest could be made were natives of independent spirit included in its membership.

Intelligent Filipinos are much interested in the prospect of the election of the promised assembly. They do not feel that it holds out much chance of improvement in political conditions, and they freely disavow any belief in its utility as a legislative body. They think, however, that it may afford a means of making themselves heard, and they are anxious to see whether this remnant of value will be stripped from the political sections of the law of July 1st, 1902. As the act stands, it is so fragmentary that considerable additional legislation will be needed either from Congress or the Commission to put the machinery into working order. This legislation may be framed, as other acts have heretofore been framed, in such a way as to render the privileges conferred by it purely nominal and fictitious. If such a course should be pursued by the Commission (or by Congress at its suggestion), the results will be most injurious, for the expectations already sed by even the small concessions suggested in the

could be no worse in this respect than some of the Americans who have been placed in charge of Philippine finances and who have in seventeen cases at least been relegated to cells in Bilibid prison. Local home rule might, and undoubtedly should be made to, precede home rule for the islands as a whole. If the provinces should gain this reform, they would be able to reduce expenses very much below their present level and to put things on a better basis generally. They would feel greater responsibility and would demand better service of the men they might choose for local offices.

The Filipinos realise to the full the absurdities of the existing situation. They resent the pretence at local self-government as an effort to hoodwink them. Whatever may be their defects as a race, they are not lacking in a certain intellectual keenness, very strongly stimulated by the short period of experience in managing their own affairs, which was terminated by our occupation. It is certain that the husk of self-government that has been thrown them has not satisfied their appetites in the least, or blinded them to the differences between the reality and the imitation.

[NOTE.—A unique feature of provincial government in the Philippines, constituting an entire departure from the system considered in the foregoing chapter, is found in the organisation of the so-called "Moro" province. This province contains the bulk of the island of Mindanao (omitting the two provinces of Misamis and Surigao on the north coast), as well as the Sulu archipelago. The Spaniards had done little more than to occupy some coast points in Mindanao and Sulu, and subsequent to our acquisition of the archipelago they withdrew from the southern islands entirely. During the summer of 1899, Brigadier-General J. C. Bates was sent to the Moro country by General Otis. It was on this visit that the so-called "Bates Treaty" was negotiated with the Sultan of Sulu. The treaty continued in force until March 21, 1904. This so-called "treaty" was the source of much



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were native judges drawn from the Spanish judiciary. An order issued from military headquarters June 5th, 1899, further established courts of first instance in the province of Manila. Justices of the peace were also appointed. The courts were given jurisdiction in civil cases chiefly, crimes and offences prejudicial to military discipline being assigned to military courts. "These courts," wrote the Schurman Commission about the middle of the year 1899, "have in general followed the system which existed under Spanish rule. They have adopted and put in force the Spanish codes. This was an absolute necessity, because there was no American code of law applicable to Manila. . . . The lawyers and judges in the Philippines were familiar with no law, except that contained in the Spanish codes."

The notion apparently entertained by the Schurman Commission was that had it been possible to do it, it would have been well to enforce at once a system of American law, and that the necessity of adhering to existing codes and modes of procedure was a hardship. The same notion dominated the body of administrators who later came to the islands under the leadership of Mr. Taft, though they counted among their number a well-known student of political science. Favourable at the outset to a change in legal institutions, they were naturally influenced in a considerable degree by the unreadiness of Americans to learn Spanish, and by their ignorance of Spanish law. The ground was thus prepared for the action finally taken in repealing the old codes of procedure and in preparing to modify the substantive law itself. In close connection with the intention to change the law, went also the fixed design of substituting English for Spanish as the official and judicial language of the archipelago. The selection of a specific date at which the latter change should be made

took a long step toward making the change from Spanish to American law effective, and pointed to a definite time in the future when the transition would be complete.

The relative merits of Spanish and English law would furnish an illimitable field for discussion and cannot be dealt with here. Mr. Colquhoun, who evidently questions the wisdom of our action in this regard, nevertheless states the argument for it most fairly. "Even if properly administered," says he, "[Spanish law] had every possibility of clashing with American ideas, and . . . in the Philippines it was administered extremely badly."¹ Could we have sent to the Philippines competent judges and lawyers, or could we have determined to rely upon those of local extraction, and to administer the affairs of the country under Spanish law, it would have been better than (by an abrupt transition even to a better system) to disorganise existing relations and practically to disbar most Spanish and Filipino lawyers. It will be concluded, however, that if such a transition was to be effected, it should have been skilfully done. Yet even this end was not attained. So little did the designers of the new legal system comprehend the task upon which they had been set, so deeply did they lack a comprehension of the fundamentals of the Roman law, that in what they did they introduced a fearful confusion into that body of the law which it was sought to leave untouched. It has been mentioned that while the code of civil procedure was repealed and was replaced by a new one based upon American law, the civil code itself was to remain as before. Although the code of civil procedure did not expressly repeal a single article of the civil code, it was so clumsy in its construction that at numberless points it traversed the provisions of the latter, repealing by implication many articles or

¹"Greater America," p. 343.

enactment and in practice. By Chap. xxvi of the Code of Civil Procedure the conditions under which this writ shall issue are specifically laid down in substantial conformity for the most part with those prevailing in the United States. Certain changes in these conditions have, however, been made in Acts Nos. 272, 421, 654 and others. One of the conditions to which some lawyers object is found in sec. 528 of Act No. 190, where it is provided that "the person shall not be discharged by reason of any informality or defect in the process of judgment or order" by which an individual has been restrained of his liberty. The process of appeal provided in Act No. 654 is criticised as long, costly and unwieldy. After all, however, it is not the legal provisions governing the writ of *habeas corpus*, but the actual working of the writ in practice of which the most serious complaint should be made. It is a fact that there are now men confined in prisons throughout the archipelago arrested without warrant and entirely ignorant why they have been detained. It is only those who know what is meant by the legal provisions governing personal liberty and who have money to pay a lawyer that can secure their freedom when thus unjustly imprisoned. This situation is the more oppressive and offensive because of the fact that our *habeas corpus* provisions have displaced a system very much superior to it, even where conditions are all favourable for its successful operation. Under Spanish law, officers who detained men in prison more than twenty-four hours without presenting them before a suitable judicial officer and showing cause for their arrest were *ipso facto* guilty of the severely penalised crime of illegal detention. This fact throws a strange light upon the loud claims concerning the new guarantees of personal liberty introduced by the Americans. It is a curious and sad fact that these

can associate judge, and a court of customs appeals, with one American and one native judge.¹

The jurisdiction of the justice courts covers simply petty criminal cases and small civil suits and is relatively unimportant.² The really significant part of the judicial system is the courts of first instance. Their jurisdiction is as follows:

(1) Original.

- (1) Civil actions concerning real estate titles.
- (2) Cases involving taxation.
- (3) Civil suits involving more than \$100.
- (4) Maritime and admiralty cases.
- (5) Suits arising out of wills, divorces, estates, etc.
- (6) Criminal cases where the accused may be subject to a fine of more than \$100 or imprisonment for more than eight months.

(2) Appellate.

All cases appealed from any lower court.

The Supreme Court sitting in banco has original jurisdiction for the issue of writs of mandamus, certiorari, prohibition, habeas corpus and quo warranto as prescribed by the code of civil procedure and to hear the controversies thus brought before it. Its appellate jurisdiction covers all cases appealed from the courts of first instance and from other tribunals from whose judgment the law specially provides an appeal to the Supreme Court.

Judges of the Supreme Court are appointed by the President of the United States by and with the advice

¹Details as to number of judges taken from official roster, 1904.

²A so-called "President's Court," presided over by the municipal presidente, exists in each municipality. These try offences against municipal ordinances only. An appeal lies to the court of first instance.

and consent of the Senate, but all judges of the courts of first instance, as well as all other court officials of every kind, are appointed by the civil governor with the consent of the Commission. No fixed terms of office have been prescribed for the judges. The Commission permits them to serve at its pleasure and can remove them whenever it pleases.

How far has our judicial system been successful? It is undoubtedly a central feature of our administration, and it could hardly help assuming a doubly important function in a country so widely disturbed and so subject to political commotions as the Philippines. In considering its work, a sharp distinction may properly be drawn between its adjudication of civil and its decisions in criminal cases. Of the former class of cases little needs to be said. No one, so far as I am aware, makes charges of pecuniary corruption against the American judiciary in the islands. The cases coming up for adjudication have been simple, and granted a pecuniarily honest bench, there would be no reasons for bad decisions. The Philippine Islands are poor, and there exists no such pressure of corporate interests struggling for mastery and controlling the bench through corrupt politics as we are unfortunately familiar with in the United States. The test of the Philippine bench must be its decision of criminal cases, particularly those where a political offence is charged against the prisoner. The remainder of this discussion, therefore, will deal with the judiciary solely from the standpoint of such cases.

It would be interesting to know what native opinion of our judicial system really is. Bold statements on this subject have been made. References to corruption among Spanish judges and contrasts with our own judiciary are frequently made, the constant assumption being that the

native population is highly pleased with the work of our bench and would not alter it were it possible to do so. Governor Taft speaks frequently of the powerful effect produced by the stern integrity of our judges and their even-handed award of penalties, alike to natives and Americans, as producing a most salutary effect.¹ This is also a favourite topic for Fourth-of-July perorations and other displays of oratorical fireworks. The writer's own inquiries do not confirm the impression that the Filipinos regard our judiciary with favour. As a matter of fact, they are terrified by it, and consider an arrest or the issue of a warrant equivalent to a conviction. Why is this? The truth is that in all criminal cases the judiciary has co-operated with the Commission so closely as to be practically nothing more than a mere tool in the hands of that body. As elsewhere seen, so-called civil government in the islands was undoubtedly instituted at a time when no real civil government could exist. It was a necessary consequence of this fact that there should be some means of securing the conviction of persons who had been guilty of nothing except opposition to the Government. In other words, it was necessary to develop a large class of new crimes. Much could of course be accomplished by the Commission through legislation creating political crimes of various sorts. How successful were its efforts in this direction has already been seen in what has been said of "ladronism," "bandolerismo," and similar offences.

Appointed in the way already described, it would require unusual strength of character for judges to resist the pressure to which they are likely to be subjected.

¹"It is a matter of observation," says he, "that the prompt trial and severe punishment of American officials has inspired in the Filipinos confidence in the sense of justice of this government." (Report, 1903, Part I., p. 71.)

They cannot help recognising the circumstances under which they were selected, the fact that they receive larger salaries than they could probably get elsewhere, and that certain things are expected of them. On the other hand, the fact that they can be removed arbitrarily and without explanation must exert a most forcible influence over them and must constantly operate to hold them in submission.

This subconscious check upon the members of the bench would be injurious enough under any circumstances even if left to itself. But the controlling force is not purely silent, for judges have sometimes been pointedly informed by a prosecuting attorney that a certain kind of verdict was wanted by the Commission, with the intimation that the judge in question had better hand down the desired verdict without further delay.¹

Behind the constant direct influence thus exerted over judicial effort, stands the fact that the judges are far distant from the United States and that they can rely upon no public opinion for their support. As against a judge who inclined toward leniency to the natives, the American population of the Philippines would side with the Commission almost to a man. The judge would be wholly wanting in support even from native sources, whence approval could be manifested only in a hesitating semi-ret fashion, and when accorded would be injurious

The most notorious case of this kind (though it differed in **wise** from some other similar incidents) is found in the "Free-**m**" sedition case when the now famous dialogue between Judge **O**mlin and the prosecuting attorney is said to have occurred. Judge **O**mlin had been informed of the "Commission's wishes" in **rather** an overbearing way. He seized the opportunity to reassert **the** judicial dignity by informing the representative of the gov-**ernment** that he should guide his conduct exclusively by the law,

rather than helpful so far as the attainment of results was concerned.

It is important to remember, too, in considering the judicial situation in the Philippines, that the power for good usually exerted over the bench by the bar of a country is almost wholly lacking. The wishes of Manila lawyers have little if any influence in securing the appointment of a particular judge. The members of the judicial body are not drawn for the most part from among Manila lawyers, but are outside appointees.¹ They do not expect to remain permanently in the Philippines. Often they do not move in the same circles as do the American members of the Manila bar and care nothing for their opinion one way or the other.² So far as they are subject to control by public opinion at all, it is the public opinion of the government hierarchy which is formed, coloured and supported by the Commission. Of native views they know little and care less, and the natives themselves, so far as they occupy judicial positions, are a sort of men unlikely to be influenced by the views of their fellows. With some of these the chief effort is to outstrip one another in subservience to the real or supposed wishes of the administra-

recognising that individuals have rights as well as the administration. It was not long after this, according to common report, before Judge Odlin was given the choice between retirement and assignment to a provincial court. He accepted the latter alternative.

Three judges only, Messrs. Rohde, McCabe and McGirr, have been chosen from among Philippine lawyers (natives, of course, excepted).

It is the fashion in government circles to speak with contempt of American lawyers in the Philippines. The legal profession is not well organised, there having been until late in 1904 two or more bar associations of more or less antagonistic tendencies.

tion and to merit approval by their fulsome eulogies of all things American.¹

It is a remarkable tribute to American lawyers who have been appointed to the Philippine bench that, in spite of the lack of an organised public opinion in their support, in spite of the absence of backing from the legal profession, in spite of their precarious tenure of office, and in spite of the orders of the Commission, there have been found from time to time men who had the courage to act in accordance with their ideas of law. It is interesting to note what steps have been taken in getting rid of or controlling judges of this stamp. Some have been legislated out of office. Some have been informed that a resignation would be acceptable. Some have been assigned to the distant provinces, where few or no important cases would be presented to them.² Always they have been socially ostracised. But whatever the means employed, the result has been the same. A judiciary, pliant, serviceable, bowing the knee to the executive, has been built up. A few honourable exceptions may still be noted, but here, as elsewhere, it is the exception that proves the rule. The crowded cells of Bilibid, the long roll of executions, the closely inscribed lists of political cases, have written the history of the Philippine judiciary in dark colours.

Between the time when a judge first begins to act in a suspicious manner and his final taking off there is almost

¹This policy is carried to extreme lengths and has been so overworked of late that it has given rise to a keen sense of disgust in the minds of many Americans. It is a most hopeful symptom that the extreme "Americanistas," who have carried things with a high hand heretofore, relying on the position of advantage acquired by them through their protestations of affection for Americans, are now losing ground in popular estimation.

²Sec. 4 of Act No. 396 (Laws, I. pp. 960, 961) reads as follows: "Any judge of a court of first instance, including the judge"

always an interval of some length. During this period the judge is under surveillance from above, and should an important case appear in his court, it is a matter for alarm. Just how the different judges are assigned to different cases is not understood in Manila. The work is done in the office of the attorney-general without the guidance of any definite known rules. If it should appear that a judge is likely to be untrustworthy in a given criminal case, some other judge may be ordered to take charge of all criminal cases for the term of court in that district, in order to throw the case in question into reliable hands, a reliable judge meaning in the Philippines one unfriendly to the natives or who can be trusted to bring in a verdict of guilty. There is no system for apportioning certain cases to certain judges, nor is there any mechanism whereby one who is to be tried before a judge whom he believes to be prejudiced may secure a change of venue to another and more satisfactory court.

By the side of this arbitrary distribution of cases there should be placed, as equally worthy of unsparing condemnation, the ignorance or inefficiency or disregard of law appearing in the work of the attorney-general's office. That office is constantly guilty of illegal practices, which are often allowed by the judges to go unrebuked. Some of the officials apparently do not know how, or if they know how, do not think it worth while, to take the trouble to draw up a complaint in proper form. Where the law requires such complaints to be drawn up in Spanish they


of the court of first instance of the city of Manila, may be transferred from one judicial district to another by order of the civil governor, with the advice and consent of the commission. Any judge so transferred shall, upon such transfer, cease the performance of judicial duties in the judicial district to which he was originally appointed. . . ."

are often drawn up in English. Little attention is paid to questions of jurisdiction, but men are presented in any court that may be deemed most convenient, without much regard to its location or to the place where the crime with which the alleged culprit is charged has been committed. So, too, in issuing warrants, great looseness is shown in not making them returnable in the proper places. The writ of *habeas corpus* is often denied, because of pressure from the authorities, in cases where it is manifestly issuable, "because," in the words of a law officer of the government quoted to me by a judge, "if the writ were to issue in such cases, there would be a general jail-delivery."

Turning from the methods employed in controlling the judges, it is interesting to note the plan upon which these judges themselves conduct matters in their own courts. The work of the courts in civil cases may here be omitted from consideration, for, as has been seen, no objections of similiar importance are made to it. In considering the criminal cases brought before the courts, the most important feature is, of course, the evidence presented and the attitude of the courts toward it.

One of the commonest complaints against the Filipinos is their lack of veracity and their consequent unreliability as witnesses. We shall elsewhere see that constabulary officers in many cases decline to take action in cases which are vouched for only upon Filipino testimony, or they find it possible by sharp cross-questioning, or by more or less browbeating, to secure the withdrawal of complaints, or to have those who brought them confess that they were without foundation. The word of a native in a case where the interests of an American or other white man are at stake is usually considered of no value whatever. It is, therefore, singular to find judges ready to accept the testimony of natives against other natives, even

when this testimony proceeds from one man only and upon it depends the question whether or not an accused person shall receive a long prison sentence. In studying the organisation and working of the constabulary, something will be said of the "division of information," which exists as a bureau of that organisation. No account of the judicial system of the Philippines would be complete without at least a reference to the way in which the division in question, and the similar municipal secret service of Manila, co-operates with the office of the prosecuting attorney. We shall see how the constabulary, in order to capture ladrones, makes use of other ladrones. In a similar way, the department of justice, through the prosecuting attorney's office, secures convictions by promising immunity to certain members of a group who may happen to be under trial. There would perhaps be nothing unusual in this proceeding were it followed out in good faith in each and every case. But this is not what is usually done. The effort has been made to win over some of the lawless members of the community by offering them freedom from prosecution and then to keep them as professional witnesses on salaries. Of such men, the prosecuting attorney's office in Manila usually has on hand a force numbering some fifteen or sixteen. These spies are freely used in sedition or conspiracy cases, or when ladrones are on trial; that is to say, practically all the time. It seems most unfortunate that these spies should, as they seem to, receive recognition at the hands of the judiciary as legitimate agents. It frequently occurs that men are sent to prison for long terms simply on the testimony of a group of these spies, who are regularly in the employ of the prosecuting attorney's office, and without any other testimony. Indeed, the writer is informed by one of the assistant prosecuting attorneys of Manila that a judge



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(whom he named) has "often sent men to Bilibid for twenty years" on the unsupported testimony of a single spy then in the employ of the office at a salary of fifteen pesos (\$7.50) per month.

It is not difficult to see how far this policy may lead. The spies who develop this enormous power naturally acquire very great authority among the people, and trade upon the fear which their calling has engendered. They would not be content with the pittance paid them for their official services were it not that they are enabled to make much more from the natives and Chinese with whom they come into contact by "grafting." Either through threats of charges to be brought, or by persistent annoyance, they succeed in extorting considerable sums of money from citizens who are willing to pay this tax in order to secure freedom from the misfortunes which they have seen falling upon their acquaintances and friends. The practice of the spies in this regard is known at the prosecuting attorney's office, having been described to the writer by one of the assistant prosecuting attorneys there employed, but seems to be either condoned or approved. The effect of it is unquestionably most disastrous, for it not only causes justice itself to miscarry in many instances, but it produces the consequences so often deprecated, injury to American prestige among the natives and a decline in native respect for our judicial methods.

Politically, the consequences of judicial recognition of the spy system are wholly bad. After all the evidence in the possession of these spies as a residuum from their former criminal career has been extracted, they frequently pass into a second stage of development. They are assigned to duty in joining various political groups or take a nominal part in potential conspiracies. Not infrequently men who have been unsuccessful in unearthing

fresh evidences of conspiracy or sedition are ready to exaggerate harmless or only foolish utterances or events of no political significance into plots or insurrectionary scheming. This would be bad in any case, but it is rendered worse by the disposition of the Philippine judiciary to convict men of political offences upon very slender evidence.

It must not be supposed, however, that the alleged injustice of the courts is found only in cases where natives are involved. Resident Americans complain bitterly of what they consider the disregard shown toward their rights by an arbitrary and subservient bench. They constantly demand the introduction of the jury system. The failure to adopt the jury system in the Philippines is of course due to an unwillingness to trust the natives with a weapon of this kind. It is said that the jury system is so foreign to native ideas that it can probably never be adopted. Many Americans contend that it should be adopted for use in suits affecting Americans. This would result in creating two systems of judicial procedure side by side, one for natives, the other for Americans. More thoughtful men contend that this kind of discrimination would never do, and they therefore express the opinion that the use of the jury system in the Philippines is entirely out of the question. How far this statement is correct, and how far the jury system itself is essentially necessary or desirable for the Philippines or for any other country, may be open to doubt. It is true, at all events, that Americans in the Philippines are generally agreed that it cannot be introduced there, except possibly in a much modified form. The outcry for a jury system or for some plan corresponding thereto must not be taken literally. What it really amounts to is a demand for something that will do away with, or at least reduce, the




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autocracy of the bench, and will serve to offset its subservience to the orders of the Civil Commission. Those who discuss the question frankly are inclined to admit that this end could probably be attained by the adoption of measures designed to render the present judiciary independent of the Civil Commission. Thoughtful lawyers do not hesitate to avow the belief that the Commission has proved entirely unworthy in its use of the bench, and to indicate the evils existing in this connection as among the most threatening in the Philippines. It would be possible to deprive the Commission entirely of any power over judicial appointments so far as form goes, but even when that had been done the real essence of the present trouble would still remain if the power of appointment were vested in the President or Congress exclusively, for the Commission might then play fully as large a part as it now does, since there would have to be some source for suggestions regarding the possible candidates available.

Why not make the judiciary elective? This question strikes at the root of the whole problem, but such a suggestion is met with ridicule by Americans in the Philippines if it is ever seriously made. The answer given is that an elective judiciary would mean the creation of a purely native bench, and this, it is customary to say, would necessarily imply a corrupt bench if not an incapable one. The charge of native depravity and duplicity is of course the ultimate argument with this class of reasoners, and terminates the discussion, because it rests the whole matter upon a question of personal opinion about racial capacities.

The real fact is that the Commission feels the necessity for American judges appointed by itself. As we have seen, some native judges are now on the bench. But that the bulk of the judiciary must be of American origin is considered axiomatic, because of the political situation,



many of the cases coming before the courts being those in which convictions are sought on political grounds. Were the Philippines provided with a native bench, owing its origin to the votes of an electorate, however restricted, it would be impossible to secure the convictions for brigandage, sedition and other similar offences which now furnish so large an annual contingent to the population of Bilibid prison. It is not too much to say that any independent judiciary would fail to find men guilty on the evidence which in so many cases is now deemed satisfactory. Were the judges to be natives chosen by suffrage, the present system of sedition legislation would find little sympathy. The possibility of government with a strong hand would then disappear and freedom of speech would no longer be checked. A radical change in Philippine conditions would take place. All this amounts merely to the statement that the judiciary as at present constituted is the central point in the existing system of government. The courts are as much a political agency as any other feature of the administration. If a judge ventures to render a verdict opposed to the wishes of the government, he is to that extent a dangerous man, for he is sapping the foundations upon which American rule in the Philippines must rest. It is a cardinal feature in the Commission's plan of government that convictions should be secured where prosecutions have been instituted. A failure to secure them, it is supposed, will result in a loss of prestige for the government and a feeling among the natives that the administration is weak. According to current philosophy, it is much better that innocent men should be sent to prison for terms of years in some instances than that a single guilty man against whom the evidence is insufficient should be released.

In concluding this survey of the legal and judicial sys-

tem of the Philippines, I cannot do better than quote a letter written to Governor Taft by a respected and leading American member of the Manila bar. This moderate and reasonable protest (hitherto not made public) ran as follows:

MANILA, P. I., February 22, 1903.

His Excellency William H. Taft, Governor of the Philippine Islands, Manila, P. I.

SIR: The condition of the courts of first instance of the city of Manila has for some time given me great concern, for the following reasons:

First: Some of the judges are unable to understand the witnesses unless they happen to speak English, and the interpreters are wholly unable to convey to the mind of the judges in any adequate manner what the witnesses desire to say. If the witness testifies in Spanish or Tagalog, it is wretchedly interpreted and taken down by the stenographer in English, and then is translated into Spanish to make up the record, and on reaching the Supreme Court it is quite probable that in many instances the witness would not recognise his own testimony.

Second: The Filipino lawyers are unable to express themselves to the judges except through these same wretched interpreters, who can give the judge no adequate idea of the meaning of the terms used by the lawyer, and its effect upon him can be nothing but disastrous; in fact, the Filipinos are practically disbarred.

Third: The judges are wholly unfamiliar with the Spanish substantive law which they must necessarily administer.

Fourth: There is so much confusion brought about by all the difficulties mentioned that the courts do not have even the appearance of doing justice, and they resemble more than anything else the average police court we have at home.

This is not intended as a criticism of the judges. The situation is brought about by conditions which the judges are wholly unable to control or correct.

After having given the subject great thought, I venture to suggest the following as a partial solution of the difficulty:

Let there be six judges instead of three—three Americans and three Filipinos; divide them into three sections, each section being

presided over by an American, who should always be the chief justice, and a Filipino with power when necessary to unite in banc with all the judges or as many as be convenient; or permit them to divide into two sections when convenient and necessary, with three judges to the section. Let the chief justice of the section pass upon all questions with reference to the admissibility of the evidence, requirement of counsel and postponements, conferring or not with his associates, as he may deem proper, and in case of a difference of opinion between them about the law or the facts, except in criminal cases, let the opinion of the chief justice be the judgment of the court; but in cases of disagreement, both judges should file their opinions as a part of the record in the case, for the purpose of embracing it in the bill of exceptions on appeal. In criminal cases, a concurrence in opinion of at least two judges should be necessary to conviction, and in case of a difference of opinion as to the guilt or innocence of the accused, a judgment of acquittal should be entered, subject to the right of the Government to appeal to the Supreme Court.

Any single judge should be competent to issue all interlocutory orders and orders relative to process, with the exception of the extraordinary remedies of mandamus, injunction, prohibition, and the appointment of receivers.

On probate matters, any single judge should be competent to make all orders, except in cases of contests, when a full section should hear the contest. The American judge should, if possible, be at least able to understand and read Spanish, a qualification which, I believe, is possessed in some measure by all of the present judges except one. The Filipino judges should be versed in both Spanish and Tagalog, and in their selection an effort should be made to get men who are not completely dominated by the Federal or any other party, so as to avoid as much as possible the effect of the Filipino inclination to yield to pressure from what he considers official sources. And in this connection it is perhaps not out of place to call your attention to the fact that, as a rule, the present Filipino officials are made up from the old Spanish roster of ante-revolutionary times, and for that reason are thoroughly schooled in the art of conforming their opinion to official desires, besides being thoroughly familiar with all the corrupt practices of the Spaniards. Nor should the

Governor Taft replied to this communication unsympathetically. Not an item among the reforms suggested by the author of the letter has ever been taken up, and the courts are now in all the respects mentioned considered worse off and less competent than they were at the time the letter was written.

It must not be supposed from what has been said that any false motives or wilful injustice is to be attributed to the members of the Philippine Commission individually or collectively. Doubtless they have sought to act for the best. The trouble has been that an essentially wrong kind of government has been aimed at, and that in order to maintain an appearance of civil rule the aid of a subservient judiciary has been indispensable. Conditions are always such as inevitably to lead to the outcome already depicted whenever it is sought to govern by arbitrary power an unwilling people.

The judicial and legal system just sketched is evidently foreign to American ideas. That fact alone makes it difficult for American citizens to comprehend the real dangers inhering in the situation from any general presentation. Specific examples are more convincing than general statements. While the bench has all along been used in the way just described, a very striking example of the working of the machinery which controls it has been afforded in the recent political prosecutions. Inasmuch as these are of some historic interest, as well as an illustration of our judicial methods, a brief review of the "insurrection" of Artemio Ricarte is herewith undertaken.

Ricarte himself was a figure of some prominence in the revolutionary movements which preceded and paralleled the American occupation of the Philippines. After the insurrection had been crushed and only a few bands here and there still held the field under the official title of



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"ladrones," Ricarte continued to be regarded as an unreconstructed Filipino. He was ordered deported from Luzon in company with about twenty-three other political prisoners, as shown by the correspondence between Rear-Admiral Remy and the Secretary of the Navy late in 1900 and early in 1901.

President Roosevelt's proclamation of July 7th, 1902, granted a "full and complete pardon and amnesty" to all persons who had participated in the "Philippine insurrections," but required the taking of an oath of allegiance to the United States as a necessary preliminary to the enjoyment of the terms granted. The condition thus imposed proved unacceptable to certain of the prisoners in Guam, and transportation not merely to Manila, but to any other port, was consequently refused them by Commander Seaton Schroeder, then governor of the island.¹ Ricarte consequently remained for some months longer in Guam, but in response to public demand in the United States, he and others were ultimately allowed to leave the island. Ricarte, who held firm to his refusal to take the oath of allegiance, was transported to Hong Kong and there kept under the surveillance of government detectives. During a stay of several months in that port his means seem to have become very scanty. Reports of growing discontent with American rule in the Philippines led him to believe that an insurrectionary movement would be successful. In this opinion he was strengthened by one Ruiz, a renegade Spaniard, who had originally deserted the Spanish forces and come over to Aguinaldo, later deserting him, or at all events playing into the hands of the Americans then in control in Manila. It appears that Ruiz acted in close connection with the detectives of the secret service and informed them of the main facts regard-

¹S. Doc. No. 111, 56th Congress, 2d session, pp. 8, 9.

ing Ricarte's intentions. After what he considered sufficient preparation and encouragement, the proposed insurrection was brought by Ricarte to the attention of the well-known Filipinos living in Hong Kong, but with the result that the whole plan was repudiated by them. They declined to be connected with it. Ricarte nevertheless persisted in his designs, and succeeded in getting passage to Manila as a member of the crew of a trading vessel.

Upon arrival, he found that the representations made to him concerning the prospects for an uprising were largely unreliable, and it became evident that the movement must be unsuccessful. It was entirely possible at that time for the government authorities to seize Ricarte while he was still in hiding in Manila, for he seems to have been recognised by members of the secret service (already apprised from Hong Kong of his arrival). The reason for failing to arrest him was probably a wish to ascertain more fully the ramifications of the conspiracy by permitting the plans of the insurrectionary leaders to be thoroughly developed.

Events were hastened by Ricarte's disappearance and the revolt of a section of the constabulary at Vigan. This revolt was shortly suppressed and the chief mutineers, numbering about twenty-two,¹ captured, some four of them executed, others imprisoned to await further trial, and others immediately given long sentences. At the same time, a general order from constabulary headquarters directed that measures be taken to limit Ricarte's field of operations, and, if possible, to capture the leader himself. A reward of \$1,250 gold was also offered for him, and he was finally taken and sentenced to Bilibid prison for a term of years. There had already been numerous prosecutions of persons alleged to have been in

¹Interview with General Henry Allen.

one way or another connected with the insurrectionary movement, and these rapidly increased in number after the evident suppression of all danger from that quarter. For the most part, these prosecutions were directed against very humble people, and finally numbered upward of four hundred in Manila alone, of which thirty-five or forty were in process of trial during April and May, 1904. It speedily became evident, however, that the government did not intend to rest content with the prosecutions of these unimportant individuals, and charges were shortly brought against the Lukban brothers and Doctor Dominador Gomez Jesus, all of whom were prominent men, of influence among the Filipino people. Gomez was already justly an object of suspicion on other grounds, and prosecutions had been directed against him prior to the appearance of the Ricarte movement. But the principal efforts of the government in the Gomez prosecution were along political lines. More important victims even than Gomez were Vicente, Cayetano, and Justo Lukban, former Filipino leaders in the days of the Malolos Government, who had been living an apparently quiet life in Manila. Not suspecting any danger, Dr. Justo Lukban had already gone, prior to the prosecution, to Japan, and both he and his brothers seem to have been taken by surprise when the charges were lodged against them. Both the Gomez and the Lukban trials dragged through many months, but a decision in the Lukban case was handed down by Judge Beekman Winthrop early in 1904, while Judge Ambler rendered a verdict in that of Gomez May 11th, 1904. Although the Lukbans were found guilty and sentenced to long terms of imprisonment as well as fines, Gomez was acquitted. Both cases were appealed to the Supreme Court.

A critical analysis of the testimony offered and reviewed

by the judges in these cases seems to reveal no good reason for divergent decisions. Moreover, it would appear to afford no reasonable ground whatever for the support of the claims of the prosecution. What the government sought to show in both cases was the existence of a conspiracy designed to assist the Ricarte movement, and in which the accused persons were alleged to have taken part. Even if, however, the main contentions of the government had been sustained, nothing would have been demonstrated beyond the fact that the defendants felt a strong sympathy with all anti-American movements.

The great importance of the verdicts in these two cases lends interest to the records of the two men who handed them down. Judge Winthrop had come to the islands as an assistant executive secretary, but had later become executive secretary to the Commission. When it was proposed to elevate him to the bench it was found that he could not qualify under Act No. 136, organising courts in the Philippine Islands, which provided (1) that judges should be more than thirty years of age, and (2) that they should have practised law for at least five years prior to receiving appointments.¹ These difficulties, however, were speedily overcome. A special act, No. 1024, passed December 10th, 1903, reduced the age requirement to twenty-five years, while the requirement of legal practice for five years was made alternative with a clause providing that the appointee should have been "a graduate of a law school of recognised standing" for three years only. It apparently was believed that a period of graduation from a law school extending over three years was equivalent to the actual practice of law for five years, and the requirements having thus been made to fit the case, the former executive secretary took a seat on the bench instead. Some time after

¹Public Laws passed by the Philippine Commission, Vol. I, p. 253.



CHAPTER VI

THE CONSTABULARY AND THE MAINTENANCE OF ORDER

"THE employment of natives of the Philippines in a military capacity and for combatant purposes by the United States authorities appears to date from September 16th, 1899, when General Otis authorised Lieutenant Batson, Fourth Cavalry, to raise 100 Macabebe scouts, and on (*sic*) October 18th, 1899, when General Lawton was authorised to organise two additional companies, each 128 strong, and to employ them in clearing the swamps and esteros about the head of Manila Bay of robbers and insurgents, and as scouts, guides and detectives for General Lawton's column."¹

The use of native troops described by General Davis of the Division of the Philippines in the foregoing language was not original with the Americans. Under the Spaniards, a very considerable number of natives had been regularly enlisted in the army, and in addition a so-called *Guardia Civil*, or civil police force, had been created.

The use made of native troops, though at first limited, was largely extended within a few months from the time was first undertaken. During the six months after its organisation, the native force increased to about 478 officers and men, and on June 1st, 1900, was given a title as "The Squadron of Philippine Cavalry, U. S. Volunteers." Within six months the number of men comprised in this force rose to 1,402, and June 30th, 1901, no less than 5,500 men were in the ranks. They were known familiarly as "Macabebes" and "Ilocos scouts," these being

¹Report of Major-General Davis, Manila, 1903, p. 20.

the two groups of natives from which the force was primarily made up.

The cruelties and hardships inflicted by these natives upon their countrymen during the continuance of the war, and the fact that the tortures practised by them were accepted by our army, are now matters of universal admission in the Philippines, and so generally known in the United States as to require no further comment. This brief historical review has been given in order to emphasise the fact that despite the outrages perpetrated by these troops, and the bad effect produced upon our own soldiers by the adoption of barbarous methods of warfare, the organisation was perpetuated and was given a permanent status, while the policy of thus employing native troops was extended by the organisation of the constabulary.

The scouts were reorganised in fifty companies, consisting of 104 men each, by an order of September 27th, 1901, and about the same date the War Department discharged them from service under the insular government, re-enlisting them as members of the regular army, and paying them from army appropriations. Their officers were commissioned for four years, and the soldiers enlisted for three years. In the meantime, the Civil Commission had come to the islands and had undertaken the establishment of government. It was seen that the premature passage from military to civil rule under foreign governors would be attended with no little friction, and that some force for the maintenance of order must be provided. The Commission was unwilling to intrust to the various provinces the police protection of their own inhabitants, and it was indisposed to rely openly on the aid of United States troops for the preservation of peace in an officially pacified country. It therefore resorted to an already discredited expedient, the organisation of a

The Constabulary

native force under central control, and with a practically military character. This was the constabulary.

The act of July 18th, 1901,¹ provided for the organization of a force of not exceeding 150 privates, 4 sergeants and 8 corporals in each province. These men were to be directed by a chief of constabulary and four assistant chiefs, who were to be "peace officers," with headquarters at Manila. The force was to be armed, uniformed, etc., in a suitable way, and paid out of the insular treasury. Its members were authorized to make arrests without warrants when necessary. In cases of oppression, it was provided that reports should be made to the civil governor. Apparently with the experience of Spain in mind, the Commission also made extortion by the constabulary a crime, with a severe penalty attached. The chief of constabulary was given authority to "consolidate" the constabulary forces of two or more provinces whenever he might feel that circumstances required it. Army officers were put in command.

From the outset, the Commission was exceedingly explicit in denying that this force possessed any military character. Governor Taft himself, when before the Senate Committee on the Philippines, dealt with this point:

I beg to call the attention of the committee to the fact, though possibly it is not necessary to make the distinction . . . that the constabulary is a civil force. . . . The constabulary are not troops. They are not a military force. They are the police of the civil government.²

Such expressions could be multiplied, but the fact remains that the distinction drawn is a distinction without a difference. The constabulary were from the beginning, and are now, a military force in the essential meaning of

¹Laws, Vol. I, pp. 327-330.

²S. Doc. No. 331, Part I, pp. 288, 289, 57th Congress, 1st session.

the term—regarded as such, moreover, by the natives. This point of view can be amply supported by a review of the methods and acts of the organisation from the beginning. It will suffice, however, to point out that the constabulary scheme contains only two provisions worthy of mention as safeguards against military oppression by the members of the force and their officers. These are, 1st, the requirement that the force be made up of local men, a section apparently designed to prevent the quartering of outside troops among people for whom they had a strong racial antipathy, and 2d, the distinction drawn between the constabulary and the scouts, the latter body being professedly military and organised as a part of the United States Army.

Both these safeguards have been set at naught. The scouts (as already noted) number fifty companies in all, of which a considerable number are composed of Macabebes, while others consist of Ilocanos, Bicol, Cagayans and Visayans.¹ By far the larger proportion of these scouts are of Macabebe and Ilocano origin. These two classes of natives are intensely hostile to certain other groups, and particularly to the Tagalogs. This enmity has been made use of by stationing Macabebes and Ilocanos in the territory of their neighbours, while the few companies of Tagalogs, Bicol, etc., are sent away from home and into Visayan or other districts.²

¹General Davis gives the original division of the fifty companies as follows (Report, 1903, p. 22): Macabebes, 11 companies; Ilocanos, 13 companies; Cagayans, 4 companies; Tagalogs, 4 companies; Bicol, 2 companies; Visayans, 16 companies.

²The extent to which the Macabebes have been drawn upon in the formation of bodies of native troops may be realised from the fact that only a very small number of adult men still remain in the town of Macabebe, the bulk of the population being women and children.

In organising the constabulary as already shown, the use of such methods as these had been forbidden. The original act (No. 175) creating the constabulary,¹ passed July 18th, 1901, specified that :

The sergeants, corporals, and privates to serve in any province shall be selected from the residents of such province.²

Hence, if organised in accordance with law, the constabulary would necessarily be a force of strictly local character, save in so far, of course, as it might be officered and controlled by Americans. But even this restriction has not always been lived up to, for in numerous cases bodies of constabulary have been sent from one province to another for purposes of "pacification." Occasionally small detachments are sent across the border of one province into another for ordinary police purposes. In general, however, it is the scouts that have been employed for the purpose of aiding local constabulary. They have afforded a force which could be shifted from province to province for the purpose of overawing disaffected localities. Thus the apparent purpose of the constabulary act in providing for a strictly local police force distinct from the scouts has been evaded. About one-half the total number of scouts are now serving under command of General Allen of the constabulary.

Sec. 2 of the act of Congress approved January 30th, 1903, provided :

That any companies of Philippine scouts ordered to assist the Philippine constabulary in the maintenance of order in the Philippine Islands may be placed under the command of officers serving as chief or assistant chiefs of the Philippine constabulary.

¹Laws, Vol. I, pp. 326-330

²Sec. 3.

This provision, of course, amounted to legislation making the scouts practically a part of the constabulary, thus still further increasing the similarity of the latter force to a strictly military organisation.

Putting aside the inquiry whether the creation and maintenance of such a force as the Philippine constabulary can be justified as a feature of "civil government," the practical question connected with it is now this: Has it maintained the peace and preserved order with the minimum of friction and suffering to the population?

The first part of this question can be answered from a study of official documents and reports with a decided negative. Mr. Alleyne Ireland, a competent observer, entirely friendly to the administration, who visited the islands early in 1904, sums up the situation as follows:¹

During 1903 there were 5,351 separate expeditions against outlaws, of which 357 resulted in engagements. The number of outlaws killed was 1,185 and the number captured 2,722. When it is noted that these figures do not include the military operations of the army, which was engaged in serious fighting in Mindanao and Jolo, it is seen that the islands were in a state of considerable disorder in 1903, and at the time of my visit to the Philippines, early in the present year, there were no indications that conditions in this respect were improving.

Mr. Ireland's observations in this matter are entirely in accord with my own, which were made during a period of several months after his departure from the islands, terminating about the middle of August, 1904, at the time of the unexpected and extensive outbreak in Samar. Since that time martial law has been declared in two provinces and open warfare has broken out near Manila. Although the Civil Commission has now been in control for several years, it is an unmistakable fact that the tran-

¹*Outlook*, December 24, 1904, p. 1028.

quillity of the archipelago is increasing but slightly, in all. This statement is made with full knowledge of claims of the authorities that conditions are improving and that for the most part life and property are safer in the Philippines than in some parts of the United States.

What is the reason for this serious state of affairs? It will be observed that Mr. Ireland, in the passage quoted, refers to "expeditions against outlaws." These outlaws or "ladrones," as they are locally termed, constitute the main reason for the existence of the constabulary, and the expeditions in question the chief occupation of the force. "Ladronism" is one of the principal problems of the Philippine administration, and in judging of conditions in the archipelago, it is of the highest importance to know its significance and to be certain how far the ladrones are representative of the native attitude. On this vital point there is wide difference of opinion. Major-General Davis in his last report fairly states the official view

The lawless element generally consists of roving bands, whose members are descendants of former generations of men engaged in the same vocation—lawbreakers and robbers by occupation. They sometimes call themselves *insurrectos*, and resent the characterization of "ladrones," but the real motive of almost all these outlaws is loot pure and simple, and to be supported by peaceful and industrious inhabitants.

I believe that this statement scarcely represents the situation. The later stages of the insurrection were characterized by a purely guerilla warfare, and the operations of the ladrones of the present day differ little if at all from those of the later days of the war. The very fact that in a single year upward of 4,000 men were either killed or captured shows how extensive is this form of resistance. Official reports indicate that from November

¹Report, 1903, p. 15.

1st, 1899, to September 1st, 1900, when the war was at its height, Filipino losses by guerilla warfare were 3,227 killed, 694 wounded and 2,864 captured, a total of 6,675 in ten months, or at the rate of 8,130 in a year. This is little more than twice the losses inflicted during 1903, a year when we professed to be in full control. The outbreak in Samar during the autumn of 1904 was apparently conducted by a force of 2,000 men at least. The fact is that what is now called ladronism represents a condition of dissatisfaction in the public mind which can only be described as sporadic rebellion or insurrection.

The ladrone bands consist of an indeterminate number of men, increasing proportionately to the success of the band, and then falling off as greater success leads to keener pursuit with growing difficulty of finding sustenance for the members of it. It has often appeared of late that as many as five hundred men were gathered under the headship of some well-known leader. Often, too, since the pursuit of the ladrones has been pushed, bands have broken up into small groups of three or four, which then sought individual hiding places. At its best, the ladronism in question takes the form of semi-military operations. The chiefs are designated by military titles and the men preserve a certain military order. It has sometimes been remarked in the case of special bands that they were better drilled and better uniformed than the constabulary who were opposing them, and not infrequently they have swooped down on a town or village and completely routed the constabulary forces there. The principal charge made by Americans against these bands is that they operate quite as frequently against their own people as against the soldiery or officers of the government, and that they cannot therefore justly claim to represent the native opposition to American rule. This charge, however, is not

wholly founded in fact. It is certainly true that the bands take food and supplies wherever they can be found. But that they go further in this regard than would be the case in any guerilla warfare cannot be established. The fact moreover, is unquestioned that the natives in general will not complain or testify, save under practical compulsion against those who have in this way laid their property under contribution. In other words, the provincial population as a whole is in strong sympathy with the "ladrones" leaders, and does not resent the depredations committed by them when in search of food and supplies. It is doubtless true that as one after another of the early revolutionary leaders has been cut off the command has passed over into less military and less representative hands, but the continued existence of the ladrones shows the state of public opinion and serves as an index to the prevailing unrest.

Although the authorities constantly represent ladronism as the work of a small, disorderly element, they fully recognise in several distinct ways that this is not the true state of the case. (1) They have accepted the policy of keeping constantly in the islands at least 10,000 or 12,000 American troops. (2) They have adopted legislation designed to apply to the whole population, and based on the theory that all are indirectly responsible for the actions of an alleged few. (3) They have legalised most extreme and severe methods of warfare.

The first policy is so well understood as to require no proof. The second is less familiar. After the amnesty proclamation issued by President Roosevelt July 4th, 1902 it was supposed that ladronism would cease. The reverse proved to be the case, and in consequence, the Commission passed Act No. 518 (November 12th, 1902).¹ The

¹Public Laws passed by the Philippine Commission, Vol. 1
Manila, 1904, pp. 143, 144.

statute provided that three or more persons forming themselves into a band "for purposes of" theft should be deemed highway robbers, and should be punished with death or imprisonment for not less than twenty years. The remarkable features of the act were found in secs. 2 and 4. Sec. 2 provided that :

To prove the crime described in the previous section, it shall not be necessary to adduce evidence that any member of the band has in fact committed robbery or theft, but it shall be sufficient to justify conviction thereunder if from the circumstances it can be inferred, beyond a reasonable doubt, that the accused was a member of such an armed band as that described in said section.

In this way, an exceedingly broad scope was given to the operation of sec. 1, assigning penalties, and it was sought to place all armed resistance to the government on the basis of "highway robbery." The loose provisions of sec. 2 also made conviction easy, and there can be little doubt that many men who had not been actually guilty, or who had been forced into ladronism by the disturbed state of the country, or by dissatisfaction with bad local conditions, were unjustly sentenced to excessively long terms of imprisonment or to death.

Sec. 4 of the act was equally remarkable, providing that :

Every person knowingly aiding or abetting such a band of brigands . . . by giving them information of the movement of the police or constabulary, or by securing stolen property from them, or by procuring supplies of food, clothing, arms, or ammunition and furnishing the same to them, shall upon conviction be punished by imprisonment for not less than ten years and not more than twenty years.

Thus relations between alleged brigands and members of their families became a criminal offence.

Not long after the Ricarte rising in 1903, a new era of

of brigandage during the year." Eliminating the first and temporary cause mentioned by the warden, there remains the second, which operates with equal effectiveness during the period August, 1903-June, 1904, and will raise the prison population by at least 50 per cent. during the prison year ending August 31st. Indeed, the prison authorities admit an average net growth in prison population at the time of my visit of from eight to ten persons per day, a rate which would mean a total inward movement of from 2,500 to 3,500 a year if the speed were maintained.

An analysis of the prison statistics will throw further light on the situation. The following figures are taken from the official records:

CONFINED IN BILIBID, AUGUST 31st, 1903.

FOR	SENTENCED	DETAINED	TOTAL
Aiding the insurrection.....	4	0	4
Brigandage	352	136	488
Conspiracy.....	9	0	9
Highway robbery.....	199	6	205
Illegal custody of arms.....	7	4	11
Insurrection	7	13	20
Rebellion.....	147	0	147
Sedition	150	4	154
Violation of oath of allegiance	13	0	13
Violation of laws of war....	14	0	14
Violation of articles of war ¹	13	0	13
Treason.....	3	12	15
	918	175	1093

¹It is possible that the prisoners detained on this ground may be American military prisoners, but the number is small in any event, and does not affect our general conclusion.

In reviewing the statistical table just furnished, it should be borne in mind that such offences as murder, homicide, theft, etc., which always bulk largely in prison statistics, are not included. The item "brigandage" implies membership in an armed band of insurgents without other specific offence. How many of those classified as murderers and not included in the foregoing are simply men who killed other men in open conflict cannot be stated. The item "highway robbery" has been included in the list, because, as now understood in the Philippines, this term means merely the taking of supplies and arms by "ladrones" in the districts where they happen to be operating. It is thus seen that of a total of 3,184 prisoners August 31st, 1903, fully one-third were probably imprisoned because of their connection with revolutionary movements. The prison authorities believe that the percentages of various offences which were found to exist last August hold good to-day, and if this opinion be correct, there would now be in Bilibid possibly 1,500 persons confined on political or semi-political charges. I believe, however, that this percentage estimate is far too low, and that the arrivals of political prisoners have formed a considerably larger proportion of the net arrivals at Bilibid this year than last. This opinion has been formed after considerable attendance on the courts and inspection of their records.¹ It should be remembered further that Bilibid prison contains a large class of petty police court offenders from the city of Manila. On May 23d, these constituted 414, or nearly one-tenth of all persons confined there. At the same time there were in Bilibid 85 military prisoners and 32 juveniles. A total of 3,920 long-term

¹A list of no less than 245 persons prosecuted within two and one-half months in Manila alone was compiled under my direction from the records.

convicts is arrived at by deducting these classes from the grand total, from which should further be deducted not less, probably, than 100 Americans, leaving some 3,820 long-term native convicts. If it be fair to estimate as above that about 1,500 natives, on the lowest calculation basis, were imprisoned at the end of May, 1904, for the offences for which the figures of 1903 have been quoted (assuming a total of 3,820 long-term convicts), it would appear that about 40 per cent. of all native long-term convicts are "politicals."

That the policies already described, and the prosecutions arising under them, have created the profoundest dissatisfaction would be stating the case most mildly. This dissatisfaction exists not merely among the lower classes of natives, but among those who regard American rule as inevitable and opposition to it as fruitless. They feel that the excessive punishments inflicted under the acts in question upon many who have not been actively connected with the ladrones or insurgents, but who may have refrained from informing against them, are both impolitic and unjust. The indiscriminating way in which prosecutions are dealt out frightens some, but it disgusts more, and the excessive penalties awarded—twenty, thirty, forty years, life imprisonment or death being common sentences—create an impression of tyranny without producing important results in suppressing the evils complained of. Many persons feel that the undue cruelty of the constabulary in such cases is unwarrantable. Quarter is seldom given when the wandering bands of *insurrectos* are encountered, and the writer is informed by several persons that when General San Miguel's band was met and cut to pieces by our forces about the end of 1903, it was necessary to summon outsiders before San Miguel could be recognised among the dead, there being not a solitary

member of his band who was not either dead or so seriously wounded as to be incapable of rational speech. This policy and the strenuous pursuit has had the undoubted effect of breaking up and dispersing numerous insurrecto groups, but it has left large districts in a mind to revolt when opportunity offers.

While the authorities are thus unsparing in their mode of suppressing insurrectionism, it often happens that the courts are grossly unfair in their mode of conducting the causes.¹ Witnesses against the accused are usually drawn from among men who have deserted from an insurrecto band and have gone into the service of the American Government in one capacity or other. These traitors are usually of the lowest class of natives, and would not be trusted for a moment as a witness against a white man. I am informed by an eminent Manila lawyer—and my own observation in the courts of first instance confirms the statement—that frequently the same witnesses testify in a considerable number of prosecutions, and thus several men's lives may be sworn away by a few untrustworthy renegades.

The Commission, indeed, has consciously adopted the policy of extreme severity toward those who undertake to maintain armed opposition to it. In many instances, where leaders who recognised the hopelessness of further resistance have asked to be allowed to lay down their arms and come back to peaceful life under a guarantee of immunity from prosecution, a negative answer has been returned. The reasons for this attitude are fully stated in the correspondence between Mr. Taft and Apolinario Mabini, given in full in the Commission's report for 1903,² but amount in the final analysis merely to the belief

¹See section on the legal and judicial system.

²Pp. 25-29, Vol. I.

that pacific measures would diminish the government's prestige among the natives.

It sometimes happens, too, that where men have been induced to give up brigandage or to turn state's evidence through the offer of immunity from prosecution, they are used, so far as necessary, to convict others or to overcome bad conditions, and then the agreement with them is grossly violated. Men have been squeezed dry of information concerning others and have then been accused and sent to Bilibid on the strength of what they have themselves revealed. So, also, in securing the submission of ladrones, constabulary authorities have not hesitated to break faith and violate agreements. This is one reason why it is now so hard to secure the submission of the men who are still in the field, and it is a reason why the natives do not trust the officers of the constabulary. Perhaps the best illustration of the conditions here referred to may be furnished by reviewing the case of Simeon Ola, the facts in which, so far as I am aware, have hitherto been unknown. Ola was the head of a ladrone band which operated through the province of Albay during the early part of 1903. The constabulary being wholly unable to capture him, Colonel H. H. Bandholtz, assistant chief in command of the second constabulary district, with headquarters at Lucena, Tayabas, entered into an agreement concerning Ola. This agreement was put into written form and duly signed and witnessed, and is so remarkable a document that it is deemed best to reproduce it in full.²

Bases de la Conferencia del Sr. Ramón F. Santos con el Sr.

²An original copy of this document has been shown to the writer by authoritative persons. The document was typewritten and widely distributed through the districts in order to induce the followers of Ola to lay down their arms.

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Simeon Ola al objeto de gestionar su presentación con los suyos y armamentos para la pacificación de la provincia de Albay.

1a. Será nombrado Ramón F. Santos Gobernador de la provincia en el próximo bienio 1904 á 1906.

2a. Será nombrado Eligio Arboleda Presidente municipal de Guinobatan en el próximo bienio 1904 á 1906.

3a. Quedarán nulo y sin efecto las dos anteriores, en el caso de que no se presente.

4a. En el mismo caso quedará nombrado Gobernador de la provincia el coronel actual del Extremo del Sur de Luzon, con el fin de dejar pacificada la provincia, persiguiendo sin levantar mano toda clase de Badidaje castigando con mano fuerte con arreglo al Código Militar.

5a. Y última Podrá presentar incondicionalmente que serán protegidos bajo el amparo y proteccion de los Señores Coronel y Gobernador Provincial quienes empeñan en palabra de Honor de salvarles tanto de la pena capital como de ser prisioneros pidiendo á la metropoli Indulto ó amnestia para todos cuya consecución están seguros de alcanzarla.

Ligao, 22 de Setiembre de 1903.

H. H. BANDHOLTZ,

Colonel and Ass't Chief P. C.

Commanding.

Es copia.

(Sgd.) Ramon F. Santos,

Secretario de Guerra.

There are several features in this agreement that may well arouse surprise. The first is the way in which a chief of constabulary seems to feel able to enter into arrangements for the disposition of a nominally elective office. Santos is by the terms of the agreement promised the governorship of Albay. The curious feature of the whole situation is that later Santos was (nominally) "elected" governor of Albay, and occupies that position to-day. This means either (1) that the whole population of the province was so much in sympathy with Ola and his men that they elected one of Ola's friends governor,

in which case the charge that his band were mere common thieves will hardly be believed, or else (2) the elective franchise was merely formal, and the influence of the government placed in charge of a province a man whose selection was intended to placate the friends of a ladrone band.

The second matter of interest in connection with this unique contract is the fact that Ola (the chief person to be safeguarded by it), who had been promised entire immunity from punishment, was promptly tried, convicted and sent to Bilibid for a thirty years' term. With him went several of his men. Others were sentenced to death.

It is hardly necessary to say that this action on the part of the government, in directly violating the contract whereby it secured the pacification of a province, did not conduce toward establishing in the estimation of the natives either the fair intentions or the honourable methods of the authorities.

That the case against the efficiency of the constabulary is clear will hardly be disputed. It is evident that they have not suppressed ladronism and that their methods have been severe. All this might, however, be due to the policies of the Commission, and the other question still remains, Have the constabulary performed their duties with the least possible friction and suffering to the population as a whole?

The answer to this question must be learned from an extended investigation of particular cases, and from conversation with the inhabitants of the islands. No facts of a general character throwing much light on the subject have been published, so far as the writer is aware. A judgment as to the efficiency of the force must be personal, and will depend largely on the standards of the investigator. Of one thing, however, there can be no doubt: the dissatisfaction with the constabulary is intense and

widespread, the charges against it, officially filed with its officers, are multitudinous, and a general belief exists both among Americans and natives that the force is inefficient and cruel. These complaints seem to rest upon two main charges—that the constabulary has failed to afford adequate protection to the population and that it has inflicted actual suffering upon them.

It has already been seen that ladronism is far from having been suppressed, and this alone might be held to bear out the claim that protection has been inadequate. But the general failure to suppress ladronism is not the basis of the charge just outlined. What is referred to is the failure to put a stop to petty marauding even in nominally peaceful districts.

The poor quality of discipline in the constabulary and its low *morale* are very freely admitted by many of those familiar with its history and present condition. Apologists attribute these unfortunate facts partly to the character of constabulary officers (they being largely former privates in the United States regulars), or to the way in which the constabulary are quartered and supported. Be the cause what it may, the fact remains that the constabulary as a body is badly disciplined. This might be forgiven if faulty discipline were in part atoned for by vigour and initiative. A glance at a constabulary outpost conveys an unfavourable impression, to be strengthened upon closer inspection. The men are manifestly untrained in soldierly qualities and lack pride in the standing of their organisation. They feel the hostility of their countrymen, and repay it with the disregard of individual rights which can be found only among a subject people.

Investigation occasionally shows not only that the constabulary is making no serious efforts to catch the ladrones, but that the latter are really playing the part of

a police force, a very necessary duty where the population has been entirely stripped of arms and left at the mercy of any petty marauders who may happen to be abroad. A specific instance will illustrate this point very clearly. One Felisardo is at present operating with his band of outlaws through the province of Cavite, the claim of the constabulary being that they are unable to catch him. The truth is that Felisardo is in a sense a pacifying agent in the province, and for a regularly fixed consideration agrees to protect the natives against robbery or outrage. If a man who has accepted Felisardo's protection and has paid his fee should be robbed of a horse or caribao, he notifies the outlaw, and is promptly supplied with one as good as that which he lost. It frequently occurs, too, that natives who have asked the constabulary authorities for protection against thieves are informed that they live too far from a constabulary post—are quite out of reach, in fact. Under such circumstances, only two courses are open to them: to accept the protection of Felisardo, incurring thereby the danger of charges of "bandolerismo," or else to suffer from whatever danger of theft and outrage may arise either from the proximity of Felisardo himself or from individual freebooters.¹

¹It is just such a state of affairs that affords the richest field to the government agents who work up the charges of brigandage that each month send many men to Bilibid. One case that has come to the writer's attention deserves special mention as an illustration of conditions in the provinces. Not long ago a band of ladrones captured a native who owned a small field and a nipa hut on the outskirts of the zone protected by the constabulary in an outlying province. He was given the choice of seeing all his property destroyed or joining the band. After a long hesitation, and an effort to find some way of escape, he finally consented to become a member of the band. In this capacity he served for some weeks, but without the necessity or opportunity of taking

With the failure to protect the population from the depredations of others should be coupled the tendency of the constables to prey upon the population in their own interest. According to the municipal presidente of Lipa (Batangas), there exist in the provinces two classes of brigands, "one class being the constables themselves, who upon arriving in the villages demand food, and arrest the peaceful inhabitants on the ground that they have given food to brigands, the other class being the regular brigands themselves in the country. . . . In the villages two kinds of the most absolute tyranny exist; tyranny on the part of the brigands themselves and tyranny on the part of the constables themselves."¹

Besides the general evils thus set forth, there are others of which it is impossible to speak so definitely, although their existence is certain. One of these is personal abuse or torture occurring in sporadic instances. It is hard to say how widely torture is now resorted to by the constabulary, but it is undoubtedly employed here and there.²

A special feature of the constabulary situation is the secret service. Under the title of "the Division of In-part in any depredations. Finally, a slight attack of fever enabled him to feign serious illness. In this condition, he was left behind, and succeeded in making good his escape. Ultimately, he was picked up by the Americans, who, instead of allowing him to get back to his farm, put him on trial for brigandage, and finally sent him to serve a long sentence in Bilibid.

¹See Manila despatch giving account of meeting of municipal presidentes; *Springfield Republican*, August 19th, 1904.

²In one case which I have personally inquired into on the spot, kerosene was poured into the throat and nose of a victim in order to secure testimony. In another, concerning which I have been informed by one who directly investigated the circumstances in the place where they occurred, a man was beaten on the chest with the butt of a rifle until he died of hemorrhage of the lungs on the sixth day, without confession.

formation," there has grown up an elaborate system of espionage. This division is organised as a bureau in the office of the constabulary. It employs thirty or forty American detectives, and has a small sum, amounting to only a few thousand dollars, for the employment of occasional outside aid. The smallness of this appropriation misleads some persons into the belief that the force is very limited and its work narrow. Such is far from being the fact. The organisation of the Division of Information as a bureau of the constabulary practically places the whole resources of the organisation at the disposal of the division when they are needed. Any member of the constabulary may be detailed for detective work. Philippine society is literally honeycombed by the secret service, and no one can feel safe for an instant, whether guilty or innocent. A personal grudge, a rough or offensive word, a casual quarrel, may lead to imprisonment or loss of life through lying charges brought by some "secreto." When charges have once been preferred, it seems to be considered a matter of cardinal importance to secure a conviction in order that the standing and prestige of the force may not be impaired.

The worst element in the situation is the fact that there is little chance of bringing to justice unworthy constabulary officers or secret service men. It is difficult to get a hearing for the case, in the first place, and should one of these officials be in actual jeopardy as a consequence of illegal acts, he is usually protected in some way. The reason for the general indifference to native complaints when originally preferred is found in a remark made to me by General Allen, the chief of the force. According to this officer, the records of his bureau are "filled with complaints against the force," but he never finds that the charges have any foundation. This is attributable to the

fact that constabulary abuses are always investigated and reported upon by constabulary officers, usually belonging to the very locality where the abuses complained of have been committed. It is only by outside investigators that the facts can be established. This makes it the more to be regretted that the Commission has almost uniformly refused to investigate charges of this sort directly. When the charges are evidently well based, offenders are unquestionably punished (as has been stated to me by General Allen), if the facts come to the knowledge of the higher officers, but in many instances lower officials condone offences for the sake of the credit of the force or to excuse their own slackness, neglect or ignorance.¹ Too

¹A singular instance of the impatience of criticism and unwillingness to confess error or to have its methods known that seems to pervade the constabulary is found in the case of one Harris, formerly a secret agent who was detailed to investigate the whereabouts of a band of ladrones commanded by one Felisardo. Harris succeeded in entering the ladrone camp and in being accepted by Felisardo as a deserter from the American forces. After some days among the ladrones, Harris made his escape and reported at constabulary headquarters. He had been ordered to kill Felisardo if necessary, or preferably to capture and bring him in. This, however, he had been prevented from doing by some sudden accessions to the ladrones, which had made the enterprise too hazardous. He reported that while he had been unable to compass the capture or death of the chief, he believed that if the constabulary of the province would devote to the task a small part of the energy they spent in scheming against one another, Felisardo would soon be in the hands of the Americans. This was a reflection on the officers of the constabulary which could not be overlooked, and in consequence it was desired to subject Harris to severe punishment. He was arrested on a charge of sharing in the operations of the bandits, but no evidence appearing against him, was shortly discharged, only to be rearrested on a similar charge. This process was several times repeated until the case was finally forced to trial by the man's friends and an acquittal was secured.

little credence is given to the sworn statements of reliable and trustworthy natives in constabulary investigations and too much stress is put upon the statements of the men who themselves probably committed the illegal acts or are acting in harmony with those who did. In many instances, natives are bullied or threatened or silently subjected to pressure until they withdraw their complaints or refrain from urging them. The conditions are, in brief, unfavourable to the real bringing to light of constabulary outrages. The officers of the force are not the proper men to assign punishments affecting the members of their own commands.

While it is true, as already stated, that there is an undoubted tendency on the part of lower constabulary officers to cover up the doings of their men, it should be remembered that the men themselves are, after all, hard to deal with. In the words of a lieutenant of scouts, "Many of my men are tough propositions, for they are all ex-cutthroats and thieves." In some provinces the constabulary contains a large element of unruly persons, even of ladrones, who have been captured, and to avoid serving a prison sentence, are forced to enlist in the constabulary, and supposedly to aid in capturing their former associates. Another large element in the force is composed of lawless and idle individuals who are unwilling to continue at any steady occupation and who find it easier to make a living in the constabulary than to do regular work. A third element consists of those who were formerly members of the *Guardia Civil* under the Spanish régime, and who have been bred in all the traditions of that hated and oppressive force. It is, of course, true that the natives who were really connected with the insurrection in an active way do not sympathise with the constabulary, and that the wealthier and better classes would not think of

enlisting in it. It is also true that the ordinary peaceable man prefers to live in his own barrio and cultivate his own field rather than to assist in repressing his fellow-townsmen.

To sum up this whole matter, I believe that the following general statements concerning the native forces of the United States in the Philippines can be maintained:

(1) That they are largely composed of an undesirable element of the native population.

(2) That they have been inefficient; and unsuccessful in the following main objects:

(a) Clearing the islands of ladrones.


(b) Protecting the peaceful natives against the alleged annoyance and depredations of these ladrones.

(c) Working in harmony with the peaceful natives, increasing the ordinary man's sense of security, and safeguarding him against police oppression.

(3) That they have been, sporadically at least, guilty of inflicting torture upon suspected persons, and without adequate rebuke or punishment.

(4) That they have sometimes levied illegal contributions upon, and unjustly extorted sums of money from, the people they were set to protect.

(5) That their discipline and their morale are in many instances open to question.



CHAPTER VII

THE CONTROL OF PUBLIC OPINION

AMERICANS, accustomed to the power of public opinion in this country, and knowing that there are many Americans in the Philippines, often ask why there is not an uprising of popular sentiment against insular conditions as heretofore depicted. This question raises an issue of profound importance for the present and future of the islands, and for their relation to the United States. The apathy of the public mind in the United States is not due to mere indifference, nor is the silence of Americans in the Philippines always the result either of satisfaction or of ignorance of conditions.

One of the foremost facts in the relation of this country to the Philippine Islands is that Americans do not know what is in progress there. From the very outset there has been a persistent attempt to conceal the facts, and thus to muzzle public sentiment on this side of the water. It would be easy to explain this silence by attributing it to a consciousness of wrong-doing, but this in any event would afford only a partial explanation. Moreover, it is certain that many Americans in the Philippines seriously believe that our occupation of the islands has been, on the whole, benevolent. The real explanation is to be found in a feeling voiced by Mr. Taft early in 1904,¹ when he inquired concerning certain leading Americans who had submitted a petition concerning the Philippines to the Republican National Convention: "Why should the good people . . . intermeddle with something the effect of


¹*Outlook*, April 30th, 1904.

which they are very little able to understand?" This inquiry gives the keynote to the policy of secrecy in Philippine affairs. Men inexperienced in foreign travel or colonial affairs easily convince themselves that what seems strange to them will be incomprehensible to others at home. Be the cause what it may, the fact remains. The official reports of the Philippine Commission have been uniformly optimistic and congratulatory, seldom duly valuing bad features in the outlook, never acknowledging errors of administration. The War Department has for several years (under Mr. Root) been most reluctant to give out information concerning the situation in the Philippines, and has done so only under pressure. It is more surprising that a similar policy should have been pursued by Republican leaders in Congress. The methods that have been employed can be comprehended by a review of the only real effort at investigation of Philippine affairs ever made by Congress. The proposal for an inquiry into the Philippine situation was brought up in the Senate by Mr. Hoar on January 13th, 1902. On that date he offered a resolution reading as follows:

"Ordered that a committee of seven senators be appointed by the chair, who shall examine and report into the conduct of the war in the Philippine Islands, the administration of the government there, and the condition and character of the inhabitants. Said committee shall have power to send for persons and papers, to administer oaths, and to sit during the sessions of the Senate."

This resolution was brought up for discussion on the day following its presentation, and provoked a spirited colloquy. It was felt by Senator Lodge, then chairman of the Senate Philippine Committee, that the appointment of such a board of investigation would be a serious criti-

¹Congressional Record, 57th Congress, 1st session, Vol. XXXV, Part 1, p. 597.



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cism upon the work of his own committee. "The passage of a resolution of that character," remarked Mr. Lodge,¹ "would, it seems to me, be the most serious reflection to which any committee could be subjected."

Mr. Lodge further mildly threatened the disbandment of the Philippine Committee, should the work of inquiry be given to a specially organised body :

If it becomes necessary to appoint another committee to investigate the particular subject committed to the Committee on the Philippines by the action of the Senate, it seems to me that the reason for the existence of this committee has ceased. I think we should be consulted . . . as to the necessity of this investigation. . . .²

A careful review of the situation from the political standpoint convinced both Mr. Hoar and those others who favoured the investigation that the proposal for an inquiry would have no prospect of success unless it were reshaped so as to place the work of investigation in the hands of Mr. Lodge. Democrats who were friendly to the Hoar resolution speedily saw the necessities of the case and joined Mr. Lodge in urging its reference to the Committee on the Philippines, hoping thereby to commit the chairman to a thorough investigation.


The casual observer could scarcely understand Mr. Lodge's motive in so strenuously opposing the creation of a special investigating body. It seemed matter of little interest one way or the other by whom the inquiry was carried on. Analysis, however, showed clearly the real merits of the issue. Mr. Hoar in his original proposal had pointed out with great clearness the scope of the investigation he desired. He had asked for an inquiry which should determine in an unmistakable way the facts re-

¹*Ibid.*, p. 651.

²Congressional Record, 57th Congress, 1st session, Vol. XXXV, Part 1, p. 651.

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lating to certain historical questions of grave importance, such as the relation between Admiral Dewey and General Aguinaldo; the actual conditions then existing in the Philippine Islands, both civil and military; the cost of the conquest of the islands, and a variety of other matters. On all these topics there had been an impenetrable silence, broken only, if at all, by mild and soothing commonplaces. Reliable news from the islands was even less abundant than it has since become. Complaints of censorship and strict suppression of facts were numerous and well founded. Yet statements of great import were certainly being brought to this country in private letters—statements which, if they truly expressed the condition of affairs in the Philippines, would indubitably lead to a change in government policy toward the natives. Moreover, legislation of an important character was about to be pressed upon the attention of Congress. The ascertainment of some pivotal historical facts and their acceptance by the country would radically change popular notions as to the character of the legislation to be enacted. So, too, the establishment of facts concerning trade conditions would strongly influence the course of events on the tariff bill, while conclusive evidence on political matters would doubtless result in reshaping the civil government measure proposed by the War Department. In view of these facts, Mr. Hoar's resolution came at a most critical moment. Could it have been carried through in the form originally proposed; could it especially have been introduced at the preceding session, important changes in Philippine legislation might have been produced. This was not to be. The passage of the resolution in the changed form, whereby the conduct of the inquiry was thrown into the hands of the Senate Philippine Committee, was conceded to be *the only* condition under which the inquiry



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could be prosecuted, and was therefore accepted as a necessity by the friends of the investigation. Yet even so, the revised plan would probably have proved unacceptable to Mr. Hoar and his sympathisers, had it not been for the pledge of a fair and thorough investigation. Mr. Lodge frankly expressed his disapproval of any inquiry into what had been done in the Philippines, saying :

If . . . the Senate think that we ought to investigate some of the disputed questions of the past to which my colleague has referred, of the necessity of which I will frankly say I am not convinced, I think that committee is fit to do it.¹

But he added :

' If the Senate see fit to charge us with the investigation of any question past or present, I think, Mr. President, that committee is competent to deal with it, and will deal with it honestly and effectively.


The committee actually began the work of investigation January 31st, 1902, with Governor Taft (recently arrived from the Philippines) as a witness. While there was nothing of a striking character in Mr. Taft's testimony, there were, as it later developed, numerous statements that threw much light upon disputed or unfamiliar points in the Philippine discussion. Governor Taft was succeeded by Dr. David P. Barrows, the chief of the so-called "Bureau of Non-Christian Tribes," and by other civil officials. The military was represented by several generals of prominence, notably Generals MacArthur, Otis and Hughes, as well as by subordinate officers.

When the time came for the summoning of witnesses suggested or designated by the minority of the committee, it was supposed that a fair degree of latitude would be allowed. Although the committee had been clothed with authority to "send for persons and papers," the chairman

¹*Ibid.*, p. 651.

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early made a ruling that no witnesses then in the Philippines should be summoned for examination. This was on the ground that the distance was too great to admit of bringing men from Manila to Washington in time to be of service in the investigation—an arbitrary plea. In a similar way, the effort to summon witnesses who, though they had never actually visited the Philippines, had made a study of problems of insular administration, led to a ruling that no persons should be summoned who had never been in the islands. Thus, by forbidding reliance on persons at the time in the Philippines and on persons who had never been there, the minority of the committee was limited to witnesses who had been in the islands and had voluntarily returned. Practically the only persons thus available were ex-soldiers, for the returned officers were for obvious reasons not likely to say anything in defiance of the known wishes of the administration. The soldiers, who thus constituted practically the only body of witnesses likely to be free from administration bias, were naturally in but few instances men of large general observation. They could only recount the individual experiences had by themselves in person, and could not be expected to furnish intelligent statements as to policies or general conditions falling outside the scope of their own experience. A considerable number of these men were, however, summoned at the outset. Their testimony indicated a striking degree of uniformity, and pointed to the existence of conditions under military rule very repugnant to the ideas of civilisation supposed to be peculiarly characteristic of our "mission" to the natives. The statements made by these witnesses became noised abroad, notwithstanding the scant attention paid them by the great body of the newspapers of the country, and resulted in a strong demand for further inquiry and for the publication of all



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the facts in the case. During the early spring of 1902, the Philippine Committee began to find the situation very disagreeable, and the result was a still more vigorous application of the policy of suppression and silence. Every effort was made to have the regular meetings of the committee at which testimony could be heard as few and far between as possible. The work of revising and rewriting the Civil Government Bill was broken up among several sub-committees, and thus many meetings of the full committee itself were avoided. There was, however, one class of witnesses not excluded by the rulings of Mr. Lodge, and upon which no reliance had as yet been placed. This class consisted of Filipinos then in the United States for business or other personal reasons. Such persons were few in number, and some time was required to ascertain their whereabouts and to gain their consent to appear as witnesses. No Filipinos were, therefore, summoned until toward the close of the session, when certain names were placed on the roll of witnesses to be called. At the same time, a number of soldiers and others who had returned from the Philippines allowed themselves to be enrolled, so that at length a considerable body of persons had become available. It began to be feared that the testimony waiting to be offered would have bad effects upon the prospects of easily passing the Philippine bill. A proposal to hold hearings during the recess of Congress, as well as a companion plan for a trip of investigation to the Philippines, was rejected. The Senate inquiry was never resumed.

These facts make clear the difficulty of breaking the reserve of the Washington administration with reference to Philippine affairs. Information from the Philippines, in brief, must emanate from ordinary news sources in the islands. It never comes either from the Philippine




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Commission or from the executive at Washington, and Congress has found itself unable to elicit much additional matter.

This policy of government secretiveness would be rendered largely ineffectual were there some system of regular news service in the archipelago. The natural way in which news should come would be through representatives of American press associations or through the Manila correspondents of individual American newspapers. Correspondents for American and foreign newspapers and for press associations should be free from any limitations which might bridle the local press. That might conceivably be the case, if there were enough of such men in Manila to preserve the spirit of competition and to minimise the danger of external personal influence. This being true, it is exceedingly unfortunate that the number of correspondents in Manila is so small, and that the men who are stationed there are so often placed in ambiguous positions. Ordinarily, there are in Manila one representative of the Associated Press and one of the Laffan Press Association, though these men are usually employed by local newspapers and are correspondents only incidentally. No correspondents representing individual American newspapers are, so far as I have been able to learn, now stationed in Manila, and none have been regularly there for some time past. An occasional correspondent passes through, either with a flourish, as in the case of certain men who visited there early in 1904, each of whom remained a few days in Manila, or in a stealthy, semi-secret way, as in the case of some reporters for the Hearst newspapers, who also came to the islands in the spring of 1904.

The travelling correspondent who comes to Manila with letters to public officials is usually taken directly in hand



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by them and courteously entertained, so that any lurking tendency to criticism is likely to be stifled by the obligations created through the acceptance of hospitality. Often, indeed usually, no such tendency exists, the correspondent being well aware that his home paper desires only picturesque narrative, livened by the spirit of healthy optimism so much favoured by public officers in the Philippines. As a rule, too, such correspondents are unfamiliar with Philippine conditions before their arrival, and remain in the islands too short a time to inform themselves thoroughly of the conditions then prevailing. In either event, nothing is accomplished by them in the way of serious criticism or sustained analysis of governmental methods and results. It may be safely stated that for actual Philippine news no source is open to the American public save the irregular despatches of the representatives of the two press associations referred to. How meagre these despatches have been, so far as can be judged from their printed form, must be familiar to the readers of every American newspaper. The writer is informed from first-hand sources that in some cases where a full and complete account of some important Manila occurrence of a political type has been provided for in advance by the Manila correspondent of a press association, and the article later released by a cable despatch giving the latest news on the subject to head the article, nothing has been printed save an abbreviated version of the cable itself. It is, therefore, fair to ask whether there has been an intentional effort by any of those involved to suppress important news, or whether extraneous influences have been at work, or whether the Philippines really lack importance as a news field to the extent usually represented.

A measure of truth is probably to be ascribed to all three of these explanations. Doubtless it is true that the Philip-

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pines is not as important a news source as are many other Eastern countries. It can be understood, too, that in any event the high cable rates would naturally preclude much from passing over the wires that would be sent were the distance less and the rates lower. But this cannot explain the errors in the choice of material. Given a certain number of words to be sent, the choice of items invariably falls upon those which will arouse no feeling and ruffle no feathers among Philippine administrators. Appointments and resignations in the army or civil service, and minor outbreaks among natives will be steadily chronicled, but cases of bad administration, abuse of the native population and similar unfortunate occurrences are sparingly noted, if at all. It is a matter of common remark in the Philippines that journalists can write pages on their arrival, columns after a few weeks' stay and paragraphs after a few months. This is literally true. It seems that the organs of control are so effective, and the forces making for subordination and silence so strong, that they are irresistible. In part, too, it means that a few months' experience of autocratic government does much to dull the supersensitiveness of critics, and that many things which seem intolerable at first to men fresh from democratic countries become natural and familiar after the same men have passed a short time in contact with the things they at first were inclined to complain of.

Evidently, if the difficulties in the way of getting information through press correspondents are so great, the obstacles to the establishment of a free press in Manila that could furnish information for home consumption would be almost insurmountable. The condition of the Philippine press (printed in English) is naturally unsatisfactory. The large decrease in the number of Americans in the Philippines has naturally diminished the possible

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circulation of these local papers, which are little read by natives, and must therefore depend upon foreign patronage for subscription support. With an American population of less than 5,000 civilians, and a much smaller number of other English-speaking inhabitants, the newspapers are almost obliged to pursue one of two courses: they must either cater to army feelings and prejudice in order to gain circulation among the body of troops stationed near Manila and elsewhere in the Philippines, or else fall back upon official support in the shape of advertising or other subventions of one sort or another. One chief source of antagonism to the civil government of the islands arises from the prejudice against it entertained by military men of all arms and ranks. Certain journals which have heretofore sought to represent this section of opinion on the higher side by sharp criticism have been speedily repressed by prosecutions directed against their editors or publishers.

Such prosecutions may be instituted under the "Sedition" act¹ or the "Criminal Libel" act,² both of which were passed late in 1901 with the object of repressing public criticism at a time when the disturbed condition of affairs and the friction between the military and civil authorities had made such criticism unusually active.

The Sedition Act as a whole has been discussed elsewhere. It suffices to note at this point the section which has especially hampered the press in the discussion of public events:

SEC. 8. Every person who shall utter seditious words or speeches, write, publish, or circulate scurrilous libels against the government of the . . . Philippine Islands, or which tend to disturb or obstruct any lawful officer in executing his office, or


¹Act No. 292, *Laws*, Vol. I, pp. 685-688.

²Act No. 277, *Laws*, Vol. I, pp. 675, 676.

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which tend to instigate others to cabal or meet together for unlawful purposes . . . 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.

The total absence of jury trials and the firm grip maintained by the Commission upon the judicial system have made the danger of prosecution a terror to all journalists in the islands. The fear of "having to go to Bilibid with the natives" has been a very powerful deterrent to those who might otherwise have acted as critics, for it is generally understood that a prosecution under the act, the bench being in its existing condition, would mean a conviction. The case in which Messrs. Dorr and O'Brien, of the *Manila Freedom*, received their sentences, later approved by the Supreme Court of the United States, has furnished a striking example of what might be expected. In one case, an effective means of control has seemingly been found by prosecuting a writer for libel under the law already referred to, securing a conviction, and then when the cause was appealed, making no effort to press the matter. The sentence already awarded is held as a guarantee of future good conduct on the part of the accused. In most cases, no such radical measures are necessary. The desire to get a share of government advertising, printing and other favours is usually a sufficiently powerful sedative to quiet any uneasy stirrings of criticism. What is true of the American newspapers is true of the native press in more marked degree, except that with these newspapers control is exerted more through fear and less through economic considerations. It is true, however, that in some cases lucrative employment has been given by the Commission to native journalists or to the owners of native newspapers, seemingly to keep them quiet.



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The simple truth is that from the outset of the American régime in the Philippines it was considered essential to control the sources of public information in the islands. The action of various military commanders in suppressing some parts of the cable despatches and in altering other parts is well known. The same policy in a different form and under different methods has been pursued by the civil government, and the American public has been absolutely prevented from arriving at any real knowledge of the state of affairs.

The only remaining source from which Americans at home might draw information is the letters of Philippine natives or residents. The former may be omitted from consideration for various reasons. The latter are civil servants, army officers or local business men. Army officers are necessarily very chary of expressing opinions or giving information, in view of the close control maintained over them by the War Department. Of the situation among civil servants, a public official of high standing and good character in the Philippines wrote me as follows (in a personal letter) late in 1904:

Let a person out here connected with the Government dare criticise it, and if he is not raked over the coals direct, he will at least find that he has cut himself off from all chance of promotion. To me this fierce intolerance of enlightened criticism is one of the worst features of the "liberty" we are spreading in these islands.

This statement is literally true. That it is of general application can be seen from a circular sent some months ago by the superintendent of education in the Philippines to all teachers under his control. In this document he said:

Teachers are requested to exercise such care as the situation

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demands, both in their statements and by special direction to correspondents that all private communications may be treated as such. Any misuse of matter sent to the States will be treated as if authorised by the party sending it.

A most powerful influence over the utterances of all government employees is thus exerted by the Commission. It is thoroughly well understood that any individual, whether of high or low rank in the official hierarchy, who may venture to make any critical remarks, either concerning a member of the Commission or the acts of the government, will endanger his place, and, moreover, will be prevented from obtaining any other public employment. Not only that, but should such an individual think of continuing as a resident of the islands, he is nearly certain to find the influence of the administration thrown against his obtaining employment in a business capacity from private individuals. Influences of the kind are necessarily exerted in a subtle way and through obscure channels, but they are none the less effective. Just how this is done can be easily understood from a brief analysis of the commercial situation. As things stand, the only occupations open to a foreigner or to an American not a member of the administration or of the teaching corps in one capacity or another are, (1) trading and importing; (2) farming on a large scale; or (3) retail shop-keeping. As for retail dealing of the kind referred to, it is at once evident that the scope of such operations must be exceedingly limited. No foreigner, least of all an American, could hope to compete for native trade with the shops conducted either by natives themselves, Chinese shop-keepers or other Oriental dealers. The only sort of retail dealing that could possibly be conducted by Americans would be a sort in which exclusive dependence was placed upon the custom of Americans or Europeans in

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want of imported goods in small quantities. Farming on a large scale would, under present conditions, be an occupation entirely beyond the reach of such an American as is here referred to. It requires a considerable capital, and if the land were to be acquired from government, would imply a tolerably friendly attitude on the part of those in control of affairs, to say nothing of very large practical experience. About the most feasible employment that could be obtained by an American obliged to take care of himself would be, therefore, either to engage in trading and importing or to become an employee of some company or firm already in such business. It is over precisely such firms that the administration of the Philippines exerts the greatest influence. Success in importing or exporting must be largely dependent on the good will of the administration for a considerable time to come. Not only is the government the largest buyer of imported goods, but officials have it quite in their power to hamper the operations of importers most seriously by imposing vexatious custom-house formalities and restrictions upon them. Manila firms complain that in order to do business successfully it is necessary to "stand in with" the government. One could hardly expect such a firm, therefore, to employ a man known to be distasteful to the governing authorities. Still less could such a person expect to start fairly in business if burdened with the hostility of an all-powerful administration. In short, as a high officer in the insular government lately expressed it, "if Americans do not like conditions in the Philippines, they can leave," the word "can" being here interpreted to mean "must." A "liking" for Philippine conditions, moreover, implies not simply an internal satisfaction, but also the absence of criticism of any sort. "A healthy spirit of optimism and the entire absence of any political complaint




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is what is needed among Americans if we are successfully to govern these natives," remarked an official in conversation with the writer. "Healthy optimism" is indeed at a par in Manila, and barring criticism of the official hierarchy, nothing is more deeply resented than open doubt or fear as to the future of our administration.

The control thus exercised over the written word is exerted also over the spoken. The pulpit and the stage have been subjected either to unofficial or official surveillance. The sedition act, already discussed, provides that "if two or more persons conspire to overthrow, put down or destroy by force the government of the United States in the Philippine Islands . . . such persons shall be punished by a fine of not more than \$5,000 and by imprisonment, with or without hard labour, for a period not more than six years." Under this act, and by the use of the constabulary spies, it has become unsafe for private persons to attend social gatherings or express political opinions in their own homes. Expressions by letter are equally dangerous, owing to the searching of the mail, a process which, it is thought by Señor del Pan of the Manila bar, in his argument on the recent Lukban case, has been carried vastly further and has been more arbitrarily used than under the Spanish administration. The provision of the libel act taken in connection with those of the sedition act are such as to make it practically impossible to express an opinion adverse to the administration or any member of it without becoming liable to prosecution.¹

¹A striking case in which the legislation here referred to has been used for purposes of control is found in the prosecution of Mr. A. W. Prautch in the summer of 1904, for libelling a constabulary officer who had made certain illegal arrests. Prautch was induced by the authorities to plead guilty as the best way out



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In cases where a critic is too influential, or where his criticisms are too carefully phrased to admit of prosecuting him, a process of ostracism takes place, which is usually very effective, as Manila society consists chiefly of office-holders, who take their bias directly from those in authority. An American bishop stationed in Manila expresses in conversation the opinion that the "impatience of criticism shown by the Commission" is one of the most disastrous features of the present Philippine situation. The hostility of the higher authorities, he asserts, is visited upon preachers who venture to criticise a member of the Commission or any of its policies.

Care is, of course, necessary in the restraint of the pulpit, and more is done in this direction by friendly than by hostile means. A different attitude is taken toward the native drama. In recent decisions handed down by court of first instance in Manila, heavy penalties, including both fine and imprisonment, have been awarded not only to the author and producer, but even to the actors in the play "Hindi Aco Patay," a dramatic production of an allegorical character, in which Philippine independence was hinted at. Nor is this an isolated case. At least two other plays of similar character, "Cadena Guiginto" and "Ayer, Hoy, y Mañana," have been prohibited and their authors and producers are now being tried. So active has the investigation been, that when the writer tried to secure a copy of "Hindi Aco Patay" in the original he found it impossible to obtain the play. Several to whom applica-

of his difficulties, and the case was fully reviewed before Judge Crossfield in the court of first instance in Manila. The charges made by Mr. Prautch were established, and Judge Crossfield in his opinion stated that the conditions reviewed were of a nature to call for immediate redress. Yet a severe fine was imposed upon the only man who had ventured to call them to public attention.



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tion was made stated that so inquisitive had the secret service agents become, they feared to keep a copy in the house. It was only after much difficulty that a copy was finally had from the office of the prosecuting attorney.

It is sometimes asked whether the right of public meeting and assembly is denied the Filipinos, or whether they may at least gather and petition for redress of grievances. On this point, some recent evidence of a valuable sort is available. Commenting upon a statement made by Mr. Taft before the New York Chamber of Commerce that the government of the Philippines had "secured to every man, woman and child among the Christian Filipinos all the rights contained in the bill of rights, except the right to bear arms and the right to trial by jury," Mr. David G. Haskins of Boston wrote, asking:

Is an orderly and patriotic Filipino free to advocate publicly the peaceable separation of his country from the United States . . . by organising or addressing public meetings for that purpose? . . . Or, if not technically prohibited by the law, would he be exposed by such action to police interference . . . or to any other unpleasant consequences?¹

Mr. Taft, in reply, stated that "there is in the islands to-day freedom of speech, of the press, of assemblage and of petition," and added that "one may advocate anything he chooses, provided it does not involve violence to the government or a disturbance of law or of order."

This correspondence having been widely circulated in the native press, was accepted in good faith, and Señor Teodoro Sandiko organised an independence meeting, to take place in Manila October 9th, 1904, shortly before the

¹Correspondence published in Springfield *Weekly Republican* July 29th, 1904.



CHAPTER VIII

POLITICAL PARTIES

It is difficult to give definite expression to the political movements of the Philippines or to say that distinct parties with definite programmes exist. This would be nearly impossible in any country where the utterance of public opinion has so long been repressed, and where the governing authorities have so long taken the very extreme view of native movements that has characterised the Philippine Commission. To form a political party in the American sense of the term would be hard, since the people have no voice in central government and can have none under existing conditions. About the utmost that could be expected in the way of real political activity would be the formation of local groups or parties in the various provinces, which should work for the election of candidates pledged to certain lines of local policy merely. Such groups have, of course, been formed, but there are certain more general movements which deserve notice because of their significance rather than because of any direct achievements.

First and most extensive among formal political organisations in the Philippines should be mentioned the so-called Federal party. This organisation, which was formed about the close of the year 1900, is, and has been, substantially the agent of the government, operating through the "*Americanista*" element of the natives. It was at the instance of a few natives eager to curry favour with our government, and largely dominated by the men who

are now native members of the Philippine Commission, that the original organisation was perfected. The confessed object was the restoration of peace, and the apparently brilliant success achieved by the new party at the outset is usually ascribed to the fact that few could afford to refuse to join it under penalty of being regarded as irreconcilable insurgent sympathisers. That the new party was largely instrumental in securing the surrender of insurgent bands, and in restoring peace during the subsequent period of war, is claimed by the managers of the party. When matters had reached a more settled condition, the question naturally arose whether to continue the organisation or to permit it to disband, now that its original object had been effected. The utility of the party as an instrument in the government control had, however, been so considerable that a more formal organisation, supervised by Legarda, de Tavera and Luzuriaga, the native members of the Commission, was kept up. Had the party gone out of existence at the close of hostilities, it would have been of interest merely as a military measure.

Extravagant claims were made as hostilities died out concerning the influence of the group which later organised the Federal party, in restoring order. Thus, in a statement to General MacArthur, written at about the end of the year 1900, Felipe Buencamino said :

1. That the Federal party is accepted by the majority of the Philippine people not in active insurrection.
2. That it is also accepted in the insurgent ranks, although up to the present time by the minority. This is due to the difficulty of communication, which delays and sometimes prevents the transmission of papers and documents concerning the party which are sent to the field; moreover, a number of the insurgent officers are afraid of martial law, and fear that they would be the victims of the vengeful accusations of their enemies, who as soon as they saw them within the military power would denounce them

to the military authorities. I hope, however, that the Federal party, although slowly, will be accepted by all the insurgents, including Aguinaldo himself if he lives, and that the rebellion will be reduced to footpads and brigands.

3. That by reason of the adhesion of the peaceful inhabitants to the party, insurgent committees, especially here in Manila, have been suppressed.¹

It was on the basis of claims of this kind as to the work accomplished, and with correspondingly high hopes of the rewards to be reaped by those who had assisted in the formation of the *junta*, which had supported the American arms, that the founders of the organisation resolved to perpetuate it. A more refined explanation of this resolve was, however, afforded by Dr. Pardo de Tavera and the other Filipino members of the Commission:²

It appeared to some at this time that the opportune moment had arrived to organise a political party, and thereupon the preliminary labours for the construction of our platform were begun.

Messrs. Buencamino, Dr. Frank S. Bourns, Ner, Arguelles, Dancel, Fabie, Yangco, Torres, Arellano, and others, full of faith and confidence in their success, went to work, and were able to complete their labours in time to call a meeting for December 23d, 1900. At said meeting, presided over by Mr. Florentino Torres, the manifesto of the Federal party was read and its platform given out, and thus was the Federal party organised.

With the gentlemen thus mentioned worked, of course, Messrs. Pardo de Tavera, Luzuriaga and Legarda, the three present Filipino members of the Commission, while the "faith and confidence" of the others was amply justified, as appears from the facts that Messrs. Arellano and Torres now occupy seats on the supreme bench, Buenca-

¹Report of General MacArthur to the adjutant-general, Manila, 1901, Vol. I, pp. 56-62.

²Appendix A to second report of Philippine Commission in report of War Department, 1901, Vol. I, Part 8, pp. 162-164.

mino held until recently a valuable appointment as civil service commissioner, besides having had several other desirable appointments, Dancel is a provincial governor, Bourns has frequently had remunerative places and profitable dealings with the government, and the other organisers have been well taken care of.

The platform originally adopted has been summed up by the Filipino Commissioners in the document already quoted as a demand for "a steadily increasing autonomy, the separation of church and state, representation of the Philippines in the Federal Congress, and the adoption of the American Constitution, culminating at last in admission of the islands as one of the States of the Union."¹

Made up as it was of office-holders, present and prospective, the most subservient class of the population and the one most readily controllable by the government, it is nevertheless highly improbable that the Federal party could ever have been formed, or at all events could have continued, its existence beyond the close of the insurrection had it not been for the support of Governor Taft.

Mr. Taft seems to have counselled the setting up of the Statehood idea in preference to that of independence, as less likely to reawaken insurrectionary longings and to

¹Of the demand for statehood, Mabini, in an unpublished manuscript (written in English), remarks: "As the Government could promise autonomy only in the future, which promise neither satisfied nor satisfies the people, this programme was not useful to them [the founders of the Federal party], for it would attract very few partisans, hence they ask the annexation of the islands as a territory for the present and as a State for the future. It is true that this petition neither met nor meets with the support of any party in the United States, and that no American statesman believes in the feasibility of these islands being some day a State of the Union, but this aspiration was less antipathetic to the people that they thought too ignorant to perceive any political trick."

was no prospect of securing such admission, at all events within any reasonable time. Whatever dreams of this sort they may have cherished had latterly been put aside. It was foolish to retain a platform whose central idea was admitted by all concerned to be impossible of attainment, yet the apparent necessity of putting something in place of it opened a new source of yet greater trouble. Should the Federal party profess no policy whatever with regard to relations between the Philippines and the United States? If so, would it not omit the greatest and most important topic of political interest to the Filipino mind? Should it come squarely out in favor of independence, either ultimate or immediate? If so, would it not practically be uniting itself in aim with the Nationalists, distasteful as the latter were to the administration?

After lengthy deliberation and exhaustive study of the views of the leading minds in the party, it was resolved by most that a bold declaration in favour of independence should be made, the demand for admission as a State being withdrawn and permanently set aside. The plan was, however, to make the declaration a pronouncement in favour only of ultimate independence. In this way, a distinction would be drawn between the Federalists and the Nationalists, the latter being on record for independence at some not far distant date, while the Federalists would regard independence simply as a final ideal. The platform was thus to be as moderate and reasonable, not to say pusillanimous, as such a document could well be. A preliminary draft was made, but the facts in the case were shortly brought to the attention of the government, and some pointed advice to the platform revisionists was given. Consequently, the hotter spirits were speedily repressed by the cooler and more calculating office-holders, and it was determined to make the party an "opportunist organi-

sation." It was to withdraw its declaration in favour of Statehood, and it was to abstain from any statement of policy to take the place of that plank. Its announced scheme of action was to be merely that of seeking to enlarge the number of Filipino office-holders and to reduce that of Americans, cutting down salaries at the same time and striving to put the islands upon an economical basis in the matter of administration. Reforms in all branches of government service, including the judiciary and the constabulary, were also to be sought.

The difference of opinion between the conservative and radical wings of the party was only temporarily smoothed over. It was greatly aggravated by the visit of a body of chosen natives sent as a government commission to the United States at the time of the St. Louis World's Fair in 1904. Many of these men had been overawed; but while on their visit found so much sympathy extended to their secret aspirations that upon their return to Manila they began to speak boldly for independence. In the spring of 1905, the differences between the two wings of the party became public, and in convention at Manila, May 23d, two platforms appeared. That put forward by the conservatives, as reported, called for a general assembly in 1906, asked for the addition of two natives to the Commission, for the reorganisation of the municipal board and the representation of business and other interests, and urged the reduction of the constabulary to one-half the present force.

The radical wing recommended the reorganisation of the party under the name "Partido Evolucionista Independiente," and declared that by reason of their rapid development the people are looking for complete independence at an early date and the separation of the legislative from the executive branches of the island government.

Governor Taft, in a recent article on "Political Parties in the Philippines,"¹ gives much space to the Federal party, which he describes as "the only political party that is generally organised throughout the archipelago," though he further mentions "a party called the Conservative party," which is made up chiefly of the Filipinos who sympathised more or less with Spain in the two revolutions and who have some pro-clerical proclivities."

This, however, omits the principal political body of the islands (in strength though not perhaps in "organisation"). This is the so-called Nationalist party, originally organised under the leadership of Pascual H. Poblete and Dr. Dominador Gomez. Some 200,000 members were originally enrolled in this party,² and it was managed by numerous provincial committees. In a platform adopted in 1902, the party set before itself the object of attaining as soon as legally possible an autonomic government resulting in independence. Coupled with this main object were several subordinate ends to be achieved as circumstances might permit.³ This party speedily became so obnoxious to the government that it was practically obliged to disband. In consequence, it has to-day no formal existence as an organisation. This should not lead the inquirer to suppose that the party is dead. In every provincial centre, little informal groups or juntas of Nationalists exist, keeping alive the ideas of the movement and striving assiduously to extend its influence and to maintain in existence the material for a working organi-

¹Annals of the American Academy, September, 1902.

²Statement furnished me from authoritative sources.

³Platforms published by the party, Manila, 1902. The Nationalist party did not create a new body of opinion. It was merely the general mass of the people, restive under foreign rule, and ready to organise in this or any other way that offered a hope of resistance.

sation as soon as conditions render definite action advisable or possible. The cardinal idea of the Nationalists is independence, but about this notion clusters a whole series of reforms, which are to be sought while working for the attainment of the central object. In many cases, the Nationalists are in more or less sympathy with the Aglipay independent church movement and are in opposition to the political and economic policy of the Catholic Church. Usually, they are opposed to the present expensive style of government and to the payment of exorbitant salaries to Americans. The Nationalist groups, in fact, comprise practically the whole body of men of independent point of view who are not office-holders or flatterers of those in authority.

I believe that the Nationalist party has a sufficient nucleus of organisation to start into renewed life at the first moment when a definite attainable object presents itself. When the party does thus recreate itself, it will succeed in drawing in a large section of the Federal party, now discontented and dissatisfied with the husks of accomplishment that have been thrown to it. There is every reason to believe that the Federalists will dwindle in numbers until the group represented in that party will consist exclusively of office-holders and hangers-on of the American administration, none of whom will possess the slightest general influence in the archipelago.

The event which will thus call into life the now apparently dormant feelings and sympathies of the Filipino people may be the order to elect the assembly, which has been promised by the terms of the Philippine Act. Plans for securing the election of the right men are already being laid, and it is likely that when this election occurs it will not be carried without opposition by the office-holders, as has been the case in the relatively unimportant provincial

elections. Governor Taft, indeed, professes to believe that there will be no opposition to the wishes of the government. In the article already quoted, he remarks: "Many express the fear that the first election or two will show obstructionists in the majority. I do not think so," and this sanguine opinion he bases upon the well-known subservience displayed in the provincial elections already held, where every voter knew perfectly well that the conclusion of the whole matter was in the hands of the Commission itself. It seems incredible that any one who has ever looked closely into this subject should give the slightest weight to this optimistic opinion. Rather it is likely that the obstructionists, if such a term may be applied to the critics and opponents of the government, will be in the majority, and will so largely predominate as to have entire control of the assembly.

Still another political organisation of the Philippines is known as the Liberal party. This group, headed by Pedro A. Paterno, has made hardly any progress since it was first organised. It has an organ known as "La Patria," but its members have been so few in number that it has been sometimes satirically styled "the party of the seven." The interest actually taken by the group in internal Philippine affairs, as well as the results accomplished by it, have been small, and its provincial committees have been few, being scattered chiefly through Union, Ilocos and la Laguna provinces. In a platform adopted at Manila in November, 1902, the Liberal party expressly recognised the sovereignty of the United States, but declared itself in favour of a policy which should "establish in the Philippines its own responsible government, designed to form and establish Philippine nationality." It further declared for various internal economic reforms.

In dealing with the political status and recent political

history of the islands, mention should be made of the efforts to organise the people in the form of labour unions. During 1902, an association known as the Union Obrera Democrática (Democratic Labor Union) was created and adopted a constitution. This document stated the object of the association as "the amelioration, moral, intellectual and material, of labourers, this end to be attained by means of constant study and work, calling into play the courage, education and instruction indispensable thereto, for the purpose of enabling workers to meet the vicissitudes of the future, as well as to improve their well-being by increasing wages and decreasing prices of necessaries, food and clothing." The association was to work for favourable legislation on hours, remuneration in case of accident, regulation of the work of women and children and other similar ends.¹

Apparently, the object of the association was substantially the same as that of other labour unions of the type familiar in the United States. From the outset, however, some Manila employers claimed to consider it a political movement, and the effort was made to represent it and the labour troubles resulting from it as an unmixed evil.² The chief leader of the organisation was Dr. Dominador Gomez, also largely interested in the Nationalist party. Some connection of a sympathetic character may have existed between the two movements, although probably none of an official or direct sort. The hostility of the authorities and the later prosecution of Gomez for alleged fraud in connection with the funds of the labour union, as well as for political scheming, practically destroyed it. It numbered at one time probably 15,000 regular mem-

¹Full information on these topics may be gathered from the *Reglamento de la Union Obrera de Filipinas, Manila, 1902.*

²Two strikes were called by the Union Obrera.

bers, besides many other floating adherents, who hastened to get out of it whenever any difficulties appeared in sight.

As a practical successor to the Union Obrera, there has now been organised the Union del Trabajo de Filipinas (Labour Union of the Philippines), under the leadership of Pedro Dancel as president, and with substantially the same confessed aims as its predecessor.¹ It now numbers possibly 2,000 members, besides sympathisers and co-workers not formally enrolled. Under the general direction of this association there have been created trade-guilds of printers, lithographers, binders, cigar-makers, clerks, barbers, naval carpenters, caulkers, mechanics, electricians and carriage-makers. The union has made little progress in the provinces and its apparently limited success has diverted attention from it. So far as any thought is given to it by the authorities, it is regarded simply as a political scheme having ultimate designs of an obscure and probably seditious nature.

The real truth is that every political party which has been or can be formed in the islands has at bottom the idea of working toward a more independent scheme of government. The degree of plainness with which the members of the various groups are willing to speak out differs, but the ultimate moving idea is the same in all cases. This means that, contrary to all the statements that have been made to a different purport, contrary to the claims of optimistic American administrators, the people of the Philippines are not satisfied with the existing situation, are discontented with American rule, and are continually looking forward to something new. Were it an accepted fact throughout the islands that no chance of altering the present status could be looked for, I believe that there would be a universal movement of despairing resistance.

¹See Union del Trabajo de Filipinas: Constitucion, Manila, 1903.

Until lately, the vague words of Governor Taft and the Washington administration have held the people in check, living from hope to hope. Take away this shred of expectation, and one might expect a state almost of national despair.

What do the Filipinos actually want? The term "independence" is vague, and implies many complications and intricacies, which must be worked out and provided for. If it were true, as charged by some, that those who clamour for independence had no definite ideas on the subject and no clear-cut notions as to the mode by which their favourite end could be attained, there would be considerable truth in the claim that they were unworthy of the independence they ask. Such, however, is not the case. They have a very definite idea of just what is wanted in a political way, and are able to state and justify their aspirations in a perfectly clear and logical fashion. From what I have seen of Filipinos who have taken a prominent part in affairs, and who would be regarded by the masses as men of light and leading were there a question of forming a national government, I believe that the controlling political desire in the Filipino mind to-day is not a vague and ill-formed wish for "*independencia*," but a desire for some specific declaration on the part of the United States which will afford the pledge of progress toward autonomy.

"What is the real policy of the United States toward the Philippines?" This is the question uppermost in the thoughts of men. Passing by questions of formal party organisation, there are three distinct groups among the natives, formed in accord with the opinions entertained by the members of each group regarding the answer to this question. The Americanistas, or thick and thin partisans of American domination in the islands, believe that

the United States is in possession of the Philippines for an indefinite period. They see that the administration distributes, and apparently intends to continue distributing, a certain number of valuable appointments to well-disposed Filipinos. They want these places, and they do not stop to inquire, nor do they greatly care, how long the United States is likely to continue in control. They represent the mercenary element in the Filipino population, and they have little if any influence outside their own immediate circle, consisting of men exactly like themselves.

A second group of men consists of individuals of greater ability than the mass. Most of them are men of position in native circles, and wield much influence. A considerable number are professional men, who have settled down to the practice of their professions and are adjusting themselves as well as they can to the conditions of American rule. In this class may be grouped probably the bulk of the Spanish mestizos and the more enlightened men of pure Filipino blood. These individuals recognise the inevitableness of American rule, so long as the United States is determined to maintain it. They know that open resistance is now absurd, and can only increase the suffering of the native masses. All hope for the future is to them dependent upon the action of political parties in the United States. So far as political action in the Philippines is concerned, they feel that it must be confined to the effort to obtain the appointment of better men to the offices now filled by Americans, and to secure the alleviation of bad conditions produced by war and by the tyrannical action of the American authorities.

The third class or group among the natives includes the mass of the population of the islands, and its attitude toward American rule is now one of sullen acquiescence.

alternating with occasional outbreaks of open resistance. It is from this third class that most of the difficulties in conducting the government are to be expected, and to it most of the efforts at pacification and the restoration of friendly feeling must be directed. The great majority of the native population is in doubt as to the real intentions of the Americans, but incline strongly to the opinion that it is the settled purpose of the United States to continue in control of the islands. They have been much upset by the recent statements of Secretary Taft, which have worked their way back to the Philippines, and have rapidly become disseminated among the native population with a speed that would be surprising to those who do not know how news travels among them. The popularity that Mr. Taft enjoyed was chiefly based upon his declared friendliness to the Filipino people and the constant reiteration of his watch-word, the "Philippines for the Filipinos." His recent statements on public occasions in the United States, and his efforts to secure the introduction of foreign capital into the islands, have been something of a shock to them. Whatever former popularity he may have enjoyed has crumbled, therefore, and the leaders of native opinion are waiting anxiously for some definite declaration of policy on the part of the United States.¹

Since Mr. Taft is primarily responsible for the present Philippine policy of the United States, and since his policy as Secretary of War is now the basis of serious discussion among the natives, it will be best to state his position precisely. In his speech at Cincinnati on Washington's Birthday, 1904, he used the following words:

¹Since the above was written a keen analysis of political conditions in the Philippines has been published by Dr. Juan Sumalung (*North American Review*, December, 1904).

Now, I was asked by the Bishop of Massachusetts to write him a letter on the subject of why it would not be well now to declare our intention to give the Filipinos independence when they are fit for it—ultimate independence. I agree that that is a fair question to ask. Yet I am as convinced as possible that nothing can do more harm in working out the problem than that declaration. It is not that I object to independence when they are fit for it. It is, first, that I object to our binding ourselves to doing anything which may have to be done 100 or 150 years hence. It is not that I object to our agreeing with them, or letting them agree when they are fit for it, what government they shall have; but it is that the agitators, the gentlemen that are engaged in looking for office under an independent government, have very little concern about independence that is to come after they are dead; and if you permit them independence and make it a definite promise, you will have a continued agitation there as to when they ought to have independence; and as a consequence, you will have the attention of the people fixed on something in the future, some ideal of the future, and not on the success of the present government; and if the present government does not succeed, independence cannot be a success.

Now I appreciate why it is that so many good people are anxious to have that declaration made. It is in order that we may bring about what they regard as some sort of political consistency—consistency with the Declaration of Independence; consistency with a dogma which I have heard announced that a self-government by a people must be better than any government of the people by any other government. Well, that is the issue. I do not believe it. It is not true, and history shows that it is not true. Egypt to-day, and the condition of the fellaheen in Egypt, fully refutes the doctrine that one government cannot help another government to uplift the people when the people are sinking into the slough.

The same thought was expressed by Mr. Taft in his speech before the Hamilton Club of Chicago, April 9th, 1904, when he again declared that "several generations" must elapse and the Filipinos be "transformed into a people capable of safely maintaining an independent self-government."

Later, before the New York Chamber of Commerce, Mr. Taft again voiced the same views in a more moderate way, remarking:

In the Philippine Islands, 90 per cent. of the inhabitants are still in a hopeless condition of ignorance and utterly unable, intelligently, to wield political control. The 10 per cent. of the Filipinos who are educated have shown by what they have done, and what they have aspired to, and what they are, that they may be taught the lesson of self-government, and that their fellows, by further education, may be brought up to a condition of discriminating intelligence which shall enable them to make a forceful and useful public opinion. But that it will take more than one generation to accomplish this every one familiar with the facts must concede.

The idea expressed by Mr. Taft in all these statements is briefly that there is no possibility of any substantial change in the present system of government in the Philippines until many years, probably a century and a half, have passed, and that any movement, agitation, or even conversation in the United States looking in the direction of such a change is injurious, because it attracts the attention of men to such a possibility, when no such event can by any chance occur until many years after they are all in their graves.¹ It is this attitude on the part of their former governor that is causing unrest in the Philippines. Far from its being true that the most fruitful source of disorder in the Philippines would be the announcement of a definite Philippine policy by the United States, it is unmistakably the case that the absence of such a declaration is the source of unrest, confusion and agitation. There can be very little question that such success as the government of the Philippines has enjoyed—short of the application of actual military authority to the restoration

¹A slight modification of this view, so far as concerns the length of time required, is found in Mr. Taft's letter to William E. Blair (*Washington Post*, March 17th, 1905).

of peace—has been largely attributable to the hope, fostered, as natives believe, by the former governor, that some concession would be made to those who were seeking a measure of political autonomy.

Supposing that this preliminary question had been satisfactorily answered, supposing that some promise of a definite sort were given, even though the time for its realisation were far distant; supposing even that the Filipinos were to be made the sole judges of the changes to be made and the government to be established, is there any distinct notion of what would be wanted or any clear conception of the steps to be taken in realising it?

There is. To begin with, I have never met a prominent Filipino who did not fully realise that it would probably be impossible for the islands to maintain an independent State in the face of the sharp conflict for tropical territory now being waged by the principal powers of the world. Foremost, therefore, the Filipino recognises the absolute necessity for protection and guaranty of autonomy. This, he understands, must come from some outside authority. And further, I have never found a Filipino of intelligence who would deny that such guaranty must imply a certain degree of authority in regulating the internal affairs of the islands, and practically must involve certain concessions designed to remunerate (so far as such concessions can be any remuneration) the power making the guaranty. I believe that the Filipinos of influence would as willingly be dependent in this way upon the United States as they would upon any other foreign state. They would be entirely willing that we should retain such naval stations as we might see fit, as well as reserve the right to intervene for the protection of our investors and capitalists whenever circumstances should warrant. They would be only too glad to grant free ingress to the islands

for our commodities to the exclusion of those of foreign nations, if in return they could have similar access to our markets for their own productions. The Filipino people have no desire, so far as I can learn, for the incorporation of the Moro country into any state that they might form. If we want to continue the use of our army as a means of conquest, there is no reason, so far as they are concerned, why the islands of Mindanao and the Sulu group should not be retained by us and our army there stationed. What they do want is an autonomous state, consisting of Luzon and the Visayas, selecting its own form of government, religion and education, freed from the interference of American administrators and relieved of the terrible burden of their salaries. None of these things are theirs at present, for they have neither free access to the civil service from top to bottom, nor power to regulate administration and its cost, nor to adjust taxation, nor to determine the relation between church and state, nor provide for the administration of justice under a satisfactory judicial system. To sum the whole matter up in a few words, what they want is home rule, complete and entire; and in case they must remain as an integral part of the United States territory, suitable representation in Congress. It is safe to say that we shall never make a success in governing the islands until we make a specific declaration of our intention to pursue the policy thus set forth, or another of substantially the same character, and set in motion the machinery to make it effective.

The words of Apolinario Mabini,¹ probably the keenest and most patriotic exponent of Filipino ambitions, may well be pondered by Americans:

The citizens of the United States by temperament and education are the least qualified and fitted for absolute government,

¹From an unpublished manuscript kindly placed in my hands.

because those two systems (free and absolute government) resemble two machines of different mechanism, which require personnel of different especial education, that they may regularly function. If the Americans truly wish to teach the Filipinos the art of civilisation and good government, they must implant in the Philippines the government they know, in which they have been educated and which the islanders wish to learn; on the contrary, if they persist in maintaining a government they have not practiced and the islanders resist, they must place at its head men of extraordinary ability, who abound neither in the United States nor elsewhere. . . . Will the concession of the reforms asked of the Spanish Government yet leave the Filipinos satisfied? I am very much afraid in the negative, for the aspiration to independence, almost unknown before, is now strongly beating up at the inner part of every heart. The refusal, the threats, and violent measures of the government, are good only to make fast and keep alive this sentiment. Not in vain have we struggled and suffered for it.



CHAPTER IX

THE CHURCH PROBLEM

THE problem of the relations between government and religious organisations in the Philippines is of a peculiar type. For several hundred years the Roman Catholic Church and the state have been so closely intertwined in the islands as to be inseparable to the eye of the ordinary man. The church question has been above all things a question of politics. Little can be said of administration under the Spanish régime without touching upon religious questions, nothing of the church without reference to its political functions.

It was unavoidable that our government in the Philippines should be obliged to meet and cope with this situation. From the beginning, American administrators found the Spanish priests and friars generally opposed to American rule and inclined to throw obstacles in their way. This would have been a serious state of affairs if the Spaniards had retained any hold upon the natives. The fact that their influence had been largely weakened through their own misgovernment placed them in the position of an unimportant third party between the foreign invaders and the disaffected inhabitants. It had been feared by the religious authorities that their holdings of land and other property would be forfeited to the United States, but having been protected in this matter through the shrewd manœuvring of the Spanish diplomats at the Paris negotiations, they speedily began scheming to retain their property in its old form, and, through the recognition and aid of the United States, to regain their old position in the archi-

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years. The more enlightened American administrators had, however, set before themselves two cardinal objects, — the reduction of the economic power of the church, and the expulsion of the religious orders from the islands. Both these objects would have to be obtained by negotiation unless the United States were to resort to extreme, possibly illegal, means for their forcible realisation.

The economic problem presented by the church situation was fundamentally agrarian. A large part of the land of the islands was in the hands of three orders of friars, the Dominicans, Recollects and Augustinians. Associated with these orders was that of the Franciscans, which, however, is not permitted to hold property, except convents and schools.

The land held by the three orders in question was officially estimated as follows:

Dominicans	161,593 acres
Augustinians	151,742 acres
Recollects	93,035 acres
	<hr/>
	406,370 acres

These holdings were chiefly distributed among the different provinces as follows:

Province of Cavite	121,747 acres
Province of Laguna	62,172 acres
Province of Manila	50,145 acres
Province of Bulacan	39,441 acres
Province of Morong	4,940 acres
Province of Bataan	1,000 acres
Province of Cagayan.....	49,400 acres
Island of Cebu	16,413 acres
Island of Mindoro	58,455 acres
	<hr/>
	403,713 acres

¹Report U. S. P. C., 1901, pp. 27, 28.

The importance of the figures will be better comprehended when it is stated that the total amount of land in the Philippines is estimated at 73,345,415 acres, of which probably not over 4,940,000 acres are cleared and improved land held in private ownership. Not only did the friars hold about one-tenth of all improved land, but their holdings included a very large part of the best lands in the archipelago. The mere fact that so much agricultural property was controlled by three corporations would alone have been of serious import. When, however, it is considered that the owners of these lands were also practically the rulers of the country, and were at the same time grasping and oppressive landlords, it can be understood that the status to be occupied by the friars was of fundamental importance. A glance at the table already furnished shows that the largest holdings of friar lands were situated in Cavite and Laguna, and experience showed that these provinces furnished some of the fiercest resistance to Spanish control. Some relation between land ownership and the political problems connected with the insurrection against Spain seems to be established, and this is not surprising when the political functions of the friars are fully understood. According to the testimony of the "provincial" of the Franciscan order furnished to the Philippine Commission, the local padre or friar in a given town had duties as inspector of schools, as president of the board of health and as inspector of taxation. He certified to the correctness of the "cedula" or certificate of identification; he had charge of the census of the town, was supervisor of elections, president of the prison board and member of the provincial board and of the board for partitioning crown lands. Other duties also devolved upon him. There can be little doubt that these great powers were abused, and that the political

authority of the friars was employed in extending their land holdings. Sometimes boundaries were straightened, and neighbouring small farmers, who had supposed themselves independent landowners, suddenly found that they were tenants. Sometimes good pieces of government forest abutting upon the religious estates were taken in by a resurvey. And constantly pressure was being exerted upon wealthy men to transfer their property at a nominal price to the religious orders. Moreover, the orders paid no taxes. All these causes of friction worked together to precipitate a contest between the people and their rulers.

~~The secular representatives of Spain wielded a relatively small influence compared to that of the friars.~~ They remained for relatively short terms and were likely to find their tenure of office yet more curtailed if they should venture to interfere with or question friar control. The dissatisfaction, which culminated in the revolution, nominally against Spain, was, therefore, really a revolt against the religious orders.

Upon assuming control in the Philippines, the Civil Commission had unavoidably to deal with the religious question, especially in its economic aspects. The friars had left their parishes, driven in by the first outbreak of the insurrection.¹ In their place there remained a body of native priests who had formerly acted as assistants to the curates, and these at once took charge of the churches. By the terms of the Treaty of Paris, the American Government was bound to protect the religious orders in their

¹In 1898, there were in the islands 746 regular parishes, 105 mission parishes, and 116 missions—967 in all. Of the regular parishes, all but 150 were administered by monks of the Dominican, Augustinian, and Franciscan orders, to which natives were not admitted. Of 1,124 friars in the archipelago in 1896, only 472 remained in 1901, according to the Philippine Commission (First Report, U. S. P. C., 1901, p. 23).

property rights. Whether this implied the necessity of returning them to their estates and securing to them the control of the churches was another matter.

The Philippine Commission accorded from the outset very great weight to the dangers involved in the return of the friars.

"If the friars return to their parishes," wrote the Commission in its first report, "though only under the same police protection which the American Government is bound to extend to any other Spanish subjects commorant in these islands, the people will regard it as the act of that government. They have so long been used to have every phase of their conduct regulated by governmental order that the coming again of the friars will be an executive order to them to receive the friars as curates with their old all-absorbing functions."

It was speedily recognised that neither of the cardinal objects set before themselves by our representatives could be attained save through negotiation with and voluntary agreement on the part of the friars, since the latter were protected by the Treaty of Paris, and could neither be deprived of property really belonging to them nor, if well-behaved, be expelled from the islands. Moreover, while the various details of the transfer of the islands from Spain to the United States were being worked out, the friars had taken occasion to protect themselves by transferring their property to certain individuals or to companies formed for the special purpose of taking them over.¹ After much fruitless negotiation of an unofficial sort, the Commission recommended that authority be granted it to issue bonds guaranteed by the United States for the purpose of buying the estates of the religious orders, these estates to be then partitioned and resold to

¹First Report U. S. P. C., 1901, p. 32.

the tenants settled upon them.¹ This recommendation was renewed in the second report of the Commission, and led to the insertion of provisions² in the Civil Government Act of July 1st, 1902, which included the following features:

1. Authority to acquire and hold real estate by the exercise of the right of eminent domain.
2. Permission to use such authority in acquiring the friar lands.
3. Power to issue 4½% five-thirty bonds for the purchase of the lands.
4. Authority to treat the acquired lands as a part of the public domain and to sell, convey, or lease them.

While the Civil Government Bill was under discussion, Governor Taft returned to the United States to aid in securing its passage, and was instructed by President Roosevelt to visit Rome and confer with the Pope regarding the purchase of the lands and the withdrawal of the friars.³ The outcome of these negotiations was indeterminate, but Governor Taft believed that progress had been made in reaching an agreement.⁴ Such an agreement was in fact arrived at late in 1903. On December 2d, the Commission entered into contracts with the companies to whom the land had been transferred for the purchase of 164,127 hectares of land at \$7,239,784.66. Further, on April 26th, 1904, an act was passed by the Commission for the arrangement of the business details and for the investigation of the titles to the lands.

Meantime, a change of policy had been determined upon by the Roman Church. Archbishop Chapelle, who came to the Philippines some time after the American occupation as Apostolic Delegate, had in 1901 attempted to secure the return of some of the friars to their parishes,

¹Second Report U. S. P. C., 1902, p. 32.

²Laws, Vol. I, 1903, pp. 1071, 1072, secs. 63-65.

³Third Report U. S. P. C., Washington, 1903, p. 24.

⁴*Ibid.*, p. 25.

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but the difficulties encountered seem to have convinced the church authorities of the unwisdom of further efforts in the same direction. Cardinal Rampolla, in correspondence with Governor Taft in 1902-03, expressed a determination to recede from the policy of sending back the friars, and many of them were withdrawn from the islands or at all events kept from returning. The number actually in the Philippines is officially stated as follows:

	1898	1902 (DEC. 1)	1903 (DEC. 3)
Dominicans.....	252	127	83
Recoletos	327	76	53
Augustinians.....	346	111	67
Franciscans.....	107	66	43
Total.....	1,012	380	246

The act passed by the Commission¹ for the satisfactory disposition of the land question contained the following leading provisions:

1. Authority for the civil governor to examine, through competent lawyers, the soundness of the titles to the friar lands.
2. Instructions to the consulting engineer to the Commission to survey the lands for the purpose of ascertaining whether each tract contains the number of acres it professes to have.
3. Authority for the civil governor to pay over the purchase money (\$7,239,784.66) to the corporations as soon as the titles had been found to be satisfactory.
4. Instructions to the Bureau of Public Lands to ascertain the actual names, holdings, etc., of the settlers on the lands, and to lease or sell such holdings to the settlers occupying them, the purchase price in case of sale not to exceed the cost to the government.

It would seem that the success attendant upon the efforts of the Philippine Commission has been very satisfactory, but closer examination seems to indicate that it

¹No. 1120, April 26th, 1904.

is nominal rather than real. In the first place, the actual conditions of the friar lands problem forbid that any such scheme as that which has been undertaken by the Commission could meet with more than very qualified success. Supposing that the titles to the holdings of the friars prove satisfactory, and supposing further that the transfers are duly made in good faith, so that the government becomes the actual bona fide owner of the lands in controversy, the question still remains whether the proposed settlement of the difficulties will satisfy the population. Here the inquirer is forced to recognise the fact that after all what the tenants upon the friar estates wanted was not a chance to buy their holdings, but the ownership of them in fee simple without further payment of money. The basis for the agrarian element in the revolt against the friars was, at the bottom, the belief that their claims to land were not well founded and should not be recognised at all. As already briefly indicated, many of the estates had been enlarged by very irregular, not to say dishonest, means, and it is maintained by a great number of tenants on the estates that they and not the friars are the real owners, and that annual rents paid by them partook more truly of the nature of tribute, which they had to pay because of the political power of the church and their hesitation to antagonise the friar claimants. They do not look with more favour upon the idea of paying rent or purchase money to the government of the United States than to the religious orders. The fact that many of the friar titles can be considered valid only through long possession or by a kind of prescriptive right is freely admitted in conversation by members of the Commission who have looked narrowly into the question involved, and is hinted at in official utterances.¹ That such is the atti-

¹First Report U. S. P. C., 1901, p. 27.

tude of many of the tenants is made clear by recent difficulties and by displays of hostility toward surveying parties. Supposing further that the Commission has bought, in round numbers, 400,000 acres for \$7,200,000, the price has evidently averaged about \$18 per acre, a very high valuation even for the best land in the archipelago. The provisions of the "Friar Land Act" authorise its sale at not more than what the government has paid, and it is intended to recover the purchase money, so that about all that is offered to the population is a chance to buy land, which they in many instances regard as their own, at an inflated price. A minor, though very serious and probably long-continuing, difficulty is found in the necessity of dividing the land into parcels and properly adjusting the price of each tract, a process likely to result in the greatest imaginable friction, even if the values are assigned with perfect justice. It is a fair question whether the Commission did well to recognise titles of the kind the friars could offer. I have been informed by persons (attorneys) familiar with the legal aspects of the situation through personal study and investigation that while many of the titles are as good as any to be found in the islands (there having been no regular system for the registration of land or the recording of sales), it often happens that two persons—a religious order and a tenant—can show equally good rights to a given parcel of land. In such cases, the government, by purchasing the friar titles, recognises them and thus assumes the character of aggressor against the tenant.¹

It may be, and it is, said that even if the price paid for

¹In some such cases the Commission, under advice of its attorneys, has lately declined to take over particular estates. It has also obtained guarantees from some of the orders (Report, 1905, p. 30).

of 12 per cent. for first-class real estate security, it would give the orders an annual income of \$864,000, or nearly four times what they realised from rents. Even at 4½ per cent., the rate paid on the friar land bonds, the income would be \$324,000.

The "friar question" has not been settled. At most, it has only been brought a step nearer to solution, and that at great cost to the government, which, of course, means to the mass of the people of the country. What has been done, therefore, has been done in a most expensive way—a way, too, which does not at all guarantee the withdrawal of the friars. Not only do they retain much property and admit the continued presence in the islands of fully one-fourth of their old number, but they are steadily drifting back to Manila, and nearly every ship brings a few who are returning. The money paid them for the lands must be invested, and it is the policy of the church to use it for the advancement of Catholicism in the Philippines. If it is to be reinvested in the islands, there is no reason why it should not furnish the church as strong a temporal hold over the native population, through mortgage and other loans, as it ever had.

This agrarian problem, which seemed to be at the outset the main, if not the only, church question with which our government would have to deal, has, however, turned out to be only the beginning. At least two important, and probably continuing, questions have presented themselves and are now pressing for solution. The first is the broad general issue of the treatment to be awarded the Catholic Church by our government. The second has lately been pushed forward by the appearance of divided counsels upon the church question among the natives themselves.

The relation between the American authorities and the

chiefs of the ecclesiastical hierarchy in the islands have been a matter of progressive development. At the outset, our representatives were distinctly hostile to the church and were inclined to treat the discredited Spanish hierarchy as if it were identical with the church itself. Further experience in the Philippines brought the Commission to see what an immense power was still wielded by the church as such. While the friar land discussion was still in progress, there grew up an unmistakable desire on the part of those representing our government to make use of the still great power of the church as a means of political control, rather than, by opposing it, to keep it continuously against American rule. There began a vigorous effort on the part of our public men for the substitution of American in the place of Spanish priests, the idea being that the attitude of American priests toward the United States Government would be a reflection of the attitude of the Spanish members of the religious orders toward their own country. This effort so far succeeded as to bring about the nomination of Americans to the high ecclesiastical posts in the Philippines,¹ the question how to dispose of the rank and file of Spanish members of the religious orders being left nominally for these ecclesiastical authorities to deal with.

Meanwhile, too, a marked change had come over the attitude of the church toward American rule. The reactionary attitude of Spanish ecclesiastics naturally was abandoned as Americans took their places. But the church was still unfriendly. Many of its authorities openly supported the movement for Philippine independence which was being maintained in the United States. They felt that the continued determination of our govern-

¹This, I am informed by high ecclesiastical authority, was a cardinal point in Mr. Taft's negotiations at Rome.

ment to evict the friars might be merely the precursor of an anti-Catholic policy, and that a native government carried on by native Catholics would be far easier to deal with. A radical change came over this attitude upon the appearance of a dangerous and extensive schism in the church under the leadership of Padre Gregorio Aglipay, a former priest and ex-insurrecto general. The rapid spread of the heresy showed that native rule would be far from implying Catholic domination and might mean the downfall of the church itself. The true policy of the church was thus displayed as union with the American authorities and support of the rule of the United States in the Philippines. The acceptance of this policy was at first probably unconscious, but is now certainly well understood and recognised. It appeared very clearly during the Presidential campaign of 1904, in the political preaching of Roman prelates in the United States, and was thus clearly set forth in a despatch to the *New York Evening Post* presumably by Mr. F. E. Leupp, the biographer and newspaper spokesman of the President :

The Catholic Church believes that the Republican administration stands in the Philippine Islands for the maintenance of the claims of the Roman organisation to the church property, as against the demands of the Aglipayan schismatics. The latter argue that the churches were built by the community through forced labour, and accordingly belong to the community, as its majority may determine. This idea has not been sustained by the Taft government. In helping to save the islands from the Aglipayan movement, which was believed to be at heart as much devoted to an independent government as to an independent church, the Roman Catholics feel kindly disposed toward the Republican administration. More than that, they believe that to set the Filipinos adrift as an independent people would lead to an independent church; and from this time forth the Catholic Church can probably be counted as in favour of maintaining the *status quo* in the archipelago. Whether future administrations will

acquire more colonial territory cannot now be foreseen; but wherever the church issue is involved a valuable ally may be counted on in advance.

In the Philippines, the alliance between church and secular authorities is even more apparent. Concessions to the older church have been made in several ways.¹ In the matter of the friar lands, as elsewhere seen, the administration practically consented to the retention of a very considerable amount of property by the religious orders, besides paying an exorbitant price for the land taken. Then when fears began to be loudly expressed from clerical sources concerning the increasing influence of the American schools and their alleged "Protestantising" tendency, a conscious effort was made to secure Catholic teachers from the United States, and a considerable body of them was obtained prior to the time when the teaching force was put under civil service rules. It is well understood that Commissioner Smith (who is a devout Catholic) was appointed by way of recognition of the Catholic influences in the United States.² Various other

¹One way in which the government shows its leaning toward, and wish to conciliate, the Catholic authorities is through the furnishing of transportation to them as desired and through granting to them an official quality not accorded to any other persons outside the administrative circle. Catholic dignitaries are frequently provided with army wagons for making pastoral tours, and occasionally a guard of constabulary is put at their disposal. It has not been unknown that the governor of a province should accompany the constabulary guard in such a progress. Launches and steamboats belonging to the coast guard fleet are placed at the service of the dignitaries of the church in order to facilitate their operations, a steamer being sometimes especially chartered or assigned to a particular trip in order to meet the desires of a given prelate.

²Exerted through Archbishop Ireland.

examples of the special regard of the government for the Catholic Church might be cited.

The object it is hoped to accomplish by the aid of the Catholic Church, manned by American priests, is the same as that which was attained by the Spanish priests, who co-operated with the Spanish rulers in dominating the Philippines. Had it not been for the corruption and oppression of the friars, the aid of the church in controlling the Roman Catholic natives would have been incalculable. What could be done by a Roman Catholic hierarchy to-day, if purged of the objectionable elements which have so long cursed the natives, would be less, but might be still considerable. The Commission, in fact, naively referred to the friars in its first report as "priests who are still subjects of a monarchy with which the American Government has been lately at war, and who have not the slightest sympathy with the political principles of civil liberty which the American Government represents." The political advantage that might be gained by a change in the composition of the Philippine priesthood was also recognised:

It would, of course, be of much assistance to the American cause if the Catholic Church were to send among the people American priests with the love of their country that they have always shown and with their clear understanding of civil liberty and conservative popular government. . . .

It is certain that the Commission has always strongly favoured the introduction of American priests into the islands, and apparently relies to-day very largely upon what may be done by such priests when they have been introduced in sufficient numbers and firmly placed.

The only weak point in this reasoning seems to lie in the assumption that American churchmen are more accept-

able to the natives than Spaniards. Evidence in support of such a supposition is not wholly clear. The revolution struck not solely at the economic power of the church, but also at its policy of exalting foreigners and depressing the status of natives in the ecclesiastical hierarchy. Fully as important as the demand for changed agrarian conditions was the demand for full, perhaps sole, recognition of the native priesthood in the archipelago. The American ecclesiastic is doubtless far more upright, according to our standards, but he is hardly more acceptable, according to those of the natives, than the Spaniard. He, too, is a foreigner.

It is clear, therefore, that an important defection from the Catholic Church would materially weaken the hierarchy as an aid to our government, and that our present policy would commit us to do what we consistently can to suppress such a revolt. Such a revolt has occurred, and constitutes the third of the important problems referred to above as constituting the crux of the religious situation.

From the beginning, a large element among the natives, which was deeply and permanently disaffected toward the Catholic Church, watched with interest for the development of the American ecclesiastical policy. In the meanwhile, various efforts to organise native opinion had been made. When the real nature of our religious policy became apparent to the natives, the ferment already pervading all classes of society increased. Military effort had been fruitless, the attempt to organise the national spirit by means of clubs and workingmen's unions had been brought to nothing. It remained to see whether a religious schism could succeed, a separate religious organisation recognising native aims be maintained. Nor was it strange that such a movement should crystallise about

some of the revolutionary leaders, who were known to be in full sympathy with national aims. Thus was laid a foundation upon which shortly sprang up as a superstructure a religious organisation apparently containing a large percentage of the population of the archipelago. It is said that when the Americans were about to take Manila, Archbishop Nozaleda, foreseeing the failure of the Spanish cause, and fearing the loss of all church property, cast about for a means of protection. In his extremity, he is said to have concerted with Gregorio Aglipay, a native priest, plans whereby the latter should go among the natives and organise a pretended church distinct from the orthodox organisation. Secretly, this church was to regain control of the estates and to hold them in trust for the orders, but all this was upon the assumption that Aguinaldo would be left in control of the islands. Aglipay is said to have been secretly consecrated a bishop in recognition of his prospective services, and to have gone out upon his mission with the understanding that its success would result in still more substantial rewards.¹ The outcome of the war, assuring American rule, and the Treaty of Paris, guaranteeing the orders in the possession of their property, led Nozaleda, always a keen "business man," to feel that Aglipay and his work could be disowned. He in fact refused to recognise any part of the alleged bargain with Aglipay or to consider him a bishop. This led Aglipay to take thought whether, in the existing state of public opinion, an independent Catholic organisation might not succeed; and, in company with other disaffected men, to organise the *Iglesia Catholica Independiente* of the Philippines, usually called the *Iglesia Filipina*.

¹For Aglipay's own account of his relations to Nozaleda, see *New York Independent*, October 29th, 1903, "The Independent Catholic Church in the Philippines."

The doctrines and position of this church as claimed by its adherents may be compactly stated as follows:¹

The Iglesia Filipina has more than 250 priests and 20 bishops, the former distributed among all the provinces, the latter in the principal places. It has ten seminaries at various points in the archipelago, and includes 4,000,000 members. This church is recognised by all the churches in Europe, America, and the English possessions in Asia and Oceanica, except by Rome. The chief Bishop is frequently invited to the international Christian assemblies of Europe and America. Its doctrines are rationalistic, conforming rigorously to the results of modern science. It accepts Darwinism, harmonising it with Biblical doctrine. It denies the trinity of the persons of the Divinity, but believes in a trinity of attributes and names. The explanation of this idea accepted by the church is entirely new and peculiar to itself, founded upon reasoning based on scriptural text and upon rationalist writings. It denies original sin, as well as the view that the consequences of such sin were expiated through Jesus Christ, but it maintains that Christ's sacrifice has redeemed us from our own errors, weaknesses, and passions by means of his divine attributes and inimitable example, but not through an actual material sacrifice. It aims in its constitution and rules to re-establish a more pure democracy and the common holding of wealth which Jesus preached and the apostles practised. The explanation afforded by its catechism of the creation of the world follows recent geological discoveries.

The Roman Church has suffered greatly from desertion and defection because the Pope undertakes to maintain in the parishes friars who are most odious to the country, owing to the great evils they have caused it. The American bishops likewise have proved themselves very distasteful to the people because of their efforts to sustain the friars. For that reason, of the 6,000,000 or 7,000,000 Filipino Catholics formerly counted by it, it would be difficult to find 1,000,000 now remaining. The former members have chiefly passed over to the Iglesia Filipina, which is the representative of the wishes of Philippine Catholics. The rest have become Protestants. . . .

¹Statement furnished to the writer by authoritative persons in the Iglesia Filipina

In general, the advanced doctrines of the *Iglesia Filipina* aim to re-establish evangelical truth, disfigured as it has been by the Romanists, and to restore the pre-eminence of the Philippine clergy, which has been usurped by the friars.¹

It would be out of place in this discussion to do more than indicate the bearing of the doctrines thus outlined. It may be added, however, that the statement just quoted represents views that are beginning to make headway among the upper classes of native Filipinos. The ordinary labourer in the rice fields knows and cares little or nothing for purely doctrinal discussions. The *Iglesia Filipina* offers the same service and the same festivals, enjoins the same duties and recognises the same principles of conduct as the Catholic Church. More than this the average man does not ask, and when he is informed that the *Iglesia Filipina* stands for certain important causes—the humbling of the religious orders, the greater recognition of the native priesthood and the idea of Philippine nationalism in general—he is ready to transfer his support from the ancient church to what he considers the new form of the same faith. To this extent, therefore, the *Iglesia Filipina* is a political factor of serious importance.

It is not primarily with the ecclesiastical status of the church, but with its significance as a social and political power that we have to do. As already stated, the new organisation relied in the beginning very largely upon

¹In connection with this statement, I note some information furnished me by a Roman Catholic dignitary. He pointed out that of the priests of the diocese of Manila (by far the largest in the islands), four, including Aglipay himself, actually went over into the ranks of the new church. The other priests and bishops, he stated, were a helter-skelter collection of stable boys, house servants, and others “of low rank,” who had been gathered from every conceivable quarter, taught to go through the form of saying mass, and then consecrated.

those of independent temperament who had in many instances been identified with national movements in other forms. As time went on, and as the movement took definite shape, it passed very far beyond its original limits and assumed a new character. It is charged by some, especially by those who represent the Catholic Church proper, that the new movement both has been and is insurrectionary in character; that its leaders are collecting funds for the support of new revolutionary outbreaks; that its chief men are sworn members of the Katipunan society, and much more to the same purport. My own inquiries have failed to convince me of the truth of any of these assertions, and while it is clear that the Aglipayan Church contains many radicals and malcontents, as well as the great body of those who smarted from friar rule and who dislike foreign control, whether in church or state, I believe that no evidence exists to show that the movement has an organised or self-conscious political character of any sort whatever.

The Commission, however, is outspoken in its belief that the Aglipay movement has such a political content. Instead of according to the movement the same standing that is accorded to any other church, strong suspicion seems to be entertained concerning it. Aglipay himself is plainly spoken of by the members of the Commission as a "danger," and it seems to be only the religious character of the movement and the fear of charges that might be based on religious persecution that prevents the Commission from vigorously attacking Aglipay and his following. What seems to be desired is that the hands of the orthodox church should be upheld and its arm strengthened in dealing with the schismatics, that the schism may be ended and the hierarchy brought into harmony with the authorities of the state.

The church situation is likely to become critical in a very short time. It will soon have to be decided who actually owns the church buildings and church property of the islands. Throughout the Philippine archipelago there may be seen massive stone churches worthy to stand in a European capital, rising above the nipa roofs and unsanitary cabins of the congregation. These poor people, who barely make the living of the day by the day's toil, built these structures either by their enforced labour or by gifts of money and produce, wrung from their hard hands by the cruelest oppression and the most calculating appeals to superstitious fear. They not only built the churches, but they equipped them magnificently, and in some instances provided jewels and altar accessories worth many thousands, even hundreds of thousands, of dollars.

To-day the legal status of the church question is absolutely confused and indeterminate. In an order given out about a year ago, Governor Taft directed that churches should in all cases remain in the hands of those actually in possession until the matter could be referred to the courts by that party to the controversy which should feel itself ready to test it there. The result has been that in most cases the priest in charge has been regarded as the actual holder of the church. Where he and his congregation have turned Aglipayan, he has been able to carry the church itself into the ranks of the reformers. Where the congregation has revolted, but the priest has stood fast, the church building has remained the property of the established hierarchy. In no case, probably, has a priest been bold enough to join the new movement without being accompanied by his people.

To whom do these churches belong? Are they the property of the Catholic hierarchy or of the inhabitants of the municipalities where they stand? The people who

built them claim them as the property of the municipality, and they protest that they shall be used in the service of the church to which they have given their allegiance. That church is in many places the Iglesia Filipina, for all through the islands whole congregations, towns and municipalities have gone over *en masse* to Aglipay, and they demand that the proprietorship of the church shall accompany the members. The constituted authorities of the Roman Catholic organisation hold a different view, and as a result have resorted to various measures for regaining control of the churches. The struggle is now approaching a climax where it will have to be decided by the courts of law. Heretofore, the Catholic Church as a whole has been exceedingly reluctant to recognise the temporal authority by resorting to legal proceedings.¹ In Spanish times, such action on the part of the church would have been unknown, and to concede that a change in affairs has occurred would be a concession to secular power which the hierarchy does not feel disposed to make. Facts, however, are proving stronger than prejudices, and beyond doubt the church will shortly be forced to give over its scruples and invoke the aid of the law, unless it is willing to see its buildings slip gradually out of its control. Then the question of ethics as to the true ownership of the church properties will have to be decided—for it is a question of ethics pure and simple, the legal problems involved being wholly technical. In this decision by the courts the attitude of the American administration will have controlling importance, and if it favours the older church, that organisation will be recognised as the true owner of these buildings and their equipment. This is no unwarranted reflection upon the insular judiciary. Ex-

¹They have in some instances requested the Commission to order out the constabulary to put them in possession of the churches.

perience has shown that whatever may be its ability in matters where plain legal issues are at stake, causes involving political considerations will always be decided in harmony with the wishes of the government. This conclusion is simply an observation from facts. The American Government thus has presented to it a political and moral question of great moment. What will be the result of a decision adverse to the claims of the Aglipayans?

Many think that the loss of its church properties would disintegrate the *Iglesia Filipina* and ultimately drive the schismatics back into the Catholic communion. Those who look more closely believe that the movement is now too firmly established for any such result to be possible, and they maintain that action of the sort suggested, whether masked under forms of law or not, will merely intensify the national feeling and make more bitter the antipathy of the Filipinos to American rule. It will, they believe, perpetuate the struggle against clerical domination. It will strengthen the belief that the Americans, like the Spanish, are using the church as an agency in secular rule.

Aglipay himself does not demand the actual ownership of the church buildings and the property belonging thereto. His contention is that these properties belong in justice to the United States, as the successor of Spain, and that they should be employed for public (religious) uses in precisely the same way as in the case of municipal and provincial buildings.

"I give it as my opinion," he says in an authorised newspaper communication,¹ "that the government of the United States, as successor of the government of Spain, is the only party that can show ownership or is competent to appear in court, just as in the San José College case,

¹Manila Times, June 14th, 1904.

which is now pending in the Manila courts. And I may say, in explanation, that the position of the Independent Catholic Church in every case has been to have the church property registered with the municipal officials in trust for the people, and we are entitled to the use of such property where the great majority of the people belong to our branch of the Catholic Church.

"Every case thus far brought in court has been only for the possession, as there never was a title issued to any church any more than in the case of any other government building, and therefore it will be seen that the establishment of ownership by any one but the United States Government is absurd."

A final judgment as to the legal basis of such a contention as this must rest upon investigations into the relations between the Catholic Church and the Spanish Government in the Philippines during the period antecedent to the American occupation. It is the contention of the Aglipay party or church that Pope Alexander VI, by the bull of May 3d, 1493, in giving to the Catholic kings of Spain supreme control over all matters of the Roman Catholic Church in the Spanish colonies, surrendered also the title to all religious buildings in those colonies. Royal orders by the Spanish kings undoubtedly did from time to time direct how the churches should be built and administered.¹ Beyond question, too, church and state were practically identical in the Philippines, so that what belonged to the church as a whole belonged really to the state.

¹Aglipay calls special attention to the royal orders of Philip II, dated Madrid, December 8th, 1588, and of Philip IV, dated August 1st, 1633, as well as to the orders of February 24th, 1844; May 5th, 1852; July 31st, 1854; April 25th, 1860; June 2d, 1866, and December 23d, 1890. I take these dates and references as furnished me, and present them merely for what they may be worth.

Legal questions aside, the problems of equity involved are perfectly clear. The people built the churches by their forced labour, and if they belong to any one, they belong to those who built them or their successors. It does not seem open to question that where a whole town has changed its religion it should be allowed to carry with it the use of the house of worship which it itself erected. How will the Commission decide this question through the courts? The principles of law which govern it must be of an extremely elastic character, capable of interpretation in almost any manner that may be suggested by authority. In fact, the problem is essentially ethical and political rather than legal in its character. It must be solved primarily upon equitable principles, and secondarily only upon a basis of legal technicality. The decision should depend upon the view taken of the rights of the case and the wishes of the people, not at all upon political considerations of party standing, as affected by the attitude of a powerful and semi-political church party in the United States. As yet, however, the balance has seemed to swing in the direction of the Catholics. It has appeared that in spite of Governor Taft's circular concerning undisputed possession of the churches, the government has been willing to wink at forcible effort by the Romanists to dispossess their opponents, but never at violent action on the part of the Aglipayans.

An incident which took place at Iloilo is given as a case in point. In that case, the people of La Paz, a suburb of Iloilo, having all turned Aglipayans, received a priest who used the parish church for worship. The Spanish Catholic acting bishop having brought suit to regain possession of the property, the case was dismissed by the American judge before whom it came up, on the ground that no evidence of titles of ownership or possession had been

presented by the Catholic party to him. Yet some few months later a Catholic bishop with a crowd of armed retainers, Spaniards and Americans, took possession of the church, and, strange to say, was allowed by the government to continue in possession.

To state the precise extent of the following gained by the Iglesia Filipina would be difficult, if not impossible. Aglipay himself estimates the number of his followers at 4,000,000, but some enthusiastic partisans raise this figure to 5,000,000. More conservative estimates, made by American observers, place the number of Aglipayans at 3,000,000. Catholic authorities are inclined to underestimate the strength of the movement very considerably. They usually speak of the whole organisation as artificial and temporary, and place the number of people actually engaged in it far too low. The truth is that the movement has gained a very strong hold in many parts of the islands, and has left other portions entirely untouched. This, of course, is due to the extreme shortness of the period during which active operations have been conducted by the Aglipayans, while on the other hand the newness of the movement makes it impossible to say how firm will be the allegiance of those who have already accepted membership in it. Aglipay has apparently secured firm foothold in and about Manila and in the northern provinces of Luzon. In Panay and Negros something has been done, and a beginning made in Cebu. In Romblon, Masbate and many of the southern islands, as well as in the southern parts of Luzon, relatively little effort has been made and small progress consequently achieved. But it is certainly true that in many regions where no Aglipay churches have been established, dissatisfaction is such that a revolt from the established church is ever imminent, and vigorous work on the part

of Aglipay himself or his followers and representatives may at any time cause further defection. No one can visit the provinces of the Philippines without being convinced of the immense extent of the disaffection toward the Catholic Church as well as of the great hold, actual and potential, already obtained by the Aglipayans. The attitude of a section of the people and of the government of the Philippines toward the established church may be comprehended from a single striking example¹ of the controversy now in progress. At Ternate, in Cavite province, about fifty miles from Manila, on the shores of the bay, a congregation of Catholics had turned Aglipayans almost to a man. Ternate was a little hamlet containing about 2,000 people dwelling in a collection of nipa huts about an old stone church. The church itself had been constructed by the labour of these fishermen, and contained an image of great sanctity. During the year 1903, when the secession of the church took place,² the usual question had arisen regarding the ownership of the property, and a judge in Cavite to whom the keys had been intrusted turned them over to the priest of a neighbouring parish, thus putting him in charge of the church. From this action an appeal was taken by the seceding congregation. While the church property was in dispute, Archbishop Harty determined to make a journey through Cavite province. For this purpose he was provided by the government with an army wagon and horses, a fact which aroused much indignation among the Aglipayans. Among

¹Personally investigated by the writer.

²The immediate cause of the secession seems to have been a demand made by a friar stationed in the neighbouring parish and enforced by a corrupt local justice of the peace for a fee of five pesos, payable whenever a grave was made. The cholera epidemic being then at its height, this tax would have yielded considerable revenue and would consequently have been very oppressive.

other places, Ternate was visited, and the archbishop not having keys with him, it was sought to force open the door of the church. This action was resisted by the inhabitants, who had hastily gathered about the entrance; and the priests of the archbishop's party persisting in their efforts to force an entrance, a riot occurred, in which the priests knocked down and injured two women. On arriving at the neighbouring town of Naic after this incident, warrants were sworn out for those concerned in the "riot." A party of scouts was sent to Ternate, arriving there about midnight; the accused were dragged from their houses (the most seriously injured woman being carried in a hammock), and the party returned to Naic about 2.30 A.M., where the prisoners were locked up without any accommodations whatever until the following morning. Bail was then fixed so high that it was several days before the prisoners could secure it.

Meantime, the controversy had assumed a new phase. Shortly after the secession of the Ternate church had been effected, the parish had been reorganised in the interest of Aglipay and a priest placed in charge of it. The old church being still in litigation, a nipa structure had been erected, and some of the images, including the Christ of peculiar sanctity already mentioned, as well as altar furniture, removed from the old building to the new. After the resistance to the archbishop, it seems to have been desired to wreak vengeance upon the congregation. A scout officer armed with a search warrant was therefore despatched to Ternate, and after breaking into the nipa church and going through the priest's house, he finally removed the images and ornaments. These he deposited with a neighbouring Catholic priest, and at the same time charges of robbery were preferred against the people of Ternate. A sergeant of scouts, who had been

present at the time of the archbishop's visit, but had failed to repress the popular demonstration because of lack of orders, was reduced to the ranks. Moreover, warrants issued at the instance of the Ternate natives against those who had looted their church were disregarded. Many days elapsed before service of them could be secured, and then only after agitation and protest. It is fair to add that during the remainder of the archbishop's progress through the province he was accompanied by the American provincial governor, Captain Shanks, who brought with him an escort of constabulary.

This incident is representative, and throws a strong light upon the present situation in the islands. In this case, not only was the Taft order to await judicial decision as to the ownership of the church neglected, but the violators of the order were upheld, furnished with government transportation, and escorted by the provincial governor himself. Would the same aid have been accorded to Aglipay had he chosen to travel through a Catholic country? To ask such a question is to answer it. Again, in the administration of the law it seems clear that gross discrimination in favour of the regular priesthood and against the schismatics was practised, while the unjustifiable brutality of the American scout officer in serving his warrant upon the Aglipayans affords a striking contrast to his undue leniency, and even neglect, in serving the warrants upon Roman Catholics. In this, as in so many other cases, the real difficulties of the situation are chiefly attributable to a tendency on the part of the government to co-operate with Catholics in forcing the older form of religious polity upon the people while conversely discouraging the national religious striving which shows itself in the Aglipay movement.

The religious question of chief importance in the Phil-

ippines is now, of course, the relations between the government and the Catholic and Aglipayan churches, respectively. Since the American occupation, there has, however, sprung up a group of Protestant churches under the guidance of missionaries sent from the United States, each seeking to do the work of his denomination. While these churches do not, of course, enter to any considerable extent into the political situation as factors therein, they are serving as a complicating element, and are indirectly producing results of more or less importance.

Thus far, the actual hold gained by the Protestant churches has been small.¹ As a rule, they have not trespassed upon one another, and the cause of their lack of success must be sought elsewhere than in internal dissension. Some of them report that they can give no statistics of membership or converts, others claim a few thousand converts, but admit that the number of actual adherents varies largely from year to year, almost from day to day. It is true of many missionary workers in the Philippines that they confess to serious discouragement over the prospects for the development of their respective churches. In many instances, they have been unable to make any serious impression upon the natives and have had to confine themselves to work among the resident and transient Americans with perhaps the distribution of Bibles or Testaments among the natives as a side issue. While our schools have been hard at work teaching the natives English, representatives of Bible societies have

¹A rough division of territory has been made by mutual consent between them. The Methodists have been assigned Luzon Island north of Manila; Southern Luzon and the Pacific side of the southern portion of the archipelago have gone to the Presbyterians, the Baptists taking the China side of the southern islands. The Episcopal Church is working in Mindanao and among the Igorrotes of Luzon.

been equally busy in translating the Scriptures into the dialect and in distributing them. Undoubtedly, the Americans themselves need all, and more than all, the spiritual aid and direction that can be afforded them by the missionaries, but the latter were not sent to the Philippines with that object in mind, and they consider it a disappointing limitation upon their work when they are unable to reach any except men of their own race.

In the search for a reason for their lack of success among the natives, missionaries and others interested in their work often fell back upon the hostility of the Catholic Church. That such hostility exists is indubitable, though it should be observed that the aggressive attitude of certain of the missionaries is the thing primarily responsible for it. Many of them came to the islands apparently with the notion that their first and most imperative duty was to fight the Catholics, and this standpoint has constantly appeared in every step they have taken. That the Catholic Church has repaid the evident hostility of Protestants by the display of contempt and dislike was to be expected. Its confessed opinion is that while it can welcome Protestants who come to minister to white men, it cannot receive them in friendship, if they seek to make proselytes among the Catholic natives. Catholic authorities profess to believe that the natives are "not fitted for Protestantism," and that efforts to propagate that form of religion among them can be greeted only as dangerous designs for stirring up strife and unrest.¹ The appearance of Protestant churches upon the

¹I regret to say that the evident viewpoint of Catholic authorities in the Philippines is in many cases one of unmistakable hostility toward the American school system. This system is usually regarded as a direct rival to that of the church itself, as well as a movement likely to weaken the hold of the church

scene, although the numbers of their adherents have been small, has had a peculiar effect upon the political situation.

It has alarmed the Catholics—this alarm being greatly intensified by the advent of the American school system and by the sudden appearance of the "Aglipayanos." It has necessarily put the members of the Commission on their guard, by making them feel that concession to Catholics that might be unwisely generous or extreme in character would lay them open to attack at home. At the same time the aroused feeling of the Catholics themselves has made them put forth every effort to strengthen themselves through political pressure exerted at Washington. Even where the Commission was evidently with the ecclesiastical authorities, and ready to work their will, although through forms of law and by regular modes of procedure, these authorities have very frequently been restive and impatient, fearing that, through political timidity or the scheming of enemies, their plans might fail of success. On the whole, therefore, while the advent upon its members. It is only natural that the church should have endeavoured to uphold its schools in competition with the public school system, and there is certainly need for all and much more than all the work that can be done by both working actively in harmony. But in various instances the church seems to have passed from an attitude of silent hostility to active campaigning against these schools. Thus in ——— province a certain school had fallen off from some 320 members to about 50 or 60. Investigation showed that a native teacher in this school had been converted to Protestantism, and had on sundry occasions cast reflections upon the character and purposes of the Catholic Church in the hearing of the pupils. This had led to the exertion of Catholic influences against the school, and ultimately to a demand from the bishop of the diocese for his discharge. With this demand went a threat to the effect that unless the man were compelled to go an order would be issued forbidding Catholic children to attend further upon the sessions of the school in question.


of Protestantism in the islands has been a check of considerable importance upon any tendency toward the re-establishment of Catholic dominance that might have existed, it is certainly true that unnecessary friction has been produced by unwise and tactless action on their part.

The real reason why Protestant churches have made such slender progress in securing a foothold among the natives is seldom understood. The Filipinos as a people are exceedingly sensitive to race distinctions. This characteristic, which was developed by their experience for so many years as a subject people, has been accentuated by the sharp racial distinctions drawn by Americans and the disposition of many of the latter to treat them as "negroes." It is most unfortunate that any distinction of race, even if only apparent, should have been allowed to appear in the work of the religious denominations that are seeking the conversion of the Filipino masses from Catholicism. This, however, has been the case. The establishment of separate churches for Americans and natives by various religious denominations is said to have operated to widen the breach of feeling and sympathy between the Filipinos and our people. What is more to the present purpose, it is believed to have had the effect of repelling the natives from a form of religion which apparently recognises race distinctions as fundamental. Intelligent Filipinos, with whom the writer has discussed the religious question, often place the race issue foremost as a factor in explaining the relatively slight success of the Protestant churches in the Philippines. If, therefore, this recognition is accorded to race prejudice by the missionaries, it will doubtless retard the growth of their churches, and just so far as the natives feel that other churches have no place for them upon equal terms with

other members, will they tend to drift into the native religious organisation—the Aglipay movement.

If the Protestant churches adopt appropriate methods, they may yet do much in assisting the natives, while at the same time enlarging their own membership to a marvellous extent. But they have so far hardly met the natives on their own ground, and thus far the results of their labours must be accounted indirect and semi-political rather than immediate and religious.

All in all, the church question in the Philippines is discouraging. A real settlement has been prevented by the apparent adoption of a pusillanimous attitude on the part of the Commission toward the Catholic Church and by a seeming desire to gain its aid as an agent in political control. When the United States took possession of the Philippines it found there a population intensely and bitterly opposed to the continued rule of the Catholic Church in the islands. There is not an authoritative writer upon Philippine conditions who does not recognise the fact that this feeling was a primary cause of the insurrection. That being the case, absolute separation between church and State, and careful avoidance of anything resembling concessions to the church, was a fundamental axiom of successful government. It was recognised as such by our authorities from the beginning; and, had they been able to live up to the terms of their first professions, none of the church questions now threatening could have arisen. The fact that our administration is to-day deeply involved in church complications of different sorts is attributable simply to political timidity and fears of the results that might follow in the United States upon a policy which was even in appearance anti-catholic.



CHAPTER X

AMERICAN EDUCATION IN THE PHILIPPINES

THE Philippine Commission undertook, very early in its career, to organise a system of education for the archipelago. By Act No. 74¹ a basis for this new system was laid through the creation of a Department of Public Instruction. In this act, an officer, designated as General Superintendent of Public Instruction, was provided for, and he was given power to establish schools, fix curricula, appoint teachers and clerks, assign teachers and distribute supplies, and report upon the progress made. A general advisory board to assist the superintendent was also created, and the appointment of local school boards, designed to oversee education in their respective localities, was authorised. English was made the "basis of all public school instruction." It was ordered that no teacher should teach or criticise the doctrine of any religious sect, or attempt to influence pupils in favour of or against such sects. Provision was further made for the creation of certain normal and special trade-schools.

The first general superintendent of education was Dr. F. W. Atkinson, an educator of standing in the secondary schools of Massachusetts. General charge of educational matters was turned over to Commissioner Bernard Moses as Secretary of Public Instruction. Commissioner Moses was himself an educator of repute, having occupied a chair in the University of California before coming to

¹Laws, Vol. I, p. 99 *et seq.*

the Philippines. It was expected that, by the co-operation of Mr. Atkinson and himself, a strong school system would be erected, and education rapidly advanced.

The first effort toward establishing the new system was to secure a satisfactory supply of American teachers. Colleges and other institutions in the United States were asked to designate teachers, some were designated by the superintendent, and some drawn from the army. It was sought to enroll 1,000. The highest number ever actually employed at any one time was, however, only 926, although the total number engaged, even during the first year, was very much larger.¹ Contemporaneously with the effort to secure teachers, there was also made an attempt to obtain adequate school supplies and to hit upon some plan for the distribution of the teachers and supplies to the different parts of the country. Some supplies were obtained from the United States, but the difficulties of securing text-books of a kind and quantity suited to the needs of the islands were not overcome, and many schools received absolutely no supplies for several months. When supplies were sent, they often turned out to be useless.

Dr. Atkinson's difficulties in dealing with the educational problem are illustrated by an incident (vouched for from official sources) in his early administration of the Bureau of Education. He had made a contract for a large number of patent school desks,² which were ultimately furnished at a cost of about \$5.25 each. These, when delivered and the freight, insurance, etc., paid, made a heavy bill for the Commission to meet, and it was resolved to sell the desks to the various municipalities. They were offered in due form, but, as no orders came,

¹Report of U. S. Bureau of Education, 1903, p. 2226.

²The Bureau of Education informs me that the number was 22,000.



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it was thought best to reduce the price. As this measure was unsuccessful in forcing the supply upon the market, the desks were finally given away to the municipalities on the condition that they should pay the freight. No municipalities being willing to incur this expense, the Commission finally shipped the desks free to the various localities, and had them placed in the school buildings. The desks were wholly unsuited to the climate, being made of unseasoned wood; and as most of the school buildings were in disrepair, letting in the sun, wind, and rain, it was not long before the desks cracked to pieces or fell apart. Being made to screw down to a floor, too, while most of the schoolhouses had dirt floors, it was hard to fasten them, and a considerable number were thus rendered useless or were broken.

Most serious sacrifices occurred in consequence of the failure of the Bureau to provide suitable books and school supplies. It often happened that an American school-teacher was sent to instruct a body of pupils whose language he did not know, who had literally no books of any description, in a room without benches or other furniture, located in a house or shed open to the tropical sun and rain. No suitable provision was made for quartering or transporting the teachers, or furnishing them with medicines or subsistence supplies of the kind they needed. No satisfactory arrangements were made for paying them. Often, they did not receive their salaries for three months after payments were due, and in the meantime the local currency in which they were paid had so depreciated that they suffered severe loss. Some caught tropical diseases and died, or lay a long time sick, some went insane, some lost courage and hurried home at their own expense, some remained where they were sent and ran "stores" or became postmasters while drawing salaries as teachers from

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a bureau which had little idea what they were doing. Some worked, but succeeded in teaching nothing, and only became a laughing stock or cause of irritation to the entire neighbourhood. A few succeeded in gaining some hold upon the native population, and earning the respect and, more rarely, the confidence, of the inhabitants. Much of the trouble thus encountered was due to bad judgment in locating the teachers. The unfamiliarity of those in charge both with the geography of the islands and with the social conditions of the several provinces, was chiefly responsible, in numerous instances, for the mistakes in assigning the teachers to their stations. Along with this culpable ignorance went a great disregard of executive detail. Owing to the fact that no suitable plans for receiving the teachers and inaugurating the educational system had been made, there ensued a period of disorganisation and loss of time which cost the Commission (according to private official estimates) not less than \$500,000. Further, the actual obstacles to progress seem to have been rendered yet more difficult to surmount by friction between Messrs. Atkinson and Moses. This controversy and the attendant circumstances seems to have led finally to the resignation of both men. Mr. Moses was succeeded by Commissioner Smith, the present secretary of public instruction, while the successor of Mr. Atkinson was Mr. E. B. Bryan, connected at the time of his appointment with the Manila schools. Mr. Bryan did not continue long as the head of the educational department, being compelled by ill-health or some other circumstance to retire. His place was filled by the appointment of Mr. David P. Barrows, formerly in charge of the Bureau of non-Christian Tribes (now the Ethnological Survey), who is the present incumbent of the office. Without, for the present, delaying

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longer over the history of our system of education, let us state the conditions of the system as they now exist.

Beginning with the school year 1904-05, the schools of the Philippines are to be regularly divided into three classes. The first class comprises three grades numbered I, II, and III, each corresponding to a year's work and prescribed for all municipal and barrio (village) schools. The number of these schools is now about 4,500, and the total number of enrolled pupils is 220,000.¹ In this class of schools, all teachers, except for an occasional "supervising teacher," are natives, all buildings are erected and paid for by the municipalities, and all land required for buildings is furnished by them. The salaries of the few supervising teachers are paid by the insular government, and the cost of supplies and textbooks is similarly provided for.

The second class of schools includes grades IV, V, and VI, and is called "intermediate." These schools number 40, with an enrolment of 7,000 pupils. The teachers are part native and part American, but all are paid by the insular government, which likewise provides equipment, books, and supplies, the buildings and grounds being furnished by the towns. The third class of schools is known as the "secondary," and includes 31 institutions with an enrolment of 300 pupils. For this class, buildings are furnished by the provinces where they are located, the teachers are paid and the supplies and equipment furnished by the insular government. These schools are placed in the chief town of each province, and it sometimes happens that an intermediate school is es-

¹The new census of the Philippines (1905, Vol. III, p. 688) gives the total number of children of school age as 2,137,397.

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established in the same town with a secondary (or provincial) school.¹

The total number of native teachers employed is between 4,000 and 5,000. American teachers (paid by the insular government) number some 825, with 50 vacancies additional, for which teachers are wanted. Of the total number of native teachers, probably 125 are drawing "insular salaries," and the rest are paid by the municipalities which employ them. None of the native teachers who draw insular salaries receive over \$600 (U. S.) a year, the majority ranging from \$240 to \$360. None of the American teachers receive less than \$720 and none more than \$1,800, most of them being paid from \$1,000 to \$1,500 annually. The native teachers who draw their salaries from the municipalities are paid from 20 to 30 pesos (\$10 to \$15) a month, and are often unable to collect what is due them, except at irregular intervals, if ever.

The Department, or Bureau, of Education as a whole is supposed to cost the insular government about 3,000,000 pesos (\$1,500,000 U. S.) a year. This amount is divided about as follows:

Superintendence:

Superintendent's office.....	82,500 pesos
Division Superintendent's office.	165,000 pesos
	<hr/>
	247,500 pesos

¹Many Americans seem to assume that our system of education provides the only opportunities of the sort that the islands enjoy. The recent census (Vol. III, p. 673) shows that there are now a total of 2,962 schools in the islands, of which only 1,633 are public. In Albay province there are seven times as many religious and private, as there are public, schools.

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Teaching:

American teachers.....	2,000,000 pesos
Native teachers.....	244,800 pesos
	<hr/>
	2,244,800 pesos
Other native teachers in special provinces	6,144 pesos
	<hr/>
	2,500,000 pesos
Night schools (adults).....	145,000 pesos
Transportation	28,000 pesos
Equipment, furniture, supplies, tools, etc.....	200,000 pesos
Books	200,000 pesos
	<hr/>
Grand total.....	3,310,000 pesos

This represents an excess of 310,000 pesos, or about \$155,000 U. S., over the regular annual appropriation, and it is usually sought to save as much of it as possible by deductions from teachers' pay, for absences, savings due to vacancies, etc. If a balance still remains, it must be met by a deficiency appropriation.¹

One of the greatest difficulties in organization that the school system has had to meet has been the resignation of American teachers to return to the United States, or to go into other business in the Philippines. An intelligent division superintendent estimates that resignations amount to about one-third of the total force each year, and I am officially informed that during some two months subsequent to the closing of school in the spring of 1904, no fewer than 120 resignations occurred.

This would mean an entire change in the personnel of

¹The writer is indebted to Dr. David P. Barrows, the General Superintendent of Education for the Philippines, for the statistical data herein given.

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the force once in three years, and some persons familiar with conditions in the provinces go so far as to say that such a change occurs as frequently as once in two years, taking the force as a whole. As a general rule, the more competent American teachers in the Philippines become disgusted after a very few months of actual service and determine to return to the United States at the earliest opportunity. In some cases, the exposure to diseases, debilitating influence of the climate, high cost of living, and dislike of the natives produces so strong an impression that the teacher seeks, and sometimes secures, a release from his contract and returns at the expiration of a year or less. Indeed, the success of the department of education in holding some of its better men in the Philippines, for a period exceeding two years, has been partly achieved by the refusal to furnish return transportation to the United States at the end of two years, in spite of a practical agreement to do so made by the men in charge at the outset.

The trouble, perhaps, would not be so serious if the teachers who withdrew were drawn from those of greater and of less ability in equal proportions. A process of elimination, however, seems to be in operation, and those who remain are chiefly those who know the salaries they receive are as high as they can hope to get anywhere. Moreover, as conditions in the islands have become better known, the insular government has already found great difficulty in securing a supply of men from the United States, and even when men have been obtained they have in a large number of cases proved unsuitable, inefficient or even in some instances of bad character. It is generally found that the salary offered is inadequate to induce satisfactory teachers to leave the United States. As we have seen, these salaries range from \$900 a year (\$75

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gold per month) to about \$1,800, though few ever reach the higher figure. Indeed, it is difficult under ordinary circumstances for a teacher to rise to more than \$1,500 a year. Superintendents of schools receive salaries ranging from \$1,500 to \$2,500 annually, the majority probably receiving not over \$1,800 or \$2,000. In view of the high cost of living in the Philippines, the extra precautions requisite for the preservation of health, the larger proportion of time necessarily spent in illness and in vacations outside the islands, few satisfactory teachers are willing to come to the Philippines, and of those who do come, only a small proportion of the ambitious and competent are ready even to contemplate the prospect of a permanent or even a lengthy stay in the islands. The result is that the teaching force of the Philippines is subject to constant change—often for the worse.

The teachers of the Philippines were subjected to civil service modes of appointment by action of the Commission in the autumn of 1903. Prior to that time, the teachers had, as we have already seen, been appointed by the superintendent, who had called on American academic institutions for aid in this work. The old system of appointment naturally threw much strain upon the superintendent, who was constantly besieged for appointments for inefficient people. One thing that may have militated strongly toward the introduction of the civil service system for the teachers is the fact that a strong hold upon it was being seized by the Roman Catholic Church. So far did the administration yield to this pressure that in the appointment of Commissioner Smith much heed was paid to the fact that he was an ardent Catholic. In selecting a successor to Mr. Bryan as Superintendent of Education, the chief competitor of Dr. Barrows put forward as one chief merit that he was a Catholic. Furthermore,

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during 1903 the whole system of schools seemed to be on the point of becoming Catholicised. A distinct and confessed effort was made by the bureau to secure Catholic teachers, and one hundred and twenty-five (appointed on the ground that they were Catholics) were imported from the United States. The civil service law, if honestly administered, will of course protect the school system from the danger thus manifested, and many of those who praise its effects are undoubtedly right in considering this a very great gain. On the other hand, the system, as applied to education, has some undoubtedly bad effects, in preventing the promotion of experienced men who ought to be advanced to places of responsibility. On the other hand, again, it is an undeniable truth that the system is not very rigidly administered, and that political and church influence still have preponderating weight in securing the advancement of teachers who have actually passed the examinations and have undertaken actual work.

A second serious difficulty met by the Bureau of Education is the lack of suitable books for instruction. At the outset, the attempt was made to use the same school books as were employed in American schools. Many of these were wholly unsuited to the purpose. Not only were they written in English, but the subject-matter of them was absolutely unadapted to the needs of the pupils. A beginning has now been made toward improving the books used, partly through the adaptation of old and partly through the preparation of new books, but their character is still in many instances ridiculous to the verge of absurdity. While New England children may find some profit in learning the capitals and geographical divisions of the New England States, it could hardly be expected that the same interest would be felt in, or the same benefit derived from, the knowledge of such facts

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by children in attendance on schools located several thousand miles away and existing under totally dissimilar conditions. Moreover, the books are furnished by the insular government in very small quantities only, and school supplies, such as chalk, blackboards, etc., are deficient, or in many instances wholly wanting. So also of the accommodations for the schools.¹ Many are still held in inappropriate places, or in buildings that let in the sun and rain, or are unsanitary by reason of their earth floors or their location. It is not too much to say that the school system as a whole is wretchedly equipped, miserably housed and badly officered. No school buildings have been erected by the insular government, except possibly in certain instances where aid was given to provinces in which the inhabitants were in actual want. Some buildings were erected in such regions as a way of affording employment and wages to those who were out of work.

Another fruitful source of friction is the discrepancy between the pay of American and native school-teachers already noted. The native teachers feel that in many instances their work is as good as that of the Americans, and they regard the lower salaries paid them by the insular government as a direct slight to their efficiency. The worst feature of this situation, however, is the mode of paying the native teachers who are employed by the municipalities. The pay and clothing allowance of a native soldier in the United States Army is \$10.50 a month, while his rations, if estimated in money, will raise this amount to at least \$15 (U. S.). The pay of a constabulary recruit is about the same. It is not unnatural that native teachers should feel that their work is as

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¹The census of the Philippines (Vol. III, p. 678) shows that of 1,970 public school-houses, 55.1% were of nipa and 44.9% of durable material.

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important and of as high a grade as that of the scouts and the constabulary, and that it is absurd to pay them less. The soldiers, moreover, receive their pay regularly, while it is always a question when the native teachers will be paid by the municipalities which employ them.

Thus far of difficulties of detail. They are serious, and in many instances entirely avoidable, but it might be maintained that they are such as would naturally be incidental to the establishment of a system of instruction in a distant country like the Philippines, where many unfamiliar difficulties must be encountered and many unforeseen obstacles overcome. The same, however, cannot be said of those defects of theory and organisation which were introduced into the system at the outset, and in which it has been thought best to persevere.

The first and most serious of these defects is the effort to carry on the work of instruction in English through American teachers. The general question of education in the Philippines involves two distinct matters, which have been often confused with one another. These are the system of education in the narrow sense of the term and the choice of a language in which to convey instruction and to carry on official business. These two problems must be separately dealt with.

As elsewhere shown, the original idea of Dr. F. W. Atkinson, first superintendent of education in the Philippines, seems to have been that the American teachers introduced into the islands would simply be placed at the head of departments of English in native schools presided over by native teachers. In other words, the Filipinos were to conduct their own system of education, assisted by American teachers engaged in propagating the English language. This idea seems to have been very vague and nebulous. It speedily altered, or, as one American teacher



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puts it, "voluntarily changed of itself, just because it was impossible." Almost immediately the status of the American teachers became that of the heads of the schools, either doing all of the work themselves or assisted by a small corps of native teachers. The attempt to use English as the ordinary language of conversation and business was the more anxiously fostered by the teachers in view of the fact that they themselves knew little or no Spanish, and of course none of the dialects. Since the beginning, therefore, there has been a thoroughgoing and systematic attempt to make English the language of the people and the language of all learning and instruction. That the attempt has been a great success is warmly alleged by representative men in the administration. Thus Dr. David P. Barrows, Superintendent of Education for the Philippines,¹ writes in his first annual report that:

Opponents of English education find few sympathisers among the Filipino people. . . . The advantage which the possession of the English language will give him is readily understood by the Filipino, and it is fortunate that the acquisition of the Spanish tongue was largely denied him, and that it never won his affection.

In a similar strain, many recent visitors to the Philippines write and speak in glowing terms on their return to the United States of the marvellous progress made by the natives in the use of English and of their eagerness to learn the spoken language. These statements are apparently a mixture of truth and of the results of superficial observation.

The fact is that the enthusiasm of the natives in learning English is largely a myth. While it is undoubtedly true that more progress in English is being made by the

¹Official Gazette, Manila, January 27th, 1904, p. 60.

natives than in any other branch of study, it is also true that this progress is largely attributable to the general desire to pass civil service examinations or to be able better to trade with American visitors. That progress in the acquisition of English is actually confined to a special class as thus indicated will be thoroughly confirmed by an experience of very brief duration in Manila, or preferably in any provincial town. Far from its being the fact that an understanding of English is percolating through all classes of the community, and is being sought for by people of all grades, the truth is that an adequate knowledge of English is possessed by very few even of the educated classes in the Philippines, while the proportion of the population which comprehends as much as a few simple words is extremely small. A very marked difference exists in this regard between the Philippines and Japan, or even the foreign settlements on the China coast, in any one of which knowledge of English gained by the people at large is superior to that of the inhabitants of the Philippines. There would be nothing singular in this condition of affairs, considering the brevity of the American occupation of the islands and the extreme difficulty of organising the school system, but the situation becomes more perplexing when it is fully understood that the desire to learn English, save for the motives already suggested, is non-existent or limited to a very small class.

Not only has the actual progress been small, but it may definitely be set down that it is a piece of great folly to attempt the instruction of the mass of the people in English. The result of this effort is merely to teach a smattering of our language to native children, who must expect to spend their lives in agriculture, simple factory work or at the most in subordinate clerical places. They cannot expect to receive more than the rudiments of education

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under any circumstances. That is all that is obtained by the mass of mankind in America and Europe, and that is all, and more than all, that the Filipinos can expect for a long time to come. That, however, they are entitled to receive, if the American educational experiment in the islands is not to prove a flat and abject failure. It can be understood, therefore, that where children of the poorer classes are compelled to receive their instruction in a foreign language, they get no real knowledge of that language, and they are at the same time prevented from getting the elementary training in common school branches which they need, so far as they need any educa-

tion of a bookish sort as distinguished from education in practical industrial arts. The present educational situation in the islands is very similar to that which would exist if we should seek to establish elementary schools in the Southern States, where the negroes (the bulk of whom under present conditions must expect to spend their lives in manual work) should be given instruction in common school branches by French teachers who spoke no English.

There is one error that ought no longer to be propagated in the Philippines or in the United States. This is that the native dialects of the Philippines are of so low an order, and so poor in words, that no books could be written and no instruction conveyed in them. In practically all of the chief dialects of the islands there already exists a body of printed literature, and those who have familiarised themselves with these tongues are emphatic in their statement that there would be no obstacle whatever to the giving of instruction or to the preparation of text-books in the local language of each province. Says an American teacher:

Americans commonly suppose that these dialects are very sim-

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ple affairs, consisting at most of a few hundred words, and with no very elaborate grammatical structure. This is far from being true. To speak of the Visayan language, to which I have given some study, the richness of its vocabulary has been an ever-recurrent occasion of wonder to me, and the beauty and consistency of its grammatical structure are obvious enough to charm even a very imperfectly trained philologist. The vocabulary in any one locality contains about 10,000 words . . . If every man in El Salvador knew all the English that he is capable of understanding, he would never use one word of it, save for display, for his native dialect serves his daily needs vastly better.¹

As stated above, however, the general question of the language in which instruction should be given ought to be kept separate from the problem of the personnel of the instructing force and of the methods to be pursued in education and the objects to be sought. We have been unable thus far to get and keep an adequate corps of intelligent school-teachers. The mere fact that the force changes rapidly (as has been indicated) would itself be almost conclusive evidence against the employment of American teachers. When it is considered that even in the United States a frequent change in the personnel of a force of instructors means serious disorganisation, it can be understood that a situation where from one-third to one-half of all teachers changed each year would be considered disastrous. In the Philippines, the difficulties resulting from such conditions are multiplied tenfold. It is extremely rare that any of the teachers who come from the United States understand Spanish either spoken or written. They usually prove unadaptable to native modes of living, and find native customs repulsive. Many pitiable cases of teachers isolated for periods of months in remote places in the provinces are narrated, and show with great clearness that no good results can be hoped for from

¹*Gunton's Magazine*, March, 1903, pp. 228, 229.

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a force of instructors foreign to their pupils in language, thought, custom and feeling, changing so frequently in personnel as to preclude the possibility of establishing relations of mutual confidence and respect with the population by which they are surrounded. The character of the force of teachers is almost inseparably connected with the nature of the education given. Up to date, this education has been highly artificial, and has enlisted little enthusiasm from the Filipinos. They have remained inert and indifferent save in some few isolated cases where matters have been conducted exceptionally well.

Even with a force of properly trained native teachers giving instruction through native dialects, it would still be a question how to arrange the course of instruction. Elementary education, of course, is necessary, but this is likely to be continued too far and to result in the exclusion of the industrial training so urgently required throughout the islands. Something has been done in a tentative way toward making a beginning with instruction in industrial arts, but no regular policy of the sort has thus far been systematically undertaken. The fact is that what the native most needs is a kind of education that will operate to improve his material condition without any delay whatever.

The incentive to the education of children along the lines laid down by our educational managers in the Philippines is extremely small, apart from the mere desire to qualify them for passing the civil service examinations, which serve as preliminary to government service. As long as the government service continues on its present basis there will be a demand for education carried out along the artificial lines now pursued in most of the American schools, but it is to this chance of office-holding chiefly that any actual interest in education on the part

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of the natives is attributable. Remove the chance of appointment to civil positions by examination, and the interest of the native in our schemes of education will largely lapse.

That the real situation is as just set forth is often denied by those in charge of education in the Philippines. These men point to the large registration of pupils in the schools as indicated in the figures already given. They urge that much interest is being shown by many Filipinos in the work of the schools, as indicated in those figures, and that the natives have promoted the plans of the bureau by furnishing land and erecting buildings. But the extent of school attendance, even if accurately known, could not properly be taken as an evidence of interest, for in many places a compulsory attendance regulation exists. The statistics for school attendance, however, are absolutely worthless. The principal idea of many teachers and division superintendents seems to be to make the attendance at their schools as large as possible, and regard the size of the school as the test of the efficiency of the teacher.

"When I went to——school," said an American teacher to the writer, "I asked my superintendent whether I should be judged on the basis of attendance or of work done. 'Why not aim at both,' he answered. 'That means I must get out and work for attendance,' I rejoined, and in three days I raised the enrolment of my school from 150 to 312. I simply said to the children that I would dismiss school for an hour if they would go out and each look for some other child not in attendance and bring him to the school."


This desire for large numbers is often plainly confessed in official instructions. "The attendance in most schools depends largely upon the teachers," says a circular sent out by the Bureau of Education, June 14th, 1904. "If

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the attendance is not large enough, the teachers can make it large enough if they use the right means." A consistent effort to enlarge the attendance and use the figures as evidence of political contentment has been in progress for a year or more. This indirect mode of dragging the schools into politics is much to be regretted, but is only one feature of a general policy that has lately been gaining ground. This policy is to assign a sort of quasi-political character to the American school-teachers. If matters go on as they are tending at present, it will not be long before the superintendents of schools at least will assume some of the functions of an English "Resident" and the ordinary teachers similar duties on a smaller and local scale. One member of the Philippine Commission, in fact, expresses in conversation with me the view that the function of the teachers should be in part that of political agents directing the action of the municipal authorities.

The existence of a novel political function on the part of the teachers is fully recognised by the people themselves,¹ who resent the stationing of such political agents

¹One cause of much bitterness of feeling on the part of the natives is found in the character of the instruction in history and government offered by the schools. The effort has been made in teaching history to obscure some of the essential facts regarding the American occupation of the islands, and to inculcate a disbelief in native aims and methods. "A Short History of the Philippines," by Prescott F. Jernegan, one of the official texts, contains such captions as "Monarchy or Republic," "A Filipino Republic Impossible," and others of the same character. Ignoring the demands made upon Congress by Philippine administrators for a free land-grant policy, this text-book teaches that "Governor Taft and the Philippine Commission . . . have worked . . . to keep the natural riches of the islands for Filipinos. . . . Foreigners are not to be allowed to take immense tracts



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among them in an educational guise. They recognise, too, that it is in fact the best teachers, and those most devoted to the welfare of the natives, that have been least appreciated. Those who have brought abuses or native complaints to the notice of the authorities have often been transferred to other provinces more remote from Manila. A case in point is that of the former superintendent of schools of a province near Manila, who has lately been transferred to another because of his exposure of constabulary abuses.

The alleged interest of the Filipinos in our mode of education as evidenced by things other than mere school attendance is largely a matter of opinion. Where buildings have been built, they have usually been undertaken in response to suggestions which amounted to orders. Doubtless some Filipinos value our educational methods.

of this land. It is to be divided into small farms for Filipinos," etc.

"Civil Government in the Philippines," by Dudley O. McGovney, is the official text on that subject, and is vouched for in a prefatory note by Judge E. F. Johnson, of the insular Supreme Court, as containing "a true statement of the form and workings of the civil government in the Philippines." In this book, likewise, there appears much glorification of American rule and various erroneous or distorted views of historical occurrences. Parts of the book, such as those relating to roads, public works, etc., read more like a prospectus than like a work on civil government. They deal largely with the future, and predict benefits of all sorts as the outcome of foreign control.

Teachings of this kind are very unacceptable to the rank and file of Filipino parents, who are much like other people, and in part explain reluctance to send children to the schools where such teachings are offered. The situation is very similar to that which exists in certain parts of the United States, where the use of school-books giving what is held to be a perverted view of American history is resented.



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The writer believes, however, that most of them do not do so.

Non-partisan investigation will confirm the following judgment afforded by an American teacher writing in *Gunton's Magazine*.¹

The greater number of American teachers now in the islands should be sent home where they belong. Primary instruction should be intrusted to well-paid native teachers and should almost invariably be given in the local dialect. Grammar schools should be established in the larger towns, and since those who will attend these schools can learn English to advantage, a part of the teaching force should be American. . . . Municipal schools should be supported in great part by insular or at least provincial funds. Suitable schoolhouses should be built and furnished. Suitable text-books in reading, writing, arithmetic, and geography should be prepared in the native dialects for use in the primary schools. . . ."

A rational system of education for the Philippines would probably have proceeded along the following lines:

(1) A higher school or college in Manila for the instruction of intelligent natives in English branches and the English language.

(2) The gradual establishment of provincial schools in the larger provincial towns. These could have been created and enlarged as fast as the supply of properly trained native teachers became adequate. In each such school there would properly have been placed an American teacher at the head of a department of English.

(3) The gradual institution of a system of municipal schools manned wholly by native teachers in which no English would have been taught and in which instruction would have been conveyed wholly in the local dialect.

¹March, 1903, pp. 229, 230.

CHAPTER XI

SOCIAL CONDITIONS

AN account of the conditions now prevailing in the Philippines would be incomplete without some reference to the social relations which have grown up under the present régime. A radical change in this regard has occurred since the days of Spanish domination. In some respects, an improvement has taken place while in others the present situation must be regarded as distinctly less satisfactory than formerly.

Mr. Foreman, in a recent review,¹ gives an amusing account of some changes in the native point of view. These, he alleges, are chiefly in the direction of self-assertiveness and the copying of our less pleasant national traits. The fact seems to be simply that there has been a change in the character of the foreign population and a contemporaneous change in the principles governing social distinctions. Under Spanish rule, the foreigners resident in Manila were higher government officials, the clergy, some Spanish merchants and a few English and other foreign traders, with their staffs of assistants, clerks, etc. A large portion of this foreign population represented good elements in European society. The mismanagement and oppression of the Spanish rule have been its general characteristics wherever experienced, but it remains true that the conception of Spanish society likely to be formed by the natives was favourable. It is un-

¹"The Americans in the Philippines," *Contemporary Review*, September, 1904.

mistakably true that the general tone of society in Manila has been lower under American control. Those of our citizens who have gone to the islands have by no means uniformly been creditable representatives of American character. Many of them have been men of broken fortunes or doubtful record, or have been adventurous young men unwilling to accept a life of steady habits and humdrum restraints at home. Our soldiers, both while serving in the ranks and after discharge, created an unfavourable impression on the natives by their dissolute habits and tendencies to oppressive methods, as well as by their race prejudice. The relatively small element of Americans of the better type who have gone to the Philippines has been unable to eradicate the prejudices formed by observation of many of a different character.

That the character of the Americans in the Philippines is not too blackly painted in the foregoing sentences the reports of the Philippine Commission bear witness, while the act for the deportation of troublesome characters, and the large numbers of Americans transported under it, testifies that the Commission has had the courage of its convictions.

"One of the great obstacles," says Mr. Taft,¹ "that this government has to contend with is the presence in a large majority of the towns of the archipelago of dissolute, drunken and lawless Americans, who are willing to associate with low Filipino women and live upon the proceeds of their labour. They are truculent and dishonest. They borrow, beg and steal from the native. Their conduct and mode of life are not calculated to impress the native with the advantage of American civilisation."

While the Commission has deprecated the contempt shown by Americans toward the natives, and the hatred

¹Report U. S. P. C., 1903, Part 1, p. 37.

with which this contempt has been repaid by the latter, neither it nor the members of the civil government nor the officers of the army have been able to introduce an era of better feeling. There have been at least two distinct attitudes developed by the government toward the local population. At first there was a disposition to treat the natives as equals, but as dangerous equals, to be watched and regarded with suspicion. Only those who by demonstrative friendliness toward the Americans were able to convince our officials that they were reliable were considered worthy of fair and equitable treatment. But as time has gone by this attitude has radically altered. Our representatives have awakened to the fact that by no means the most useful or reliable element in the population was the so-called Americanista group, and that many who had held aloof at the first, now convinced of the hopelessness of resistance, furnished a reserve of much more valuable material upon which to draw in filling offices under the government. Of late there has been a marked tendency to rely more and more upon Filipinos of good standing and weight with their countrymen, and to pay less and less attention to the turn-coats, who were first and loudest in their professions of allegiance. This change of policy is a certain and very valuable step in the right direction, and deserves most hearty approbation. True, there are certain officials who have carried their praises of the natives and their defence of native institutions so far as to repel American listeners, especially as the latter knew that the official utterances were words merely and were not supported by acts.¹ But such extreme utterances have

¹A very notorious utterance of the sort above referred to is said to be the speech delivered by Collector Shuster in the autumn of 1904, in which he roundly criticised local Americans and paid his court to a certain class of natives.

been made simply for political effect, and are unworthy of serious discussion. By the side of the generally wiser and saner policy of our higher officials, and quite without their sanction or control, there has grown up a body of prejudices that offer most serious impediments to successful government in the islands. A strong race feeling has been developed, and there has been a marked tendency to look upon the Filipinos as an inferior race and to treat them as such. Thus a situation different from that existing in our Southern States has been produced, for the reason that in the Southern States the negro population possesses relatively little wealth, influence, education or opportunity, while in the Philippines the despised natives are in many instances superior in education and training to the underbred Americans who seek to draw the colour line. The racial hostility which is fast growing up tends to render problems of social control far less easy of solution and to increase the impatience of the natives under foreign rule. These problems did not exist under the Spanish in the same form in which they must be met by Americans. There was under the old régime no such effort at social distinction, but Spaniards, natives and Chinese met on a plane much nearer that of equality as measured by distinction or position or wealth.¹ It must be noted with regret that the colour line has been much more sharply drawn by American women than by men, and that the establishment of American homes in the islands, instead of diminishing, has tended to accentuate, the evils of the situation. This is a situation that is not calculated to enhance the prestige of our country in the Philippines, or to contribute to the possibility of good government from this time forward. Americans and natives

¹Spanish conditions are well illustrated by José Rizal's account of a social gathering in Manila, *El Filibusterismo*, p. 117 ff.

are unmistakably drifting much farther apart. Here and there, race hatred of an extreme type is growing up. This state of feeling is fostered by violent expressions of the American Manila press and by the lower class of Americans throughout the islands. It is aggravated still further by unfavourable comparisons made by American teachers between Filipino children and children of American parentage. It is hardly alleviated in any degree by the condescending praise or apologetic defence of the native character offered by the higher officers of the government.

A failure to understand the native point of view on certain questions, combined with the tendency of our own people to practise certain vices not in vogue among the inhabitants, has also had an unfortunate tendency. Reference has often been made to the lack of control over the drink evil which was so notable during the early occupation of Manila by Americans. It is an undoubted fact that the excesses of our soldiers in this regard were extreme, and had a disastrous influence upon our prestige with the natives. So slender was the restraint upon retail liquor selling that at one time nearly every shop upon the principal street in town was given over to the traffic, and the city seemed surrendered to a saturnalia of drunkenness. The first important step away from the disordered conditions of the period after the capture of Manila was the enforcement of a more stringent license law and the compulsory removal of the saloons from the principal streets. As civil rule superseded military, and the soldiers on duty became less numerous, the number of the saloons decreased and their patrons became more orderly. To-day these resorts are not noticeably noisy or objectionable, and they number only about sixty-five American establishments in the entire city. On the other hand, saloons have

sprung up with a mushroom growth about the various army posts outside the legal limit, and much of the disorder which formerly prevailed in Manila has simply been transferred to the neighbourhood of the different stations. The fact remains that many of the Americans in the Philippines are given to too free a use of liquor, and that the habit has injured their standing with the natives, without causing special offence to the government or to their fellow Americans.

While the government has met with scanty success in working off the bad results of a peculiarly American evil, it has been even less satisfactory in its dealing with a vice of peculiarly Oriental character. Opium smoking was licensed by the Spaniards, who, by farming out the privilege, contrived to earn some 600,000 pesos annually as revenue. When the Americans assumed control, they abolished the "opium farm," but opium continued to be imported in large quantities. Instructions were given to the police to tolerate the smoking of opium under suitable restrictions as to order, etc., and a considerable increase in the use of the drug made itself apparent. In some sections, the practice, formerly chiefly prevalent among the Chinese, began to spread to the Filipino population. This enlarged use of opium attracted attention, and during the period of slack revenue and increased expenditure in 1903-04 it was proposed to reintroduce the Spanish system of taxing the smoking of opium by farming out its sale to one individual exclusively. This plan was recommended by an investigator, and later a bill to regulate opium smoking was drafted. Strong opposition developed among the best classes of American residents, as well as among Chinese, many of whom recognised the injurious effects of the drug among their own people. In consequence, the bill was finally withdrawn, and a commission to go to

other Eastern countries for the purpose of examining into the system there obtaining was appointed. The commission included the Rt. Rev. C. C. Brent, Bishop of the Philippines; Major E. C. Carter, Superintendent of Public Health, and Dr. Alejandro Albert, a local Filipino physician. After an extended visit to Japan, Formosa, China, Saigon, Burma, Java, and other places, the Commission recommended that the opium traffic be made a government monopoly without further delay, and that within three years after this step had been taken opium should cease to be imported except for medical purposes. Meantime, it was recommended that licenses to smoke opium should be issued only to males over twenty-one years of age, when shown by sufficient evidence that such males are habitual users of opium and would be injured by immediate discontinuance of the habit. The Commission further recommended that all dispensers of opium should be salaried officials of the government and that effort should be made in the schools and elsewhere to impress upon the people the dangerous character of the habit.¹

It will be seen that these recommendations, instead of looking to an increase of income from the opium vice, implied a distinct decrease, since they would result in cutting off even the income from tariff on imported opium. The report of the Commission was an unmistakable disappointment, and has not resulted (so far as yet known) in any action whatever by the Philippine Commission.² The net result of our control of the Philippines in this regard has therefore been an increase in opium smoking and a more relaxed system of regulations on the subject.

¹Preliminary report of Opium Commission, published in *Manila American* (official paper), August 6th, 1904.

²Congress, however, has prohibited private importation of opium after 1908. See *infra*, p. 280.

No review of social conditions in Manila would be adequate without mention of the system of what amounts to licensed and recognised prostitution, practically carried on under government supervision. Most persons have probably heard more or less of the terrible conditions in this regard which prevailed throughout the Philippines, during the period of military rule, but few seem to be aware that the same system was continued by the civil government, and is now in force.

The first public and authentic information concerning the system seems to have been afforded by Governor Taft, when a witness before the Senate Committee on the Philippines. Senator Carmack had called attention to the general question and Governor Taft said:¹

The known prostitutes were subjected to an examination, and if found diseased, were sent to a hospital and compelled to remain there until they were cured.

At this point, Senator Lodge interpolated the question: "Then there is no such thing as legalised prostitution?"

And Governor Taft answered:

"No, sir. I do not regard that as a legalising. . . . The known prostitutes are subjected to an examination, as I say. This began under a military rule and continued *until recently* under the civil rule in Manila. Each prostitute, in order to show that she had been subjected to an examination, was given a statement to that effect after each examination. She was compelled to pay a fee of \$1, I think it was, for that examination, and the money thus contributed was used to establish a hospital. That system has now been changed, by order of the President and Secretary of War abolishing the fee, the hospital being supported out of public funds, and I understand, although I have not seen the order, that the certificate which was given to the women has also been abolished."

¹Hearings, S. Doc. No. 331, Part 1, 57th Congress, 1st session, p. 403.

This statement seems humorous, when the words "until recently" are read in connection with a despatch sent by Secretary Root to Acting-Governor Wright in Manila on February 19th, 1902, only the day before Governor Taft's testimony was offered. The despatch in question read as follows:

WRIGHT, MANILA: It is considered that upon medical examination of prostitutes no fees be charged and no certificates of examination given. Medical officers can keep their own records of names, descriptions, residences, and dates of examination, and it is believed that the necessary protection against disease can in a great measure be secured without the liability of a misunderstanding and charge of maintaining a system of licensed prostitution.

Governor Taft's testimony was unfair in giving the impression that a real change in system had been introduced. Such was, in fact, not the case, as may be gathered from a review of Mr. Root's despatch to Governor Wright already quoted. Only a short time before Mr. Taft appeared before the Senate Committee, the Board of Health of Manila had passed (November 5th, 1901) the following resolution:¹

Resolved: That every prostitute in the city of Manila shall be required to submit to a weekly examination, and oftener when deemed necessary, by a medical inspector of the Board of Health, and when found suffering from a contagious venereal disease, shall be sent to the women's department of San Lazaro Hospital for treatment, and shall remain there until pronounced free from contagion by the hospital physician.

Provided: That in place of being sent to San Lazaro Hospital for such treatment, any prostitute found suffering from a contagious venereal disease may, at her own discretion, secure private treatment from a resident physician in some other hospital or residence apart from her place of vocation, and satisfactory to

¹Report of Colonel L. M. Maus, Commissioner of Public Health, 1902.

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the Board of Health, and remain during such treatment under the observation of and subject to the orders of the medical inspector or the Board of Health.

Hereafter no prostitute shall be sent to the women's department of San Lazaro Hospital or required to secure private treatment for a gonorrhoeal infection until a microscopical examination and the presence of gonococci established.

Later, the system was further improved upon, by a resolution of December 7th, 1901:

That the resolution made on November 5th, permitting women of the town who are suffering from venereal disease to be treated in private hospitals or by private physicians, be withdrawn, and that they all be required to be sent to the San Lazaro Hospital until they are free from such infectious or contagious diseases.¹

On the same date it was further resolved:

That every prostitute desiring to relinquish her vocation shall be placed under rigorous observation for a period of six months, and if during such time she lives a worthy life, her name shall be dropped from the roll of prostitutes. Those relapsing who have once relinquished the vocation will be obliged to suffer a longer observation, as the Board of Health may direct, should they again desire to give it up."

These resolutions have been quoted in full, because they set forth, with the greatest possible clearness, the system which now exists in Manila. A reading of Governor Taft's testimony, as rehearsed above, shows that he drew a broad distinction between a system of government inspection of prostitutes in which fees were exacted, and licenses or certificates issued, and one where these two features were absent. Ex-Secretary Root's despatch to Acting-Governor Wright shows that it was intended to preserve the character of the system, while abolishing

¹*Ibid.*

those details which were most open to easy criticism. To honest inquirers it could, of course, make no difference whether the system of inspection conducted by the government was based on fees used for the support of the hospital to which prostitutes were sent, or whether such a hospital was supported out of public funds raised by taxation. The main features of the old system were (1) compulsory registration of prostitutes, (2) compulsory inspection, and (3) compulsory residence in a specified hospital at public expense. All of these features are present in the existing system in Manila to-day. The points upon which Mr. Taft insisted in his Senate testimony, viz.: the abolition of the certificates and the withdrawal of the fee-requisite, are as truly present to-day in spirit as they ever were. The government does not issue the certificates as formerly, but it has grouped the houses of prostitution in the district called Sampaloc, and it keeps on file, in the office of the chief of the police, a complete list of the regularly inspected inmates. The certificate system is as truly present now as it ever was, for the reason that the houses are designated, and their inmates inspected, and the fee system exists just as formerly, except that it now takes the form of a liquor license known as a license of the "second class,"¹ and issued under the act of December 14th, 1900, regulating the sale of intoxicating liquors within the city of Manila and its attached barrios. This class of licenses is understood to be intended especially for houses of prostitution, and on May 28th, 1904, there were outstanding sixty such licenses in the city of Manila. The sixty houses thus represented were inhabited chiefly by Russian, Japanese, and American women, but included several Chinese houses. The number

¹See General Orders, No. 27, December 18th, 1900, for text of the license act.

of inmates averaged about five to seven per house, making probably a total number of enrolled prostitutes of about 350. Considering the fact that the foreign population of Manila is under 5,000, while the soldiers stationed about the city are infrequent patrons of these places, resorting more largely to the native women, it would appear that the standard of morality in this regard is not high among the civil employees and other foreign residents of Manila. This appears particularly clear when it is understood how many Americans maintain a "querida," or mistress.¹

Inspection of the inmates of these houses occurs weekly, as a rule, and usually takes place on Tuesday. Cultures are made in the government biological laboratory from the secretions of each person inspected, and a microscopical examination, in accordance with the resolution of the Board of Health as given above, is made. On Wednesday or Thursday the plates with the cultures are returned from the laboratory to the office of the Board of Health, and all diseased women are sent to the San Lazaro Hospital. About ten or twelve women each week are thus segregated. Final segregation occurs on Thursday or Friday. Saturday is the day of the week when most men in Manila resort to the houses, and the government examinations are timed with that fact in mind. In cases where a pay-day or holiday of any kind falls on some other day than Saturday, a special examination is ordered, as the trade of the resorts is likely to be especially brisk when more time or money is at the disposal of patrons. Each prostitute is designated by a number, and the proprietor of each house is required to make regular announcement to the police department of additions to or curtailments of, the force of that particu-

¹An order prohibiting civil employees from maintaining mistresses has been discussed by the Commission but never passed.

lar establishment. A failure to furnish such information results in the withdrawal of the bar license, and the closing of the place. Of the total number of enrolled prostitutes, about 210 are Japanese, 80 or 90 natives and the rest European or American women, chiefly the latter.¹

A similar system prevails in other places in the Philippines where there are many Americans, and like methods are pursued by the army authorities at the military camps or posts.

It is evident that a system of the sort just described is repugnant to the ideas of Americans as a nation, and that entirely unfamiliar conditions would have to be indicated to justify its introduction. It was at first sought to apologise for it on the ground that it was necessary to protect our troops and others against native disease. This, however, seems to be putting the cart before the horse. No such system ever existed in Spanish times; indeed, a system of regular prostitution was unknown. It is, moreover, the testimony of those most familiar with conditions in Manila under the Spanish régime that little venereal disease then existed in any form. In a letter of April 4th, 1902, Commissioner D. C. Worcester, who had travelled extensively in the islands prior to the American occupation, wrote to Rev. Wilbur F. Crafts that "there was comparatively little syphilis in the islands before the advent of our troops; that it was introduced by them and has been industriously propagated, and that through the soldiers venereal disease of one sort or another has been carried into provinces where it was previously practically unknown, and has spread rapidly, only too often being

¹The writer is indebted to the officials of the police department in Manila for information regarding the practical working of the system herein described, and especially to Captain Scott of the Sampaloc precinct.

communicated to those wholly guiltless of illicit relations."

As already stated, only a small proportion of the inmates of the regularly inspected resorts in Manila are native women. The claim that the inspection system has been instituted for protection against native disease is incorrect. The system is intended to protect Americans against disease brought by Americans from the United States and widely propagated among a people to whom it was unfamiliar and who were unacquainted with the prophylactic or curative measures necessary for its control. Furthermore, the inspection system has failed to accomplish the result of protecting the greater number of Americans against disease. Surgeon-General Sternberg is understood to have reported in 1901 that venereal diseases among troops in the Philippines had increased from figures representing 8.97 per cent. of the total sickness in September, 1900, to about 20.42 per cent. of all sickness among the troops in April, 1901. Major-General Davis in his report for 1903 also bears witness to the rapid growth of this form of disease, pointing out that it is growing in frequency among the natives. He shows that the percentage of venereal disease to all sickness among the troops has risen as high as 22 per cent. in one or more places, and further estimates that possibly 2,000 men, or nearly 10 per cent. of all troops in the islands, are constantly sick from this cause.¹ This, too, in spite of the fact that a system similar to that employed in Manila exists throughout the provinces where troops are stationed.

While figures of this kind are, of course, not available for the civilian population of Manila, it is known that venereal disease among them is exceedingly common, and that it has been largely increased through the false feeling

¹Report of Major-General George Davis, 1903, p. 114.

of safety produced by the inspection system and the consequent spur thereby given to immorality.

By the side of legalised and licensed prostitution on the European plan, there has also been accepted and widely extended among Americans what is known as the "querida system." Under this system, in Spanish times young women were practically purchased from their parents for a limited time. A regular official record of such transactions is understood to have been kept on file in the municipal offices of the government. This system, barring the registration, has been taken over by the Americans. Throughout the islands there may be found growing up a large class of American mestizos born without marriage of the parents. In relatively few cases do actual marriages take place between Americans and natives, and they are discouraged by public opinion. This is a striking contrast to the situation which obtained under the Spaniards, who intermarried freely with the natives. Whereas the Spanish mestizos were really the children of the best class among the Spaniards, the American mestizos are coming to represent the more degenerate classes of Americans and the lowest castes of natives.

Perhaps the most pleasing aspect of our work in the Philippines is found in the efforts that have been made to check the spread of epidemic disease and produce proper sanitary conditions throughout the archipelago. There is no doubt that the conditions in this regard encountered by the Americans when they first assumed control in Manila were shocking. Even in the best of times the methods employed by Spanish administrators for the prevention and control of epidemic diseases were extremely crude and their notions of sanitation very limited. When the United States forces took charge in Manila everything was in a bad state of disorganisation,

the provinces were under control of the insurrection. Manila authorities had unavoidably allowed the city to get into worse than its usual condition.

The first step of the Americans was to cleanse the city physically, a huge undertaking, inasmuch as no sewerage exists and no regular street-cleaning had been employed for a good while. When the preliminary process had been finished, suitable methods for caring for fecal matter were adopted and a system of collecting and carting away rubbish and excreta inaugurated. A crematory was established and all matter likely to breed disease regularly burned.

It has not yet been possible to construct a sewerage system, but it is notably true that the conditions in Manila are not bad as compared with those of other tropical cities. The chief source of malarial fever is found in the great amounts of standing water which have been allowed to remain in and about Manila as a result of the retention of the esteros or canals. These canals connect with the Pasig, penetrate the city in all directions, and serve in part as a system of open sewerage for the houses which line their banks and in part as a means of transporting goods to and from the water front. At low tide and rise and fall with the flowing and ebbing of the water, at low water most of the muddy bottoms are left exposed and the poisonous and malarial exhalations from these deposits thus thrown open to the air are a fruitful source of disease, not to speak of the foul smells which attend them. It is proposed to do away with these canals, at least, as the city becomes able, and when this has been done, and a complete system of sewers constructed, the ground for complaint will have been removed. It is fortunate that what is true of Manila in this respect bears on sanitation is not equally true of other tropical cities.

towns in the archipelago, such as Iloilo and Cebu. Difficulty is found in inducing the various places to take action adequate to the requirements of the case.

Official oversight of sanitary matters is intrusted to a board of health in each province, and in charge of all these boards is the Board of Health of the Philippine Islands. The Board of Health of the Philippines consists of the commissioners of public health, the sanitary engineer, the chief health inspector, a secretary of the board of health and the superintendent of government laboratories. As honorary members, there are also the chief surgeon of the United States Army in the Philippines, the chief officer of the Marine Hospital service in the Philippines and the president and vice-president of the Association of Physicians and Surgeons of the Philippines. The duties of the board are to investigate the nature, and means of preventing, various diseases, to draft suitable legislation on sanitary subjects, to make and enforce quarantine regulations, to oversee hospitals for contagious diseases, to provide for vaccination and direct the local boards of health.¹

Under the supervision and jurisdiction of the general board of health there have been created similar provincial boards, consisting of a president, who must be a duly qualified physician; the president of the municipal board of health of the capital of the province, and the provincial supervisor. As an honorary member, the senior medical officer of the army or navy on duty at the capital of the province sits with the board. Its duties are substantially similar to those of the general board of health at Manila.² Municipal boards of health are also established in the various municipalities, if directed by the provincial board.

¹Act No. 157, Laws, Vol. I, pp. 296-298.

²Act No. 307, Laws, Vol. I, pp. 703, 704.

In such cases, the board consists of a president, who shall be a duly qualified physician; a member chosen by majority vote of the municipal council, a male school-teacher of the municipality, appointed by the division superintendent of public instruction; the municipal secretary, and, as honorary members, a local pharmacist and the senior medical officer of the army or navy stationed in such municipality.

This elaborate health organisation acts under the direction and authority of the commissioner of public health in Manila; and the boards being usually worthless for work everything depends upon the character of the man at the head. As usual, the Commission has committed the error of creating an immense amount of clumsy machinery which is useless except to hamper the central force really in control.

We have already discussed the tangible and visible results of the labours of the board of health. Far the most important feature of its work is, however, the checking and anticipation of epidemics. Practically every disease known to humanity flourishes in the Philippines. Plague, cholera, smallpox, leprosy and various kinds of malarial fevers, besides a great number of other diseases are either in continual existence (smallpox, leprosy, etc.) or likely to break out at any time (plague and cholera) almost inevitably working over to the Philippines from their breeding-ground on the China coast. The board of health has had a different experience in trying to suppress the continuing, and to exclude the occasional disease. In attacking cholera and plague, it has thoroughly disinfected all houses where the diseases were known to have occurred, besides carrying on a systematic campaign against rats, which act as an efficient agency in carrying the plague germs. It has burned, at govern

ment expense, districts of considerable size in Manila where the houses were of nipa and were therefore not too costly or difficult to destroy. It has made considerable progress in inoculating exposed persons with prophylactic serums, supposed to protect against these diseases. Against smallpox the usual methods have been employed and a compulsory vaccination law enacted. Similar means, so far as practicable, have been employed in the provinces. The San Lazaro Hospital for contagious diseases is conducted in Manila, and vaccination parties are sent out through the provinces to combat smallpox wherever it is found to exist. The board of health also conducts the system of inspecting prostitutes, elsewhere described.

In the face of all this energetic work, and in spite of the fact that cholera is now officially pronounced extinct in the Philippines, and plague nearly so, while smallpox is slightly decreasing in the provinces and is no more prevalent in Manila than in the city of Washington, it is depressing to reflect that a previously unknown epidemic of plague and a cholera epidemic of unprecedented violence have raged since the new system was put into operation. Plague is not known to have existed in the islands under the Spanish régime,¹ and is supposed to have made its appearance for the first time in 1901, and has not yet been exterminated. Cholera appeared early in 1902, and raged for more than two years, resulting in more than 175,000 deaths throughout the islands.² Smallpox of a virulent type continues its ravages in the provinces, though partially under control, and leprosy still continues to in-

¹Major Carter believes, however, that sporadic cases of it occurred without being correctly diagnosed.

²The exact statistics are furnished by the Official Gazette, Vol. II, No. 22, p. 448.

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ere being probably nearer 10,000 than 5,000
ne archipelago, according to official estimates,
the number of cases regularly reported and known
to of course much smaller.

those who discuss health conditions in the Phil-
ippines express wonder at the prevalence of epidemic
sanitary conditions notwithstanding. They are
surprised that the more rigid sanitary control exerted by
the Americans has been followed by an era of disease
and death probably never paralleled in the history of the
islands. Looking at the situation from an historical stand-
point, the explanation is easy. The war and the methods
employed in prosecuting it must almost unavoidably have
been followed by epidemics of precisely the sort from
which the Philippines have suffered during the past three
years. The destruction of farm animals and food sup-
plies has made it extremely hard to get a comfortable
living in the provinces. It is customary to say that no
cases of starvation are known to have occurred in the
islands, and this statement is probably true in the literal
sense. Conditions in the Philippines are different from
those which prevail in Western countries. The tropical
climate, with its abundance of fruits and roots growing
wild, would render it difficult for many persons to die
of cold or hunger in the immediate sense. It is true, how-
ever, that while the population has not actually starved in
known cases, it has been reduced to a very scant diet (of
fruits and roots, with a little rice and fish) over large
areas. The people are never sturdy, and the change in
their circumstances, involving a lowering of their vitality,
has rendered them peculiarly liable to disease. This gave
the various epidemics a hold they had never acquired in
the past, and made it correspondingly difficult to eradi-
te them. It is certainly true that notwithstanding our

efforts there has been a wholly unprecedented amount of suffering since the official close of the war, and this has been aggravated by the practice of the reconcentration policy in those districts where ladrones were thought to be operating. The temporary mitigation of the reconcentration policy, and the fact that some time has now been gained in which to rebuild houses and make arrangements for adequate subsistence, has had as much to do with stopping the pestilence as have our sanitary methods. Moreover, while giving full credit, as we have just done, to the efforts of the board of health, there is another side to the problem that requires notice in the interest of fairness. Vastly greater effort has been made to secure cleanliness and sanitary conditions, both in Manila and through the provinces as a whole) where Americans were located than where the population is largely or wholly native. This is natural, but it has given rise to the not unfounded charge that the measures of sanitation which are being carried out at such great expense are intended for the benefit of Americans and not for those who pay the bulk of the taxes. Such complaints might be disregarded if it were true that all measures necessary for the health of the native population itself were being taken, so that the large additional outlay for special precautions designed to protect the health of foreigners would be simply an item in the general health account of the islands. Unfortunately this is not the case. Although the precautions against smallpox have been more or less extensive, many vaccinators being sent into the provinces, it does not appear that the work of the board of health in this regard has been attended by satisfactory results. Of the many vaccinations, only a small percentage seem to have taken effect, owing to insufficient care in protecting the vaccine against adverse climatic influences. Men who have vacci-

nated hundreds of people state that so poor has been the quality of the vaccine provided, not one per cent. of these vaccinations have proved successful. Such control over smallpox as has been gained seems to be due to better knowledge of modes of treatment, disseminated by American school-teachers. No energetic effort has been made to deal with the leper problem. While a small number of these unfortunate people have been segregated in the San Lazaro Hospital in Manila and in a similar institution in Cebu, with possibly one or two smaller establishments at other points, there is nothing outside San Lazaro that amounts to more than a mere camp, where the patients care for themselves and one another. This would be a protection to the mass of the people were it not that only a very small per cent. of the lepers of the islands have been so segregated. The others have been left to wander about at will. Efforts have been made to get lands and establish a leper colony at Culion, but the project has not been vigorously forwarded.¹

More severe condemnation should be visited upon the Commission in connection with its lamentable failure in the matter of hospitals. In 1902, an earnest effort was made by leading citizens of Manila to secure the establishment of a suitable hospital, in which those who needed treatment could get it without charge in cases where they were unable to pay. A public meeting was held and a petition drafted. Land for the purpose was offered and some contributions received. The Commission received the proposal with *éclat*, and promised action, but the matter was shelved, and no action whatever has since been taken. Formosa, which has been under the control of the

¹The Official Gazette gives the actual reported total number of lepers in the archipelago as 3,511 (Vol. II, No. 22, p. 445), but the real number is undoubtedly far in excess of this figure.

Japanese only since 1898, has a number of fine institutions, besides an excellent medical school. All medical aid to the Filipinos, all dispensary and similar work, has thus far come from private religious or secular charities.

No institution for the reception and cure of the insane of the archipelago exists, this unfortunate class of persons being left as a burden upon their relatives and friends, or in some cases turned out to roam about the country at will. Reports from the provinces show that not a single province has any means whatever for the care of the insane, notwithstanding that no less than 3,736 known cases of insanity exist, among which 578 are considered violent.¹ In spite of general and public demand for action on this matter, nothing whatever has yet been done with regard to it.

After making, as already said, due allowance for the best intentions on the part of the board of health, after fully crediting many of its agents with personal self-sacrifice in the pursuit of their duties, and after recognising the fact that much improvement has been brought about in the health condition of Manila, it is a fair criticism to say that thus far sanitary work in the Philippines has been negative and not positive, too largely confined to the centres where Americans are congregated and too little designed for the protection of the population as a whole. This statement, however, is much more truly a criticism upon the Commission than upon the board of health. Much of the work of the board has been highly efficient and intelligent. It has been hampered by the lack of necessary means, while these very means were being lavished upon other objects by the governing authorities.

On the whole, it is fair to say that in dealing with Phil-

¹Official Gazette, Vol. II, No. 2, p. 445.

ippine conditions Americans have had greatest success where physical conditions requiring the application of better scientific methods have been involved and least where general social questions involving greater knowledge of and sympathy with the natives have had to be worked out. In this latter respect we have fallen between two stools, neither applying our own codes of social morality and restraint nor accommodating ourselves to those of the natives. How far this situation will be remedied in the future will depend entirely upon the extent to which we are able to apply sympathetic methods of social control, growing out of a deeper insight into native character and greater respect for native institutions and prejudices.

CHAPTER XII

ECONOMIC LEGISLATION FOR THE PHILIPPINES

WE originally took the Philippines, as has been seen, from commercial motives, and it would, therefore, be fair to expect that our economic policy toward them would be guided by the desire to make the islands as prosperous as possible, and hence as profitable as possible to such Americans as might settle there or might engage in Philippine trade. A liberal policy of this sort would undoubtedly have been followed from the outset had it not been for two factors—the desire of certain American interests for immediate rather than permanent gains in Philippine trade and the fear of certain other interests that they might be injured by Philippine competition. As a result of these two forces, our economic policy toward the islands has, with the exception of one or two measures, thus far been a series of blunders, which can be retrieved only by immediately retracing our steps.

The Philippines, when we assumed control, were exhausted by long-continued warfare. Their economic system had never rested upon a very sound basis even in the best of times under Spanish administration, and the transfer of sovereignty to the United States involved a complete change of economic relations along all lines. Three things were evidently of primary importance at the outset: sufficient markets for the native products, cheap transportation for such products and a sound and simple currency basis for business operations in the islands. If one of these fundamental needs could be said to overtop

the others, it was the need for markets. As a colony of Spain, the Philippines had enjoyed special privileges in trade with the "mother country," but when they were transferred to the United States they of course became foreign territory and were subjected to the same customs regulations as other countries. This fact naturally threw upon the United States the duty of providing for the future commercial welfare of the islands by admitting their products. Inasmuch as our occupation had materially changed the position of the Philippines with respect to foreign countries, it was impossible to say with any show of logical soundness that whatever the commercial conditions in the islands might be, they were in no respect due to our action.

The other side of the problem was seen in the reconstruction of the Philippine tariff itself. There was, of course, an interval of practical suspension of trade, between the battle of Manila Bay and the capture of the city. But as soon as American forces were in control within the walls the custom house was reopened (August 20th, 1898) and commercial relations with the outer world were resumed. The Spanish tariff on goods entering the Philippines from abroad was continued. In accord with orders issued by President McKinley July 13th, 1898, but not received in the Philippines until September, a modification of the Spanish tariff was published to take effect October 1st. Protests from local merchants led to a postponement of the application of this tariff until November 10th. On that date, however, a considerably revised schedule of duties was established, conforming substantially to the rates of the old Spanish tariff.¹

The tariff schedules thus established were satisfactory,

¹Report U. S. P. C., 1901, p. 95.

on the whole, to business men in the Philippines.¹ They also proved satisfactory from a revenue standpoint. In spite of the disturbed state of public affairs, the customs receipts of the Philippines aggregated \$7,855,521 Mexican² for the calendar year 1899, as against \$4,565,000 Mexican in 1894-95, a year selected by the Schurman Commission as normal.³ This large increase was due primarily to heavy importations of liquors and other luxuries for the supply of the numerous body of American troops in the islands, but was spoken of by the Commission, under date of November 30th, 1900, as gratifying evidence of the general confidence which our administration had assured.⁴

The situation was not, however, satisfactory to American exporters of ordinary consumable goods. Little disposition was observed on the part of Philippine dealers to change their established trade customs. Commerce did not "follow the flag," and as usual this failure was ascribed to the discriminating character of the tariff. The Philippine Commission in its report accepted this point of view, although it was obliged to admit that "no distinct discrimination against American products" existed. In spite, therefore, of the general acceptance of the tariff in Manila, and in spite of its productiveness, it was resolved to revise it, and this work was committed in June, 1900, to a board of officers appointed by the military governor under instructions from the War Department. In the meantime, an important limitation upon the work of this board had been set by Article IV of the Treaty of Paris, which read as follows:

¹*Ibid.*

²*Ibid.*, p. 244.

³Report Schurman Philippine Commission, Vol. I, p. 80.

⁴Report U. S. P. C., 1901, p. 99.

"The United States will, for the term of ten years from the date of the exchange of the ratifications of the present treaty, admit Spanish ships and merchandise to the ports of the Philippine islands on the same terms as ships and merchandise of the United States."¹

The tariff board, organised in accordance with the orders of the War Department, finally reported to the Commission August 25th, 1900, and further discussion and revision was continued by that body. The results of its deliberations were forwarded to Washington, and they were still further modified along lines suggested by business interests in the United States. Manufacturers in many different kinds of business suggested modifications,² and these were, so far as practicable, acted upon. The tariff as finally revised was then returned to the Philippines and enacted into law by the Commission September 17th, 1901, as Act No. 230.

The tariff thus enacted violated Article IV of the Treaty of Paris in important respects by discriminating sharply in favour of American producers, since its framers adjusted the duty on textiles in such a way as to favour goods of a certain quality, but of light weight, against goods of the same quality but heavier weight. Owing to the practice of certain foreign manufacturers in adding "sizing" to their cottons, this provision operated as a discrimination in favour of American products. Wines were taxed in such a way as to discriminate against the light Spanish beverages and in favour of the Californian. Canned goods were taxed according to weights of the cans, a plan which favoured Chicago and St. Louis prod-

¹Laws U. S. P. C., Vol. I, p. 1048.

²See S. Doc. No. 171, 57th Congress, 1st session for a collection such suggestions.

ucts as against English. Beer was so rated that the American product, shipped in barrels, was favoured as against the beer of other countries. Every effort was made to help the American and hamper the foreign shipper.¹

That the effort thus made was considered satisfactory by the manufacturers concerned is proved by the letters of approbation sent to Colonel Edwards, the chief of the Bureau of Insular Affairs in Washington, and by other documentary evidence. Many of these letters freely expressed their approval, and many asserted openly that they had now been given such an advantage in the Philippine market that they would have no difficulty in distancing foreign competitors. But in no case were the interests of Philippine consumers considered. The administration thought and acted as if there were but two parties in interest, the government and the American manufacturer. Colonel Edwards assured the members of the Republican Ways and Means Committee of the "care taken by the department to adjust the tariff rates to the interested industries." "While no different duty in favour of American products is openly mentioned," he said, "the articles were so described in the tariff as to allow an advantage to American goods."²

The new tariff did not lighten the burden resting upon the Philippine consumer. From 1900-1903, the gross imports of the Philippines and the gross duties collected were as follows:

¹A scholarly discussion of these discriminations has been published by R. F. Hoxie, *Journal of Political Economy*, March, 1903, 198ff.

²*Washington Post*, December 11th, 1901.

Economic Legislation

FISCAL YEAR	IMPORTS U. S. DOLLARS	DUTIES U. S. DOLLARS	PER CENT. OF DUTIES TO IMPORTS
1900	\$20,601,436	\$5,542,289	26.9%
1901	30,299,406	9,124,810	30.1%
1902	32,141,842	8,525,216	26.5%
1903	32,971,882	9,129,689	27.7%

From 1890-94, imports to the Philippines averaged \$15,827,694 gold. Customs receipts in the latter year were \$4,650,000 Mexican, or, roughly, \$2,282,500 gold, representing about 14.5 per cent. of total imports. During the years 1894-98 an ad valorem tax of 8 per cent. was added, so that the maximum Spanish exaction on imported goods prior to our occupation may be placed at 22.5 per cent., or at least one-fifth lower than under our rule.

One of the chief reasons alleged for the revision of the tariff had been the inequities and inconveniences arising under the older regulations for tariff administration. These were greatly enhanced under the new schedules and the new customs administrative act. Mr. W. M. Shuster, the collector of customs for the Philippines, is understood to have received instructions to "hew to the line," regardless of the thoughts, feelings and wishes of people in the islands. He was told to get the maximum revenue out of imports that the schedules would permit. How literally this injunction was obeyed, the series of strange customs decisions rendered from the time of his coming down to the present, and Mr. Shuster's own unpopularity in Manila, fully attests. The tariff has been interpreted in such a way as to make every article of importation pay the very highest duties that the language of the act could

be construed by the most strained interpretation to impose.¹

So obnoxious did the administration of the tariff become, and so ill-adjusted to the needs of the public did these duties themselves prove to be, that in the autumn of 1903 energetic efforts were put forth by American business men to secure a modification of the schedules. This pressure finally resulted in the appointment of a committee, consisting of business men and public officials, which was ordered to reconsider the tariff, and, while avoiding drastic changes, and seeking to avoid any reduction in revenue, to recommend modifications in duties calculated to make the tariff situation more tolerable. Governor Taft professed to be so much interested in the problem, and so desirous of securing satisfactory action from Congress without delay, that he urged the committee to act immediately in order that he might take its recommendations back with him to the United States and there bring them to the attention of the authorities during the session 1903-1904.

The committee therefore pressed forward with its investigations, holding public hearings and discussing the best means of revising the schedules. The result of the investigation, in the words of one of its members, was "to find the legislation so rotten from start to finish that

¹This mode of construing the tariff of the Philippines has long been a source of great dissatisfaction with the work of the Commission. The attitude of the collector's office is matter of common knowledge, and what has been said of the customs decisions may be verified by reference to the series of pamphlets entitled "Customs Decisions of the Philippines," published in Manila, or to the Official Gazette. Some of the absurdities of the decisions on machinery have been plainly set forth by Frank L. Strong, Esq., of Manila, in an article in the *Manila Bulletin* for May 1st, 1904.

it was of very little use to try to patch it up, except as a mere makeshift." It recommended changes in the duties on coal, petroleum, gasoline, electric goods, jewelry and precious stones, cast iron, wrought iron and steel, nickel and aluminum, tin, drugs of various sorts, paints and colours, dyes, varnishes and chemicals, oils and soap, cotton, silk and woollen textiles, paper, wood and manufactures thereof, draft animals, shoes, hides and skins, clocks, machinery, etc., carriages, meats, fish and rice, liquors, wines and beer, canned goods, tobacco and a multitude of other articles. But in spite of the changes, many of them desirable, recommended by the committee, the object of favouring American goods so far as possible was throughout retained. The tariff, if changed as recommended, might benefit the revenues and might help consumers to some extent, but the principal person to be helped was the American manufacturer.¹

In spite of Mr. Taft's desire that the report of the committee should be acted upon without delay, nothing was heard of it for a long while after his return to the United States. Congress was then in the midst of a rather inactive long session, and the proposed reform might well have been presented to it for serious study and action. It seems to have been generally felt that a stirring up of the Philippine question so shortly before a Presidential election would be unwise. Much had been said of the care shown in formulating the tariff originally, and now to come forward with a report changing perhaps half of the sections of the original bill would be a public confession of the inaccuracy of such claims. The matter was there-

¹The writer is indebted to Mr. H. B. McCoy, Acting Collector of Customs of the Philippines, for the opportunity of examining the report of the business men's tariff committee and annexed documents in MS.

fore postponed as long as practicable. Ultimately the proposed changes were presented to the interests in the United States likely to be affected by them, just as had been the case with the original tariff. When Congress assembled after the Presidential election, the subject was presented to the appropriate committees by Mr. Taft, though it was not until close to the end of the session that he was able to obtain action. The proposed revision was embodied in two bills (H. R. 18,195 and H. R. 18,965), both of which were ultimately considered by the Ways and Means Committee of the house, and the latter favourably reported on February 13th. In its report, the committee said little or nothing of the unsatisfactory character of the former tariff, but seemed only anxious to soothe any American interests that might take alarm. It boldly stated that the purpose of the proposed measure, "*as of the former act*, is to give the United States what benefits there are arising from classification of goods."¹ "On agricultural machinery . . . and other machinery . . . *which can be produced in the United States*," wrote the committee, "the duty is a nominal one, being 5 per cent. ad valorem." Manufactured tobacco was reduced one-half, in order to open a possible field for certain exports of tobacco from the United States, notwithstanding our high duties on tobacco coming from the Philippines. Power was also given to the Philippine Commission to impose higher duties on rice, already a source of large revenue, owing to heavy importations designed to meet the needs caused by general shortage of crops. For this the committee apologised to American producers, saying that "it is hardly probable that any arrangement of tariff schedules would increase exportation of rice from the

¹H. R. Report No. 4600, 58th Congress, 3d session, p. 1.

United States to the Philippine Islands."¹ An important provision in the bill from a social standpoint was the increase in the duty on opium and the grant of authority to the Commission to exclude it altogether, if deemed best. Prior to the passage of the measure, a clause finally prohibiting private importation of the drug after 1908 was added. Reference to the bearings of this section has been made at another point.²

The tariff act of March 3d, 1905, thus appears as almost purely an administrative measure. It in nowise changed the spirit of the act of 1901 in its attitude toward American goods, but it rather accepted that spirit and intensified it. Reductions of duty were designed either for the increase of revenue or the facilitating of American export business. Changes in the form of, or mode of levying, duties were intended to relieve the crudities of the older legislation. Disregard of Philippine consumers and their interests was shown in a marked way at several points, and there was scant evidence of even a remote intention to alleviate their sufferings.

The tariff system of the Philippines has hitherto been, and under the new act will continue to be, unreasonable and oppressive, so contrived as to give American producers the greatest possible advantage in Philippine markets, expensively administered and extreme in its application of unnecessary regulations. How to relieve the situation is a problem to which the Philippine Commission must again address itself at the earliest moment that insular fiscal necessities will permit.

While the tariff of the Philippines was thus being worked out, an even more important phase of commercial relations with the United States was being developed on

¹*Ibid.*, p. 3.

²*Supra*, p. 253.

this side of the water. From the beginning the Dingley rates had been enforced against goods coming from the Philippines. It was not long before the effect of this situation upon foreign trade was realised, and the Philippine Commission, as well as Americans engaged in business in Manila, became urgent for a large reduction or for free admission of Philippine products to American markets. Such a policy was early recommended by the Commission in its reports. This demand was, however, less warmly pressed, because it was believed that the Supreme Court of the United States would soon pass upon the legal status of the Philippines, and might possibly by its decision render all discussion of the question gratuitous. The anticipated decision was handed down at the October term of 1901, in the now famous insular cases, the decision of special interest to the Philippines being known as the "Fourteen Diamond Rings Case." The facts in the case were these: Emil J. Pepke, an enlisted man who had served in the Philippines, had secured, by purchase or otherwise, during his term of service, fourteen diamond rings, which he brought with him to his home in North Dakota and from there to Chicago, Ill. At the latter place the rings were seized as having been brought into the United States in an unlawful manner. Upon trial, the United States District Court for the Northern District of Illinois (northern division) held that the property was subject to the customs laws of the United States, and was liable for seizure because no entry under these laws was made at any port of the United States and no duty was paid. Hence the rings were decreed forfeited and ordered to be sold. Upon appeal to the Supreme Court of the United States, it was decided that upon the ratification of the Treaty of Paris the Philippines ceased to be foreign territory, and that the diamond rings brought

to this country by Pepke were not subject to duty.¹ With this decision exports from the Philippines acquired the right to free admission into the United States, and, so far as the judicial branch of our government was concerned, the question of a market for insular products was for the moment settled. The general doctrine of the insular decisions was, however, that while in the absence of legislation to the contrary, the products of our dependencies were entitled to free admission into the country, Congress enjoyed the constitutional power to make such regulations governing this trade as it might deem best. The real question to be determined, therefore, was the attitude of Congress toward the Philippines. This question was attacked without delay, at the Congressional session which opened in December, 1901. American growers of sugar and tobacco hastened to Washington to demand the immediate restoration of the Dingley rates upon Philippine products. The time was favourable to their demands. Our administration was closely engaged in the effort to enlist popular sympathy in behalf of reduction of duty on Cuban sugar and tobacco. At the same time, the Philippine Civil Government Bill was about to be urged upon Congress. Mr. Roosevelt, acting under the advice of the Philippine Commission, would have been well pleased to see either a heavy reduction in the Dingley rates or else complete free trade for Philippine products, but it was not thought wise to hazard the other legislation then pending by making too heavy demands upon Congress.

On December 4th, 1901, Mr. Lodge introduced a Philippine tariff bill in the Senate. Mr. Payne on the 10th

¹The briefs and records in the Diamond Rings Case (as well as in the other insular cases) are fully given in the document entitled "The Insular Cases," compiled and published in 1901, under H. R. Concurrent Resolution No. 72, 56th Congress, 2d session.

introduced a bill for the same purpose in the lower chamber. This latter measure was at once referred to the Ways and Means Committee, was by it remodelled after the pattern of the Lodge bill, and was reported as a substitute. This substitute was passed on the 17th of December, and was sent to the Senate. It provided for the enforcement of full Dingley rates against Philippine products, but suspended our navigation laws in their application to the Philippines until otherwise provided. The Philippine Commission, as soon as advised of the decision of the Supreme Court in the Diamond Rings Case, had clearly seen the danger of action by Congress, and, realising the disasters to Philippine trade resulting from the Dingley tariff, had sent in an urgent recommendation for a reduction of 50 per cent.¹ This suggestion, for reasons already pointed out, was not vigorously pressed, though Mr. Taft made a plea in its behalf when before the Senate Committee on the Philippines early in 1902, and even presented some argument for a larger reduction.¹ Paying no serious heed to these arguments, the Senate finally voted a reduction of 25 per cent. in the Dingley rates as a compromise, and the changes being acquiesced in by the house, the bill became law March 8th, 1902.

As finally passed, the Philippine tariff bill contained several provisions tending to make its operation complete. In the tariff act (No. 230) passed by the Philippine Commission, as already seen, September 17th, 1901, the system of duties on Philippine exports inherited from the Spanish régime had been continued. Sec. 13 of that act taxed exports of hemp at 75 cents per 100 kilos, indigo at 25 cents, cocoanuts, fresh and dried, at 10 cents, sugar at 5 cents and tobacco at \$1.50 as a minimum, with certain

¹Second Report U. S. P. C., 1902, p. 28.

²S. Doc. 331, 57th Congress, 1st session, pp. 155, 156.

additional sur-taxes. Of these export taxes, the most productive was, of course, that levied on hemp. This was also of much the greatest significance from an international standpoint, on account of the general demand for the Manila product. Congress, in the act of March 8th, 1902, practically repealed these export duties, so far as trade with the United States was concerned. The act provided that :

"The rates of duty which are hereby required to be levied, collected, and paid, upon products of the Philippine Archipelago coming into the United States, shall be less any duty or tax levied, collected, and paid thereon, upon the shipment thereof from the Philippine Archipelago, as provided by the Act of the United States Philippine Commission, . . . but all articles, the growth and product of the Philippine Islands, admitted into the ports of the United States free of duty under the provisions of this act, and coming directly from said islands to the United States, for use and consumption therein, shall be hereafter exempt from any export duties imposed in the Philippine Islands."

Put in plain language, what this amounted to was that no export duty should be levied upon hemp exported to the United States from the Philippines. A very fruitful source of revenue was thus cut off, for the export duty on hemp was a reliable and large source of income. The act, it is true, did not abolish the duty, except on shipments to the United States, but the immediate effect (undoubtedly in mind when the provision was framed) was to increase these shipments very largely, while proportionately decreasing those to other countries.

There can be no doubt who secured the advantage arising from this provision. Hemp is a commodity which is dealt in throughout the world, and taxes on it, being reckoned as an item in the expense of production, would operate to increase the cost of the commodity by precisely

their own amount. That being true, a set of importers in a given country who were released from paying the duty would have a differential advantage of precisely the amount of the tax. What Congress practically did, therefore, was to order the Philippine Government to refund to the cordage manufacturers of the United States the amount of the taxes they had paid, or might pay, and to increase their profits by that amount.

An effort was, however, made in the act of March 8th, 1902, to offer some compensation to the treasury of the Philippines for the loss thus inflicted upon it. The act provided: .

"That the duties and taxes collected in the Philippine Archipelago in pursuance of this act, and all duties and taxes collected in the United States upon articles coming from the Philippine Archipelago, and upon foreign vessels coming therefrom, shall not be covered into the general fund of the Treasury of the United States, but shall be held as a separate fund, and paid into the Treasury of the Philippine Islands, to be used and expended for the government and benefit of said islands."¹

¹Laws, Vol. I, pp. 1052, 1053. The working of this provision is clearly indicated by some figures furnished by the Bureau of Insular Affairs in its last report (1904, p. 35). The situation under this section of the tariff act is there stated as follows:

Export duties collected in Philippines March 8th, 1902, to June 30th, 1904, and refundable to persons who paid them. . .	\$1,050,906.00
Collections of duty on Philippine products admitted to the United States during the same period, and refund- able to Philippine Treasury.....	721,885.80
	<hr/>
Loss to insular revenues by this ar- rangement	\$329,020.20

In brief, therefore, what had been done by the act of March 8th, 1902, was to pay the proceeds of the export duty on hemp to the cordage manufacturers of the United States, and, as a compensation for the loss thus incurred by the insular treasury, to promise a refund of all duties collected on Philippine imports to the United States.

The tariff was nowhere weaker than in its mode of dealing with the shipping question. In spite of the provisions of Article IV of the Treaty of Paris, whereby access to the Philippines was guaranteed to Spanish vessels on the same terms as vessels of the United States, sec. 3 of the act of March 8th provided that from the date of the passage of the act foreign vessels coming into the United States from the Philippines should be subjected to the same tonnage duties as were by law required to be paid by vessels coming into the United States from foreign countries. While there was thus no nominal violation of the treaty, this treatment of the Philippines as a foreign country where foreigners were concerned and a domestic country where our shipowners were concerned evidently gave to our own vessels the advantage (to the extent of our discriminating tonnage taxes) in the carrying trade between the United States and the Philippines, leaving Spanish vessels upon the same basis as those of other foreign countries. Owing to the absence of domestic tonnage adequate to the work of carrying inter-island

It will be understood that the plan pursued in the Philippine customs service is to collect full export duty on all goods shipped, without regard to destination, and to refund them upon goods shown to have been admitted into the United States. As most of the merchandise so admitted is hemp, it will appear, for reasons set forth in the text, that our hemp importers have during the period in question practically received as a gift all duties collected at our ports in trade with the Philippines, and \$329,020.20 in addition.

trade, our restrictive legislation, confining "coasting trade" to vessels of the United States, was not to apply to vessels of foreign build operating between Philippine ports. Thus Philippine ship-owners, although placed on the same basis as foreigners in trade with the United States, received no protection whatever against foreigners in inter-island traffic.

A few minor provisions were designed to facilitate the exportation of American goods to the islands.

The debate on this interesting measure was significant and instructive. The bill, as originally passed in the lower chamber, represented the strength in that body of the interests which conceived that Philippine competition might possibly do them an injury. It was defended by Mr. Payne, the chairman of the Ways and Means Committee, in a speech wherein he laid chief stress upon the first section, confirming the work of the Philippine Commission in framing and adopting a tariff upon goods imported into the islands. Mr. Payne set forth that the measure was of great importance:

because of the recent decision of the Supreme Court of the United States holding "the Philippine Islands not being foreign territory, and the existing law for the collection of tariff duties, including only those articles imported" from foreign countries, so that it does not apply to imports from the Philippine Islands and that no collection of duties upon such imports can be made.¹

Mr. Payne paid a high tribute to the ability and industry of the Philippine Commission, but he did not meet the question whether it was wise to defy the recommendations both of the Executive and of the Philippine Commission by imposing our full tariff rates, as well as by

¹Congressional Record 57th Congress, 1st session, Vol. XXXV, p. 328.

legalising the export taxes imposed by the Philippine Commission upon products passing out of the Philippines. A few Democrats offered severe criticism of the bill as thus framed. In a short speech, Mr. Swanson of Virginia pointed out that the bill "proposes to treat those islands and their inhabitants absolutely as foreigners,"¹ and further contrasted the privileges accorded to Porto Rico and Hawaii, in regard to their sugar and tobacco, with the extreme injustice of the treatment accorded to the people of the Philippines. He pointed with much force to the fact that the reciprocity treaties, of which a number had been signed under the provisions of the

Dingley act, one and all provided for reductions on sugar, whereas the legislation which it was now proposed to offer the Philippines did not make the slightest reduction in duty on that or any other commodity. Mr. Thayer of Massachusetts showed very clearly² how the tariff situation created by the bill, with its provisions for manufacturing in bond, was designed to give a great advantage to our manufacturers of whiskey and beer, which at the time constituted a very large portion of the trade with the Philippines. Republicans like Representative Littlefield also took part in the debate, criticising the measure upon the ground of its unconstitutionality in imposing a discriminating tariff upon Philippine products. Southern Democrats took serious exception to the idea of imposing any tariff upon goods passing between the United States and the Philippines. Representatives Williams of Mississippi, Henry of Texas and Patterson of Tennessee took up the question and reiterated the stock arguments. Mr. McCall (Rep.) of Massachusetts announced his intention of voting against the measure, largely on constitutional

¹*Ibid.*, p. 333.

²*Ibid.*, p. 335.

grounds. Some disposition also appeared to let the discussion drift off upon the general Philippine question, and to introduce some irrelevant matter relating to the military situation in the islands. As a whole, the debate was lifeless. No serious argument was offered by the sponsors of the measure, and the criticism of those Democrats and Republicans who opposed it was of an unpractical sort. That the tariff would pass was a foregone conclusion, given the existing Republican majority in the lower chamber. Desirable as it was that the measure should receive criticism from the constitutional standpoint, it would have been well worth while to attempt to modify it along practical lines. But this was not thought of by Democrats, and they consequently confined themselves to the general discussion already referred to. The vote in the house on September 18th clearly indicated how hopeless had been the prospect of any serious opposition to it, the final yeas and nays standing 167 to 128, not voting 57.¹ In the Senate, the tariff, after being referred on December 19th to the Committee on the Philippines, did not reappear until January 20th, 1902, when it was reported by Mr. Lodge with amendments. On February 7th following, it was ordered printed as agreed to in committee of the whole, and assumed a greatly revised form. Taken all in all, it was a much better piece of workmanship, but only a slightly more satisfactory measure than that which had come up from the lower house. If the bill itself was unsatisfactory, the Senate debate upon it was still more so. It dealt largely in generalities, concerning itself chiefly with general conditions in the Philippines and the conduct of our army toward the natives. Important as were these topics, they were far from being germane to the topic under discussion. The impression left by the debate is

¹*Ibid*, pp. 426, 427.

that some speakers, even among those who opposed the measure, were seeking rather for political effect than for the preparation of an equitable revenue law for the islands. Little real discussion of Philippine economic conditions was offered, a fact of great and disappointing significance in view of the opportunity offered to strike a blow for tariff modifications that would have put the islands upon a satisfactory economic basis. Probably the most significant feature of the whole discussion was the introductory address of Mr. Lodge, in which he stated the economic problem of our commercial relations with the Philippines and offered a plea for the acceptance of the work of his committee. After the usual introductory eulogies of the work of the Philippine Commission, Mr. Lodge attempted to explain the failure to reduce the Dingley rates by more than 25 per cent. While he alluded to the fact that the Commission had recommended a reduction of at least 50 per cent., he maintained that the "experimental character of the bill and of our present tariff relations with the islands" made it unwise to go further in the reduction of the rates. The retention of the export duties was explained as a continuation of Spanish custom, and the claim was made that by relieving the exporters of Philippine products on our free list of all export duty an absolutely fair and non-discriminating tariff situation had been produced. No attention was paid to the fact that the export duties were still to be levied upon Philippine exports to foreign countries, and that we thereby violated the spirit of the "open door" policy of which so much had lately been said. Of the provisions of the bill relating to navigation, Mr. Lodge maintained that the exemption of the vessels of the islands from the coastwise legislation of the United States was sufficient for the welfare of insular navigation. He did not meet the claim that by placing

Spanish vessels trading with the United States upon the same basis as other foreign vessels we violated the plain meaning of the Treaty of Paris. While much was said of the need for generosity in the matter of transportation, none of this vague discussion reached the really important point—the status of Spanish vessels in trade between our ports and those of the archipelago.

Analysis shows clearly the unsatisfactory character of the Philippine tariff bill. The only exports of importance from the Philippines are hemp, sugar, tobacco and copra. The reduction of 25 per cent. of the Dingley rates granted to Philippine products was equivalent, therefore, to a reduction of 25 per cent. on these four articles. Of the four, however, the most important—hemp—enters the United States free of duty, so that all that was really granted to the Philippines was a reduction of 25 per cent. on copra, sugar and tobacco. Of these three products, two—sugar and tobacco—are produced in great quantities and under unrivalled conditions of cultivation in three places, all of which are much nearer to, and have vastly better business connections with, the United States than is the case with the Philippines. Hawaiian products—chiefly sugar—enter the United States free of duty, and the same is true of Porto Rican sugar and tobacco. The Cuban output of these two articles of export is admitted to the United States at 80 per cent. of the Dingley tariff rates. This is an increase of 5 per cent. of the original rates over the reduction granted to Philippine exports of the same commodities, but this small difference was much more than offset by the immense difference in freight rates from Cuba and the Philippines, respectively, to the United States. The Philippines would thus be at a disadvantage, even if on the same industrial plane as Cuba. But it is hardly necessary to enlarge on the fact that the latter

is not the case. The machinery in use is far cruder, the system of labour less highly organised and the modes of transportation much less fully developed.

Copra goes, and would go, only in small quantities to the United States, owing to the fact of abundant supplies of competing products, so that the reduction on that article is of no value.

As for tobacco, the duties imposed upon Manila cigars of the best quality, even with a reduction of 25 per cent., are so heavy as to put the idea of any considerable importation into the United States entirely out of the question. This would be true even if there now existed a strong demand for Philippine tobacco. Such a demand does not exist, and would have to be carefully built up. Owing to the high duties hitherto always levied, it has been impossible, as just shown, to import Manila tobacco of the best grades into America, and the cigars that have been sent over have been almost exclusively of the lower grades. The result has been to give the Manila output a bad reputation, which it would take some time to overcome.

It is clear, therefore, that the 25 per cent. reduction in tariff rates on sugar, copra and tobacco was entirely inadequate to put the islands on the footing they must have if they were to compete successfully or even to maintain their commercial existence. This point will appear clearly when the results of our experiences under the tariff act of March 8th, 1902, have been fully traced.¹

The tariff act of March 8th, 1902, was never considered satisfactory by Philippine administrators, though they at first, with professional optimism, hoped for the best. The rapid decay of the sugar and tobacco industries, however, soon focussed their attention upon the conditions growing

¹See Chapters XIII and XIV.

out of the situation created under the act. They saw the treasury weakened by the necessity of refunding the export tax—a loss for which the promised refund of duties collected on Philippine products entering American ports proved to be no compensation whatever. They saw the prosperity of the islands growing more and more distant as market conditions for insular products became harder. The result was that they more and more fully realised the absolute necessity of more liberal action by Congress. Americans in the Philippines found business declining, and were quick to attribute the difficulty to bad tariff conditions, and to use such pressure as they could toward securing fairer treatment. Officially, Philippine administrators were inclined to throw the blame for the bad trade situation upon political discussion or “anti-imperialist agitation” in the United States, but inwardly they recognised the facts of the situation and did not hesitate to admit it in private conversation. Some reference to the outlook, coupled with a recommendation of lower schedules, or preferably free trade, appeared in almost every report from the islands in which the subject could properly be touched upon. When Mr. Taft returned to the United States early in 1904 to assume charge of the War Department he held out high hopes of an immediate change in duties to be produced by work with Congress. No suggestion of the sort was made at the long session of 1903-04, but when the short session opened in December, 1904, the work of conciliating support for a tariff reduction measure was undertaken. At the very outset insuperable obstacles appeared. Mr. Taft asked for a reduction of duty on sugar and tobacco to 25 per cent. of the Dingley rates, with free entry to the United States for all other articles of Philippine growth. These suggestions were embodied in a bill (H. R. 17,752) introduced in the lower

chamber by Mr. Curtis on January 14th, 1905.¹ Agitation against the measure had begun even prior to its introduction, upon the announcement by Mr. Taft of his intention to forward such a proposal, and was vigorously prosecuted. Trades unions and other labour organisations promptly passed resolutions and forwarded them to Congress, while the more subtle, but vastly more powerful, influences of the sugar and tobacco interests were brought to bear. The outcome was that Secretary Taft's efforts in behalf of tariff reductions were rendered of no avail. Not even a complimentary passage through one house could be secured, and the utmost that the influence of the administration could compass was a favourable report on the bill from the House Ways and Means Committee. The character of this report itself showed that its authors had little if any notion that the bill would go further. Nominally, the document presented the familiar contributions of Mr. Taft—that the Philippines must continue the property of the United States for an indefinite period, and that meanwhile it was but fair that they should be admitted to the advantages of our markets. In substance, however, the report was an argument against the doctrine of absolute free trade between the United States and the Philippines and a timid plea for reduction of duties on the ground that probably the proposed reduction would not go far enough to have any practical importance. It was argued that free importation of Philippine products into the United States could be demanded only in case of a correspondingly free admission of American goods into the Philippines. The latter, it was maintained, was out of the question, since by the terms of the Treaty of Paris

¹The final draft of the bill, however, provided that the internal revenue taxes of the United States must be paid in addition to the 25 per cent. duty.

free importation of American goods would necessitate free importation of Spanish goods, which would result in the loss of at least a fifth of the customs revenue and probably more. Essential fairness would be realised by establishing somewhat the same rate on insular products coming to the United States as was charged on American goods passing through Philippine custom houses. This rate was 20 per cent. *ad valorem*, and would correspond substantially with 25 per cent. of the Dingley rates. The argument for a retention of duties having thus been established on this slender basis, the committee proceeded to show that it would still be impossible under the new duties for Philippine sugar and tobacco to compete in American markets. The prevailing prices for sugar, the exaction of higher freight rates under the new shipping act and several other causes would still keep out Philippine sugar, while the defective make and unaccustomed flavour, as well as the exaction of internal revenue duties, would exclude Philippine cigars. The report really went too far and proved too much. If the effects of the bill would be as inappreciable as was claimed, there was no need to pass it. If its effectiveness had been underestimated and competition would be possible under it, then the sugar and tobacco interests had ground for their opposition. There was nothing in the report to enlist support, and nothing to allay antagonism. It was not surprising that the whole subject failed to receive any further attention during the closing hours of a busy session. The truth was that every one was heartily weary of Philippine affairs, and approached all proposed legislation relating to the islands with extreme reluctance. Thus tariff relations with the islands were left in their accustomed unsatisfactory state.

Second only to the question of markets for Philippine products is the problem of cheap transportation for them

Economic Legislation

to the markets. A brief description has already been given in the sections in the tariff bill of 1902, whereby the shipping question was temporarily settled. While the measure subjected all foreign vessels plying between the Philippines and the United States to our discriminating tonnage taxes, it practically left the Commission to deal with the inter-island trade as it saw fit. Philippine ship-owners naturally expected that as they were subjected to the loss of trade due to the imposition of our tariff, they would at least get the protection resulting from the exclusion of foreign vessels from inter-island traffic, but in this they were disappointed, owing to the section of the act of 1902 which exempted this traffic from the operation of our coasting laws for a period of two years.

Prior to the passage of the tariff act of 1902, the War Department had made an effort in apparent good faith to treat Philippine ship-owners as if they were entitled to the same protection as domestic vessel interests. In Tariff Circular No. 81, published July 3d, 1899,¹ the department laid down rules under which "certificates of protection" were to be issued to vessels permitted to engage in the coasting trade. These certificates were to be issued only to vessels owned by citizens of the United States resident in the Philippines, to vessels owned by natives accepting our sovereignty, or to residents of the islands who had become naturalised under the Treaty of Paris. It was found, however, that many persons already legitimately engaged in the trade would be excluded therefrom under the order, to the considerable detriment of the transportation service. This being the case, the military government of the Philippines evaded the injurious results anticipated from strict observance by winking

¹See special Report of the Collector of Customs, Manila, 1903, p. 14, for contents of this circular.

at nominal transfers of ownership rights in coastwise vessels and by issuing certificates to those ships which fulfilled even nominally the requirements of the order.

When the civil government assumed control, it found freight rates high. A general increase had taken place under our rule in wages, cost of living and other essential items, and it was a natural consequence that charges for transporting freight should rise. Moreover, Mr. W. M. Shuster, the collector of customs, undertook a strict enforcement of Tariff Circular No. 81, so far as concerned the issue of "certificates of protection" to vessels, endeavouring to limit the issue of such certificates to vessels which would in the future be likely to be granted American registers by Congress.¹ This was late in 1901. The new policy in itself would have more fully protected the insular shipping by limiting the number of vessels available, and would have tended to raise rates. Owing to the large volume of business done by the government, the heavy freight charges were irksome to the Commission,² which consequently introduced a new order of affairs.

It secured the suspension of the coastwise laws of the United States for a period of more than two years (sec. 3 of the tariff act of March 9th, 1902), and thus rendered it possible to obtain the services of foreign vessels from any part of the world in competition with the domestic (insular) vessels. In the customs administrative act of 1902 (sec. 117), the old provision as to the issue of certificates of protection was retained, but the inter-island trade was left open to the vessels of the world. Act No. 520 explicitly opened the trade to such vessels.³

¹Second Special Report Collector of Customs *ante cit.*

²Third Report U. S. P. C., 1902, p. 38.

³Laws, Vol. II, Act No. 520, and Fourth Report U. S. P. C., 1903, p. 72.

The result of this legislation was that Philippine vessel-owners, subject to the elaborate regulations of our Manila inspection service, to our heavy taxes, and to the necessity of buying vessel supplies at high prices under the tariff legislation there prevailing, found it very difficult to compete with English and other ships having headquarters at the free port of Hong Kong. The shipping trade fell into disaster, and within two years from the enactment of the law of March 8th, 1902, many of the best vessels of the islands had been entirely excluded from the trade. During the early part of 1904, a considerable merchant fleet was anchored off Cavite, opposite Manila, with absolutely no occupation. This evil effect was not entirely produced by the actual competition of foreign vessels entering the trade (though their tonnage was probably not far from that of the total number of Philippine steam vessels available for inter-island work), but was caused by the potential competition, which lowered rates to the point at which foreign tonnage could be had. So unsatisfactory was the existing state of affairs that a committee was finally appointed (December 8th, 1903) by the Commission to investigate the situation.¹ This committee consisted partly of officials and partly of local business representatives. It recommended that the discriminating charges to shipping (license fees) made under the acts of the Commission should be done away and a uniform license fee substituted, and that foreign vessels should be excluded from inter-island trade. The Frye bill, approved by Congress April 15th, 1904, provided for continuing the status quo until July 1st, 1906, so far as concerned ocean trade, but left the control of inter-island trade entirely in the hands of the Commission.²

¹Report Bureau of Insular Affairs, 1904, p. 38.

²*Ibid.*, p. 6 for text.

As things now stand, therefore, it is expected that beginning with July 1st, 1906, all trade between the Philippines and the United States will necessarily be carried in American vessels. This provision must inevitably imply a large increase in freights, and consequently heavier burdens on insular commerce, as the shipping is, and will be, entirely inadequate to the need for it. The situation is one that has been denounced in the most severe terms by Mr. Taft, and by every other administrator who has examined the conditions.¹ Local vessel interests, on the other hand, are now, and under the act of April 15th will remain, in the hands of the Commission. Severe suffering has already been inflicted upon them by the Commission's policy, though doubtless somewhat to the advantage of local producers, and much more to the advantage of American buyers, of hemp and other products.

Colonel Clarence R. Edwards, chief of the Bureau of Insular Affairs, in the report of that office for 1904, attempts to rebut the claim that prostration of Philippine vessel interests has been the result of the Commission's legislation. He submits tables showing a great growth of coastwise tonnage since the beginning of the American régime, and similar tables indicating remarkable increase in the amount of oceanic tonnage entering and clearing in the Philippines under American, as compared with Spanish, government. Neither of these classes of statistics has a bearing on the situation. The growth of trans-oceanic tonnage is largely due to the increase in government vessels carrying supplies, troops, etc., to the Philippines, and importing luxuries for our civil employees and rice for the suffering peasants. Some of the increase is, of course, due to a growth in hemp exports. The increase in coastwise tonnage is due partly to the move-

¹See Report U. S. P. C., 1904, p. 72, e. g.

ment of troops and government supplies, partly to a resumption of trade and partly to a growth in exports. None of these causes has anything to do with the character of the tonnage engaged in moving the goods. So far as Philippine vessel-owners are concerned, the salient figures for coastwise trade would represent the number of domestic vessels entering and clearing from the different ports. These are unavailable.

Quite as important in its way as either the tariff or the shipping question was the task of selecting a suitable currency and banking system for the islands and putting it into practical operation.

One of the things for which the Philippine Commission has been most freely praised is its introduction of such a currency system. A technical discussion of the system would be out of place in this connection, but it deserves some attention both as an administrative measure and because of the indiscriminate praise bestowed upon the Commission for the results of its action in this regard.

When the American forces first occupied the Philippines, they found a single silver standard in use. A coin known as the Spanish-Filipino peso, containing 347.22 grains of pure silver, was in circulation by the side of the Mexican silver dollars, which had a content of about 377 grains of pure silver. Owing to the fact that no mint existed in Manila, and that the importation of more Mexican dollars had been prohibited, the local dollar, or peso, fluctuated in value, not only in consequence of variations in the price of silver, but also in consequence of changes in local supply and demand. When large payments began to be made to the troops, it was represented by the local banks that the restrictions upon the importation of the Mexican dollar ought to be abolished, in order to prevent

a shortage of coin. General Merritt approved the request of the banks, and immediately thereafter large importations of Mexican coin were made. Later on, it appeared that the banks had adopted an exchange policy which led to discrimination against American money. The rate of exchange between Mexican and United States dollars, therefore, fell very low in current transactions. Hence, after trying various measures for maintaining a stable rate of exchange, the Commission (which in the meantime had been appointed and had come to the islands) "enacted laws providing for the payment of all salaries under the civil service in the islands in United States money, and . . . made its appropriations in that money so far as practicable."¹

This plan did not meet the difficulties of the case, being, as the Commission had indicated, merely a makeshift. The subject was several times discussed in an official way by government officers, but nothing definite was done.² During the summer of 1901, Secretary Root appointed Mr. Charles A. Conant a special commissioner to go to the Philippines and report upon the currency situation then existing. Mr. Conant visited the islands, and, returning in the autumn of 1901, reported on a plan of currency reform.

¹First Report U. S. P. C., 1901, p. 89.

²Full information on this topic can be best obtained from the following documents: Report of E. M. Harden on Financial and Industrial Conditions in the Philippine Islands, Washington, 1898; Memorandum on Currency and Exchange in the Philippines by C. R. Edwards, Washington, 1900; Report on Coinage and Banking in the Philippine Islands by Charles A. Conant, Washington, 1901; First Report of the Philippine Commission, Washington, 1900, and Report of the Commission on International Exchange, H. R. Doc. 144, 58th Congress, 2d session. The various hearings before the sub-committee on the Philippines (1902) are interesting.

According to this report, any one of the following lines might be adopted in introducing a new currency :

1. The introduction of American currency as the standard and sole legal tender.
2. The continuance of the present system of relying upon the use of Mexican silver dollars as a medium of exchange.
3. The adoption of a distinctive Philippine coin of the same weight and fineness as the Mexican silver dollar, to be coined by the government of the Philippine Islands, but without any fixed relation to gold.
4. The coinage of a Philippine silver peso, legal tender at the rate of fifty cents gold, and maintained at a parity with gold at this rate, by direct redemption from the insular treasury."¹

Mr. Conant rejected the first three of these proposed plans on various grounds. He admitted that the retention of the silver standard was favoured by foreign business men in Manila and by natives, but he urged with much force the familiar arguments in support of the gold standard, citing the experience of Japan. He rejected also the introduction of American money as too large in denomination, likely to be counterfeited, unfamiliar to the natives and likely to disorganise wages and prices. He therefore recommended the fourth measure already indicated as the one most likely to give the advantage of the gold standard while avoiding to the greatest extent the dangers of a sudden abandonment of the silver standard.

In accordance with the recommendations of Mr. Conant, a plan for the coinage of a new silver peso, redeemable in gold, was incorporated into the Philippine Civil Government Bill as prepared in the War Department during January, 1902. The coinage sections of that bill as introduced in both Senate and House authorised the minting of a new peso, to be kept at par with gold

¹Conant, Report, *ante cit.*, pp. 2-8.

by the use of a gold standard fund to be provided by a technical exchange process. The value of the peso was to be fifty cents American, and its silver content was to be very nearly that of the American silver dollar. This plan, with a few minor modifications, received the approval of the House Committee on Insular Affairs.¹ In the Senate, however, the Committee on the Philippines very early showed a strong disinclination to follow the lines thus laid out. In the end it eliminated the War Department provisions and inserted sections placing the islands on the silver standard and giving them a coin similar to the "British Hong Kong dollar." The curious provision that the new issue was to be struck from the product of American silver mines only was put forward semi-officially as a plan to placate the Western mining interests of the United States and conciliate their political favour in behalf of the gold standard Republican administration by giving them a field for their silver in the Philippines. This was the first real evidence of the existence of a plan to manipulate the Philippine currency system in favour of the mining interests, which about that time had acquired control of most of the refining plants in the United States. The scheme, however, met with vigorous opposition, and when it had finally passed the Senate, was defeated in Conference Committee. The Civil Government Bill as passed contained only some insignificant sections providing for a supply of minor coin. No attention was paid to these, and the currency question came up again at the short session, 1902-03, when a plan substantially similar to the original scheme suggested by Mr. Conant was proposed and became law by the act of March 2d, 1903.

¹See early "committee prints" of Philippine Civil Government Bill.

This act made the gold coins of the United States legal tender in the islands, established a "gold peso" worth one-half the gold dollar as the theoretical unit of value, ordered the coinage of not more than 75,000,000 full legal tender silver pesos, weighing 416 grains nine-tenths fine, granted authority to issue bonds with which to obtain gold for the maintenance of the parity of the silver peso and for the purchase of new silver bullion, besides granting authority for various operations necessary in putting the act into effect.

The measure of March 2d, 1903, in other words, authorized the issue of a new silver peso, and ordered the Commission to obtain silver bullion for the manufacture of such coinage and gold for its maintenance at par by bonding the islands. Congress, however, limited the amount which could be spent for new bullion to \$3,000,000 U. S. The apparent intent of the measure was that the new coins were to be struck from silver obtained by withdrawing the old pesos, except so far as it might be necessary to have a certain supply of bullion on hand at the outset, and for the latter not more than \$3,000,000 were to be expended.

On March 23d, 1903, Governor Taft apprised the Secretary of War that \$3,000,000 of certificates had been authorized, notwithstanding the Secretary had recommended the issue of only \$2,000,000. June 30th, 1903, the Commission appropriated \$3,000,000 more, "to be used exclusively for the maintenance of the parity." But the purchases of bullion (which were first undertaken on March 26th, 1903, only three days after Governor Taft had been heard from, and which continued until the end of October, 1903) aggregated a total of 13,520,895 fine ounces, costing \$7,372,990.¹ A large part of this silver,

¹For details of this operation see report of Bureau of Insular Affairs, Washington, 1903.

some 5,235,270 ounces, was purchased from the American Smelting and Refining Company, and another large part from companies acting in harmony with this corporation, the group constituting what is usually known as the "silver trust." Of this operation, Colonel Edwards, the chief of the Bureau of Insular Affairs, remarks that the purchases were "necessarily made from a limited number of corporations, who practically control the output." This fact possibly has a bearing on the price paid for the silver bullion. The first purchase by the bureau was made at 49.10 cents per ounce, but this finally rose to 60.47 cents, the average price paid being 55.193 cents; an average increase of 6.093 cents per ounce over the price paid for the first lot of silver. On a total of 13,520,895 ounces, this evidently implied an increased cost of about \$823,827, which represents the loss to the Philippine treasury caused by the higher price of silver.

Had the purchases been timed, as they might have been, in such a way as to take advantage of the prices ruling when the operation began, or had the necessary silver been drawn from a non-commercial source, there would undoubtedly have been a saving to the insular treasury of the difference between the old price and the new one.¹

Not long after the passage of the act of March 2d, 1903, and the subsequent preparations for the purchase of silver by the Bureau of Insular Affairs, a new monetary undertaking was entered into by the government.

Mexican administrators requested the United States

¹It is evident, however, that this gain was only a very small part of that realised by the "trust," since the increase was, of course, level over such part of the whole output of about 190,000,000 ounces annually controlled by that organization, as was thrown on the market during the period of higher prices.

to appoint a commission to investigate the silver situation, which should visit foreign countries and suggest to them steps for rendering the rate of exchange between gold-using and silver-using countries more stable. President Roosevelt asked Congress for \$100,000 as an appropriation for the commission, but that body conceded only \$25,000. With that sum to draw upon, the Commission started on its travels early in the summer of 1903, and visited various European countries. The plans it proposed to these governments related chiefly to the more regular and systematic purchase of such supplies of silver as they might want for their currencies.

The Commission, however, had some indirect results of another kind. It had scarcely been appointed when Governor Taft was informed by cable that it would materially contribute to the work of the Commission if he could state, and could authorise the Commission to say, that the Philippine Government would probably be in the market as a buyer of specified amounts of silver during the coming months. Mr. Taft in reply cabled to the effect suggested, and the Bureau of Insular Affairs, as already seen, began on March 26th, 1903, the purchase of the new silver bullion.¹

It was natural that such news should have a powerful effect upon the price of silver. As the Commission later pointed out in its report,² demand and supply are so nearly balanced with respect to this metal that a very slight change in the one or the other side of the equation suffices to send prices up or down very rapidly.

A curious sequel to the work of the International Exchange Commission took place in the autumn of 1903.

¹The writer has seen this cable correspondence, which, so far as he is aware, has never been published.

²See Report, p. 30, Washington, 1904.

After the return of the International Exchange Commission, it was resolved to send one member of the body to China for the purpose of promoting the notion of putting China on the gold standard. To accomplish such a result would, it was supposed, have the effect of assisting in "stabilising" the ratio of exchange between gold-using and silver-using countries. No balance, however, remained from the \$25,000 appropriation made by Congress during the preceding spring. No authority existed for the advance of the money necessary to bear the expenses of a representative in China from the United States Treasury. The chances that such a person could be sent, at least at government expense, therefore, seemed slender. News of the situation being unofficially sent to the Philippine Commission, that body promptly passed Act No. 937, in which \$10,000, United States currency, was appropriated "for the purpose of aiding in the payment of the expenses of a commission . . . to visit Peking." The curious provision that the sum was to be disbursed "by the disbursing agent of the insular government in Washington" was added. The act was thus merely a contrivance to circumvent the wishes of Congress by drawing from the public treasury in a roundabout way what Congress had refused.

It is very difficult to see any sufficient reason for the introduction of the new currency system in the Philippines. The argument regarded as conclusive by its supporters was the need of a stable currency in the islands. That such a need existed was a self-evident truth. It was a need which could not, in the opinion of the writer, have been satisfied by any plan for the use of a money based solely on silver. But the argument for a stable standard was not necessarily an argument for the system that was introduced; it was equally an argument for the introduction of United States money in the islands. Had

the American currency system simply been extended by act of Congress to the Philippines, the supposed necessity of buying a quantity of new silver could not have been thought to exist. A field of circulation for the redundant silver dollars of the United States would have been found, or, if thought desirable, these could have been recoined into pesos of a weight similar to the silver dollar, but redeemable only at fifty cents gold. It is therefore difficult to understand why the new system was introduced in preference to the adoption of the United States currency system with some such modification, perhaps, as suggested above.

Two chief arguments were urged against the use of our money, (1) that the Filipino would not be able to recognise the fact that an American fifty cent piece was worth the same as a Mexican peso of twice the size, and (2) the probability that the high value of the American fifty cent piece as compared with its bullion value would lead to counterfeiting. One of these objections is an assertion, the other a prophecy. The facts are in direct opposition to the former, for to-day American money circulates by the side of the new coins at exactly twice their value. This is true not only in Manila, but in the provinces as well. The natives have already proved their ability to recognise at once the difference in the value of coins irrespective of their size. To-day an American half-dollar is as freely accepted as one of the new pesos. The fact that the army continues to be paid in United States currency has carried our money very widely over the islands. In fact, it is quite generally preferred to the new issue, for it is simpler. The other argument, the danger of counterfeiting, remains to be established. It should be noted, however, that this danger is practically as great under present conditions as it would have been had United States money been ac-

cepted *in toto* as a legal tender currency for the islands. The fact that it is universally known and accepted makes counterfeiting as pressing a danger as it could have been under any circumstances. A fear that prices and wages would be enhanced by the introduction of American money was doubtless well founded, but it is highly improbable that the increase that might have been brought about in that way would have been greater than has actually occurred in consequence of the use of the new gold-standard peso. This new coin, so far as it has entered into common use, has practically taken the place of its predecessor, the Mexican dollar. What previously cost \$1 Mexican now costs \$1 in Philippine currency. This amounts to an increase of perhaps 10 per cent. on the average. The use of the American dollar could hardly have exerted a greater effect.

Since the Commission has bound itself to maintain the Philippine peso at par with gold at the ratio of two for one, since American gold coins are legal tender, and since coinage is limited to what the Commission deems necessary for the carrying on of commerce, the choice between American money and the new peso is in theory a matter of no importance.¹ The question in choosing the new system was primarily one of economy and convenience merely.

It will be observed that nothing has been said of any provision for banking made either by Congress or the Philippine Commission. For a long time the need for some suitable credit system has been keenly felt. It has been thought that such a system should include provision for an adequate supply of circulating notes and for agri-

¹Prior to visiting the Philippines, the writer favoured the introduction of the peso system. Investigation on the spot has somewhat modified his views.

cultural loans designed to furnish the capital now so much needed in the provinces to supply the losses resulting from war. Of these two branches of the credit problem, the strictly agricultural one has naturally received most attention from natives. In a recent petition to the Commission, General Aguinaldo depicted the suffering condition of the country, and urged the establishment of government agricultural banks as a means of relief.¹ Whether such a plan would be wise is more than doubtful, but the crying need for bank credit and the utter inadequacy of existing facilities is self-evident. Mr. Conant, in the report already referred to, considered the need for a flexible system of bank notes as fundamental and the demand for agricultural banks as secondary. He recommended the enactment of legislation providing for a system of bank currency based on general bank assets (under proper safeguards), and also the adoption of some measure which should pave the way for a mortgage banking plan. In the Civil Government Bill, as it came from the War Department, considerable space was given to the provisions for bank-note issues, but these were all eliminated, and no effort has since been made to restore them. The Spanish-Filipino Bank, which already possessed the right to issue notes under the Spanish régime, has been limited in the exercise of this franchise by the Commission, and the result has been to curtail the scanty supply of credit currency, inadequate as it was, that existed prior to our assuming control. Not a step has been taken toward the introduction of any land-credit system, except in so far as the determination of land titles under the new plan of registration will be serviceable in rendering land available as security in obtaining loans. Some legislation on the subject already exists in the

¹This petition is reprinted in *Sound Currency*, for September, 1904.

Spanish Code of Commerce and is still in force, but is not suited to the purpose in view, as appears from the fact that it has not been taken advantage of for the formation of an agricultural banking system.¹

In line with the failure to act in a helpful way on banking is the oversight, or conscious neglect, which has prevented the islands from getting an appropriate law governing incorporations. In other particulars, too, the care shown toward commercial interests has been singularly slight, and there appears to have been a general neglect of the legislation under which a sound and safe business structure is built up on sure foundations. On the whole, it must be concluded that in economic matters Congress has pursued toward the Philippines a policy of slavish subservience to special American interests, and that the Commission, while it has not reflected the subservience of Congress, has been obliged to accept the results of such subservience under protest, besides being itself guilty of indifference on many topics where remedial action lay within its own province.

¹Further discussion of this topic will be found in the chapter on agricultural conditions, see p. 350 *infra*. Recent advices from Manila indicate that some private individuals are seeking to establish an agricultural bank with very small capital.

CHAPTER XIII

THE BUSINESS SITUATION

PRESENT economic conditions in the Philippines must be considered from two standpoints—that of foreign trade and that of domestic agriculture. Manufacturing is to all practical purposes non-existent, and is not likely to amount to much in the future. A few simple industries like cigar making, distilling and the production of essential oils exist, and will always do so, but the prosperity of the country must be dependent chiefly upon its capacity to furnish agricultural products for export. Conversely, its production and sale abroad of these same commodities must measure and determine its power to buy American or other goods.

This fact fully justifies the anxiety with which the exports and imports of the Philippines are watched by those in authority. They stand for a factor in national well-being entirely different in significance from that which is represented by the exports of a large, diversified and self-sufficient country like our own. As such they are entitled to full and detailed review.

From the figures it appears as if a remarkable increase in Philippine trade had taken place. During six years of American rule, the total export and import business of the islands has grown from twenty-five millions to sixty-three millions, exports increasing from twelve to thirty-three millions and imports from thirteen to thirty. Trade, in other words, appears to have nearly doubled in volume, even as compared with the period 1885-1894. The ques-

The Business Situation

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FOREIGN TRADE OF THE PHILIPPINES¹

YEARS	IMPORTS	EXPORTS	TOTAL IMPORTS AND EXPORTS	EXCESS OF	
				EXPORTS	IMPORTS
Average Annual 1880-1884.....	\$19,500,274	\$20,838,325	\$40,338,599	\$1,338,051	.....
Average Annual 1885-1889.....	15,789,165	20,991,265	36,780,430	5,202,100	.....
Average Annual 1890-1894.....	15,827,694	19,751,293	35,578,987	3,923,599	.....
1899.....	13,113,010	12,366,912	25,479,922	.....	\$746,098
1900.....	20,601,436	19,751,068	40,352,504	.....	850,368
1901.....	30,279,406	23,214,948	53,494,354	.....	7,064,458
1902.....	32,141,842	23,927,679	56,069,521	.....	8,214,163
1903.....	32,971,882	33,121,780	66,093,662	149,898	.....
1904.....	33,220,761	30,250,697	63,471,458	.....	2,970,064

NOTE.—The amounts covered by the fifteen years, 1880-1894, are inclusive of coin and lottery tickets and from statistics for the years 1883-1890, the only portion of this period for which gold and silver figures are available, it is shown that there was an average annual importation valued at \$376,167, and an exportation \$4,495,486 worth. Lottery tickets will not materially affect these averages.

¹Monthly summary of commerce of the Philippine Islands, Bureau of Insular Affairs, Washington, June, 1903, p. 1429. Also Report Chief of Bureau of Insular Affairs, Washington, 1904, pp. 32 and 35.

tion suggested as to the value of the trade of the Philippines and its relative growth or decline under American rule, both past and future, is of first-class importance. In view of the fact that many persons consider the actual commercial value of the islands as the real reason for holding them, sound conclusions as to their actual worth from a business standpoint are doubtless of immense weight with a large section of the American public. Before accepting, therefore, any inference based upon the official trade figures, it is very desirable to subject the data to careful analysis. In examining the figures, however, it deserves to be noted, first of all, that they claim to represent solely the merchandise dealings of the Philippine Islands. They expressly exclude "gold and silver and large quantities of government supplies," a statement which would seem to imply that whatever profit arose through the existence of the trade indicated might be taken as a clear commercial gain flowing from natural business channels.

Is this the case?

In the first place, it is to be observed that during the five-year period of American rule here in question there is a large annual excess of imports over exports, which disappears only in 1903, when there is a trifling excess of exports, amounting to about \$150,000. The fundamental axiom of the economists concerning international trade is usually said to be that imports must, over a period of years, equal exports, these terms being understood to include securities, gold and silver coin and all other evidences of value. Inasmuch as these items are expressly excluded from the foregoing figures, it is necessary to make due allowance for them. In so doing, it will be well to remember that the item of investment of foreign capital need not be considered, since such investments have been

non-existent or insignificant. On the other hand, amounts of wealth sent from the Philippines by resident foreigners as savings for investment in their home countries may be similarly neglected, since the office-holding class saves little, and foreign business men operating in the islands have latterly been unable to make much beyond expenses and such sums as seemed necessary for investment in maintaining their business, replacing stock, making new extensions, etc. To none of the usual causes, therefore, can the excess of merchandise imports over exports be ascribed.

In seeking for the anomalous conditions which appear to enable the Philippines to consume more than they produce, light can be obtained by an analysis of the gross import figures above quoted into their elements. This has been made in a table on the following page.¹

The most rapid growth in the imports of the Philippines is thus to be found in the item "food and animals," which has substantially quadrupled since 1899. Manufactures have about doubled in amount, and articles of voluntary use, luxuries, etc., have considerably more than doubled. This increased importation of luxuries and articles of voluntary use has gone wholly to supply the needs of resident foreigners, chiefly Americans, who are either of the office-holding or military class, and who draw their incomes in the former case from the insular government and in the latter from money sent from Washington. The demand for such goods made by the few commercial men in the islands is absolutely negligible, and it would be absurd to attribute much of the increase in demand for articles of this class to native purchases. What is true of luxuries and similar articles is true, with slight modifi-

¹Bureau report *ante cit*, p. 1430.

IMPORTS OF THE PHILIPPINES BY CLASSES OF ARTICLES

ARTICLES	1899	1900	1901	1902	1903	1904 ¹
Food and animals.....	\$3,793,169	\$5,483,806	\$8,158,794	\$10,846,142	\$14,075,522	\$15,690,910
Manufactures.....	6,953,265	10,811,386	18,329,186	17,263,412	14,985,085	17,529,851
Crude condition or partly so	202,978	675,745	900,402	1,068,839	989,450	
Voluntary use, luxuries, etc.	1,028,672	1,805,719	2,744,025	2,710,487	2,227,855	
Miscellaneous.....	1,134,926	1,824,780	146,999	252,962	93,970	
Total.....	\$13,113,010	\$20,601,436	\$30,279,406	\$32,141,842	\$32,971,882	\$33,220,761

¹Report Bureau of Insular Affairs, 1904.

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cations, of the figures for manufactures. Among the important items coming under the head of manufactured importations are such articles as expensive cloths, wearing apparel, shoes, hardware and other things designed to meet foreign wants exclusively. That being the case, the growth in the purchase of manufactured imports, like the growth in the demand for luxuries, must be attributed to the effort to supply the needs of foreigners living in the islands, and only in slight measure, if at all, to a real increase in trade with the native inhabitants, who furnish the only true market for imports in any large commercial sense. Much light upon the nature of the apparent growth in imports is furnished by Major-General George W. Davis, who in 1903 wrote as follows:¹

Mention has frequently been made of the fact that the value of the imports at the custom house in the Philippines largely exceeded that of the exports, a state of affairs proving that on account of the hoarding of gold, made possible by military expenditures, it is possible for these islands to import each year some millions in value more than they export. The investment of foreign capital here has been suggested as an explanation of the sources whence came the funds to purchase these excesses of imports over exports, . . . but whatever these investments may have been, their aggregate will be but a bagatelle compared with the United States' expenditures for the army and navy and the donations.

Continuing, General Davis estimates expenditures for 1902-03 as referred to by him at \$17,968,445, and adds:

"If to the above amounts be added the naval expenditures here and the Congressional donation, the total will probably reach \$24,000,000; and, if it be granted that one-third of this sum is promptly sent out of the country . . . by officers, soldiers, and employees,² there yet remains a sum . . . greater in amount than the entire revenue of the islands."

¹Annual report to adjutant-general, 1903 (Manila, P. I.), p. 49.

²Certainly a high estimate for reasons already stated.

General Davis, in other words, estimates that an annual foreign exportation of saved wealth, which may, of course, take the form of an indirect demand for goods, of about \$8,000,000, is made by our army and its employees, and that some \$16,000,000 remains in the hands of these men for expenditure in the Philippines. If the latter portion of this estimate be even approximately correct, the surplus importations in 1902 (not paid for by exports), amounting to over \$8,200,000, are fully explained. Indeed, when it is remembered that our army in the Philippines varied in strength from some 65,000 men to some 15,000 (Americans) or a little less during the period in question,¹ and that the expenditures of this body of men, provided as they were with rations, were chiefly for manufactured articles of direct consumption, the growth in the importation of manufactures stands fully explained, even without reference to the purchases of similar goods made by civil employees and foreign residents.²

As a matter of fact, the importations of manufactures have materially fallen off as the strength of the army in the Philippines declined, for the gross manufactured imports of 1903 were only \$14,985,085, as against \$18,329,186 in 1901 and \$17,263,412 in 1902. It should be remembered, moreover, that a new element of untrustworthiness in the custom-house statistics has recently been introduced by the resolution of the Commission (in 1903) to pay tariff duties on government supplies (previously imported free), and thus to swell the trade figures by drawing from one pocket what it puts into another.

¹This takes no account of the large body of native scouts paid by the government.

²Payments to the army have of course declined as the number of men in the Philippine service has fallen off. Such payments are now about three-fourths what they were when General Davis made the statements above quoted.

The only rational conclusion that can properly be deduced from a consideration of the import statistics is simply that the market afforded by the Philippines for foreign products has thus far been fictitious, since it has been artificially created through the maintenance of a large body of paid public servants in the islands, whose support was in very large measure drawn in cash from taxation levied in the United States, and indirectly used by them in the purchase of imported commodities.

What is true of the growth of imports of manufactures is true in an even more depressing way of the imports of food and animals. It has already been shown that this class of imports, quadrupling as it did within five years, furnished the most striking example of increase in imported products afforded by the custom-house statistics of the islands. If the increase in this class of products were natural, it would probably indicate (in view of the marked decline in the number of Americans resident in the Philippines and in the strength of the army) that a genuine increase in business was in progress. The increase, however, is not genuine, but is due primarily to heavy importations of rice and other foodstuffs designed for the use of the native sufferers from short rice crops, war, cholera, death of farm animals, etc. Detailed statistics for 1904 show that of rice alone the imports in that year were \$11,548,814, as against \$10,061,323 for the preceding year, a fact which alone accounts for more than all of the increase in food importations. A similar, though less marked, comparison may be made between the years 1902 and 1901; and when it is considered that much of this rice was paid for by the government, and that all of the increase in imports of this class represents not greater, but less, purchasing power on the part of the natives, the hollowness of any pretence of prosperity based on the evidence furnished by large imports becomes evident.

PHILIPPINE EXPORTS BY ARTICLES¹

EXPORTED TO	1899	1900	1901	1902	1903
United States.....	\$3,540,894	\$3,522,160	\$2,572,021	\$7,691,743	\$13,863,059
United Kingdom.....	2,686,354	6,225,209	10,704,741	8,282,979	8,802,016
France.....	533,632	1,392,439	1,934,256	955,828	3,678,805
Spain.....	1,076,800	1,226,475	1,655,255	868,528	755,234
Hong Kong.....	<i>a</i>	2,686,168	2,697,276	3,183,482	2,122,304
Japan.....	265,573	1,032,462	1,443,880	925,767	1,502,366
Other Countries.....	4,263,659	3,666,155	2,207,519	2,019,352	2,397,996
Total.....	\$12,366,912	\$19,751,068	\$23,214,948	\$23,927,679	\$33,121,780
					\$30,250,627

^a Hong Kong not reported separately prior to January, 1900.

¹ Report Bureau of Insular Affairs, Washington, 1904, p. 32.

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PHILIPPINE EXPORTS BY ARTICLES¹

	1902	1903	1904
Hemp	\$15,841,316	\$21,701,575	\$21,794,960
Sugar	2,761,432	3,955,568	2,668,507
Tobacco.....	2,501,367	1,882,018	2,013,287
Copra.....	1,001,656	4,473,029	2,527,019
All Other.....	1,821,908	1,107,709	1,246,854
Total.....	\$23,927,679	\$33,119,899	\$30,250,627

Many persons who have lately written or spoken on Philippine affairs have been inclined to neglect this question of insular imports. Many have devoted much attention to exports, however, regarding the islands as the source of cheap supplies of various tropical products much needed in the United States. Without attempting to go fully into the more technical questions of exports, a few words regarding the general export situation will be needful. The total exports of the Philippines during the six year period 1899-1904 may be stated as above.²

This statement on its face indicates a very considerable growth in the volume of foreign shipments, although if a comparison with the figures for the earlier period of Spanish rule be made the growth will not seem so striking. Comparison must, of course, be based on normal trade, and figures for a period of years during which active military operations were in progress, while the whole country was suffering from pestilence in various forms, do not furnish very valuable data for judging of the normal rate of commercial growth. The most marked

¹Report of Chief Bureau of Insular Affairs *ante cit.*

²Bureau Report *ante cit.*, p. 1435.

increase during the whole period is found in hemp during the fiscal year 1903, when an expansion of gross exports from \$23,927,679 to \$33,121,780 occurred, a growth of nearly \$10,000,000. An analysis of these figures shows that about \$6,000,000 of this increase was due to an expansion in shipments of hemp and copra, and that apart from these two items hardly any important increase occurred, while in certain commodities, such as tobacco, a serious decline was noted. Moreover, of the \$10,000,000 of growth in export trade, almost exactly \$6,000,000 was a growth in trade with the United States. This growth was thus substantially equal to the increase in hemp exports, and might indicate that the enlarged trade with the United States consisted solely of hemp. Such was substantially

the case, and the increase must be regarded as wholly artificial. The action of Congress in exempting hemp exports from the Philippines to the United States from duty, while retaining the export duty on hemp shipped to other countries, has had considerable influence in directing the hemp trade toward the United States, though it is hard to see how this benefits consumers. The hemp passes into the hands of the cordage manufacturers, who re-export it, or manufacture it into rope and twine for domestic use. Inasmuch as hemp going to foreign countries has had to pay (1) the export tax in the Philippines and (2) the American tariff on manufactured articles before it can enter the United States in a manufactured condition, it is clear that competition from abroad must be wholly lacking, while within the United States the twine and cordage producers have no competition to meet. Any advantage arising from enlarged hemp exports from the Philippines must, therefore, accrue not to the American public, but to a very small group of manufacturers, who are under no compulsion whatever to lower their prices or

to improve the quality of their goods.¹ From the standpoint of the Philippines, it is enough to say at this point that the higher price lately paid for hemp seems likely to be temporary only, while the increased production is due in part to the substitution of hemp growing for sugar culture, the former requiring far less animal labour than the latter. The loss of the carabaos throughout the archipelago of course makes it impossible to prosecute any occupation requiring many draught animals.

Further discussion of the possibility of large growth in the production and exportation of native products must be postponed to a subsequent chapter, but something further must be said of the possible value of Philippine trade to the United States. The fact that Philippine trade has so far been worthless is undeniable, but it is alleged that better results may be expected in the future. There have been many sanguine persons in the past who have anticipated tremendous growth in the business of the Philippines, both exports and imports, and many of them still profess their earlier faith, albeit in a chastened form. As an example of the statements made by the ardent disciples of this school of commercial thinkers may be cited a letter written by Consul O. F. Williams to Mr. Day.²

¹So far as the United States is concerned the larger importation of hemp is fictitious for another reason. Hemp imports hitherto have usually come from London, to which they have been shipped as a distributing point. The manipulation of the export tax has sent them sometimes straight to the United States, but sometimes via London, in bond, to New York. In the latter case, the only difference between the old situation and the new is that the hemp imports to the United States, formerly credited to Great Britain, are now credited to the Philippines, while the insular government loses, and the cordage producers save, the amount of the export tax.

²Quoted by Sawyer in "The Inhabitants of the Philippines," Scribner's, 1900, p. 165.

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U. S. S. *Baltimore*, MANILA BAY, July 2d, 1898

* * * * *

If occupation or possession on the part of our government be considered, I believe early and strenuous efforts should be made to bring here from the United States men and women of many occupations—mechanics, teachers, ministers, shipbuilders, plumbers, druggists, doctors, dentists, carriage and harness makers, stenographers, typewriters, photographers, tailors, blacksmiths, and agents for exporting, and to introduce American products, natural and artificial, of many classes. To all such I pledge every aid, and now is the time to start. Good government will be easier the greater the influx of Americans.

My despatches have referred to our present percentage of export trade. If now our exports come here as interstate, duty-free, we have practical control of Philippine trade, which now amounts to many millions, and because of ingrafting of American energy and methods upon the fabulous natural and productive wealth of these islands, can and probably will, be multiplied by twenty during the coming twenty years. All this increment should come to our nation and not go to any other.

* * * * *

I hope for an influx this year of 10,000 ambitious Americans, and all can live well, become enriched . . .

(Signed) O. F. WILLIAMS, Consul.

Mr. Frederic Sawyer, for fourteen years a merchant and engineer in the Philippines, commenting upon this letter, speaks of its ideas as "suitable for a comic opera," and adds: "For my part, I should think it great progress if the exports and imports of the Philippines could be doubled in twenty years."

Mr. Sawyer's opinion is shared by most of the competent merchants and business men now in Manila. As one of them lately remarked to the writer:

There is absolutely no prospect of increasing the trade of the islands, in any considerable or marked degree, until we can get access to the markets of the United States or some others of

similar extent. Even then it is very doubtful whether large gains can be made in trade within any reasonable period. The only large gain in exports must be in hemp, tobacco, or sugar, all commodities subject to very broad conditions of international competition or taxation. My own firm is prosperous, but it is so, simply because we have never had the slightest confidence in the future of the islands, but have devoted ourselves to dealing in exchange, bidding on government contracts and doing steamship-agency business.

Opinions of the same sort could be multiplied, and ought to outweigh the professionally roseate anticipations of Mr. Taft, who speaks of "an immense field for the sale of American goods"¹ among the natives, though he adds that this field cannot be exploited until larger amounts of American capital are brought to the islands. To put the case bluntly, the islands themselves cannot import unless they can export goods in return payment, and they cannot export unless they can find a market. Barring the single item of hemp, a commodity whose demand is not illimitable, and whose area of production is circumscribed, they now have access for their commodities to no market whatever. Granting, however, that such a market should be opened, there would still remain the fact that transportation to and from the islands has always been high, and will be much higher if Congress persists in its present shipping policy, while the articles produced must meet competition of a most severe sort before they can gain a stronger footing in any important countries. At the present time, and indeed for many years to come, it would be absurd to look for any considerable increase in native demand for foreign goods. The natives are now impoverished, even destitute; their draught animals dead and new ones apparently impossible of introduction, their crops destroyed by locusts and other pests. In short, they

¹Annual Report, 1903.

have nothing to buy with, and will not have until the islands have passed through a period of complete rest and recuperation. Even when such a period has passed, it will be found that their wants are limited. Mr. Taft anticipates that they can be taught to use American goods, but it is hard to see what sort of goods these can be. They are not likely to be clothing, and if the islands become self-supporting, they could not be food products. Some machinery, patented articles, house conveniences and articles of personal decoration, as well as petroleum and a few other crude products, can be marketed, but the climate and civilisation of the islands remaining what they are, it seems futile to expect any considerable growth in demand for our goods until an indefinite period has passed.

A phase of this question of Philippine trade which has been much misunderstood is the local business outlook for Americans in competition with other foreigners. Questions are often asked concerning the chance for investments of American capital in retail or wholesale business or in exporting. Before endeavouring to answer this question, it is worth while to state precisely what has been the experience of the past in this matter and what is the present status. The only source of precise information on the subject is found in the records of the internal revenue office at Manila, from which licenses must be secured by those who expect to do business of any kind, either individually or through corporate organisation. These records have never been systematically compiled or any data on the subject published, but from an examination of the books of the office made by those in charge and from data of a general character,¹ the writer has been

¹Thanks are due to Mr. A. M. Hobart of the Internal Revenue Office for the data in question.

able to reach some conclusions. It appears that during the period September, 1898-May, 1904, a total of not to exceed 5,000 American individuals and firms were licensed to engage in business. This figure, of course, relates to Manila only, but it may be taken as nearly representative of the facts of the archipelago, for the following reasons:

(1) Practically all firms of any capital operating in the Philippines have their main office at Manila, and operate elsewhere when necessary by the establishment of branch offices.

(2) The American population of the Philippines is much more largely found in Manila than elsewhere, and therefore those establishments which are engaged in retail trade are found chiefly in the metropolis. Very few are located in other cities.

Accepting 5,000, therefore, as a figure fairly representing the whole history of American business enterprises throughout the whole of the Philippine experience, it is interesting to find that not to exceed from 750 to 1,000 establishments now remain. The mortality among these American business undertakings in the Philippines may thus be fairly estimated at not less than 80 per cent. to 85 per cent. of the total. This result does not lead one to think favourably of the business situation in Manila, and hence in the archipelago as a whole. It should be remembered, of course, that many of the establishments included in the quoted figures were of small capital and correspondingly small importance, but the fact that they were unable to succeed throws a strong light upon the familiar claim that there is a great field open in the islands for retail trade of every kind. The mortality among the American firms is also very instructive as indicating the decline in the amount of American and other foreign custom upon which such firms can expect to subsist. Moreover, small

firms or businesses like those referred to are of course included in the number of businesses now in operation, and if eliminated will still further impair the business showing made by the Americans at present in the Philippines. There are now in Manila about 35 regular saloons, 25 clubs holding liquor licenses, 25 ice cream parlors or other small refreshment places, 2 bookstores and 25 hotels and boarding-houses. Licenses to sell liquor in houses of prostitution number 60. If we eliminate this total of 185 establishments which are hardly to be classified as regular factors in commercial life from the figure of 750 or 1,000 given above, we may conclude that probably not over 700 American individuals and firms are now engaged in business operations in Manila. Were we to eliminate further all those who are merely selling goods to the natives and who are not doing the remainder would be the native foreign firms. If this number is any really accurate one it might be carried to the fingers, and of those that are engaged in that of the staple business, manufacturing concerns or agencies, one and a half from the United States or in some instances of the government and a half from government concerns.

It may be of interest to state a few of the reasons why Americans have thus far not been able to compete successfully with English and other firms located in exporting. In the first place it is a case of a profitable market and the English has the use of a large capital. It is a fact that the leading English exporting firms of the island each employ a staff of 200 men, amounting to about \$5,000,000 in the operations of any one year. The large sums involved in the warehouses, stocks of commodities, purchases of raw materials and payments to native laborers. The firms are obliged to keep large stocks on hand and to wait for a return until the

goods can be shipped to Europe and marketed at a price sufficient to pay the usual charges for freight, insurance, etc. To break into this business successfully, and thus to share in the considerable profits doubtless earned by a few firms, would necessitate the employment of a capital at least comparable with theirs and the display of at least equal knowledge and familiarity with conditions. These are not insuperable obstacles to gaining a share of the trade of the export business of the Philippines for Americans. The latter are not willing, however, to invest as heavily and devote as much thought to the business as do the English, for the very good reason that the profits of the large English export firms in the Philippines, whatever they may be, are unquestionably inferior to those which can be earned in the United States by the use of equal capital and ability.

The second main reason why Americans find it difficult or impossible to secure a hold on Philippine business is found in the fact that the foreign firms already have possession of the field. Not only are they firmly established, but they are much more favourably regarded by the natives. During the war they paid taxes or otherwise contributed heavily to the insurrectionary funds, and it is commonly observed that they have little trouble in getting native labour where the Americans find it impossible. In a similar way, Americans who try to trade with the natives find that the latter are prejudiced in favour of the English firms, and prefer to sell to or buy of them. This is a situation which can be altered only by the lapse of much time and by steady, persistent application to the task of conciliating native friendship. Business cannot be separated wholly from politics, even in the Philippines, and as things are now going there is not much to be hoped for from the natives. So long as they continue antagonistic to

American rule in the islands, or to feel aggrieved by our system of taxation, they will passively oppose the operations of American firms and hamper them in getting labour or making satisfactory business arrangements.

In order to show how slight an impression has actually been made by Americans upon the trade of the islands, it may be worth while to examine the state of affairs in some of the principal insular industries.

We have elsewhere seen that of all imported Philippine products, that which bulks most largely and yields most profit is hemp. It is the hemp trade which has been most coveted by Americans, and which it has been sought to control in the interest of the United States. Yet in spite of these efforts the hemp business remains obstinately in foreign hands. According to official reports,¹ hemp exports from Manila during the fiscal year ending June 30th, 1903, were divided as follows:

	BALES.
W. F. Stevenson & Co.....	222,519
Warner, Barnes & Co.....	200,997
Smith, Bell & Co.....	187,184
Macleod & Co.....	76,969
Compania Tabacalera.....	75,814
Kerr & Co.....	53,988
All other.....	24,074

Of the firms mentioned in the foregoing table, Stevenson & Co., Warner, Barnes & Co., Smith, Bell & Co. and Kerr & Co. are English, the Compania Tabacalera works with Spanish capital, and Macleod & Co. are a Scotch firm working partly with local capital. It is safe to say that not a dollar of American capital was invested in any of these leading hemp businesses, and hardly an American employed by any of them. The situation is practically the

¹Special Report of Collector of Customs, 1903, p. 164.

same to-day as in 1903. Even under the caption "all other," which includes less than 3 per cent. of the hemp shipments from Manila, little American capital can be reckoned. Within the past few months, the firm of Castle Bros. & Wolf (Californians) have been dealing in hemp on a small scale, the total capital invested in their business in all its branches being not to exceed \$100,000.¹

The situation in the sugar industry is even more depressing, not merely from the American standpoint, but from that of the islands in general. Owing to the peculiar conditions under which sugar has latterly been produced throughout the world, the output of the Philippines has had hard work to find a market. In many regions, sugar estates are now idle and machinery dropping to pieces. Not to exceed \$2,500,000 is now invested in the whole sugar industry of the islands, and of this practically none is of American origin.

Tobacco firms are in better condition, and some of the Manila cigar factories do a prosperous business. It is hard to say how far they will be affected by the heavier duties that are being levied on tobacco in many of the best markets for the Philippine product, but they will doubtless suffer seriously. This, however, is a business in which there is little opportunity for spectacular operations or profits. Philippine tobacco is far from being on the same basis as Philippine hemp or even sugar. It can

¹Practically all hemp shipped from the Philippines leaves through the ports of Manila and Cebu. The shipments from the latter port aggregated in 1903 less than 20 per cent. of the total shipments, so that the statement already given represents the conditions prevailing in more than four-fifths of the hemp business of the islands. Similar data covering the Cebu hemp shipments are not now available, but the conditions at that port are understood to be substantially the same as at Manila.

easily be displaced by other tobacco, and the business of making cigars and cigarettes in Manila must be conservatively conducted to be profitable. Practically no American capital is now invested in the manufacture or growth of tobacco in the archipelago.

In the lumber business, it was originally expected that a good field of investment could be opened. This hope has been disappointing, owing to several sets of circumstances. In the first place, Philippine forests are not grouped as they are in the United States. The result has been that lumbering is a very different occupation from what is thought of in that connection in the United States. It has proved so expensive to get native woods in adequate quantities that the government has imported much of what it needed from the Pacific coast, and this example has been followed by private individuals. Custom-house formalities and illiberalities, dictated by a desire for the largest possible immediate revenue, have prevented either natives or local Americans from doing much at lumbering. Practically the only American company in the lumber business was, until lately, the Philippine Lumber and Development Company, which operated with resources drawn from the United States.

Looking over the field of general business, the firms of Macondray & Co., with \$100,000 capital; Castle Bros. & Wolf, with \$100,000; the Pacific and Oriental Trading Co., with about \$200,000; and the American Commercial Co., with perhaps \$200,000, are the sole representatives of American enterprise. Of these firms, one or more have been lately winding up their affairs with a view to retirement.

In local water transportation, the Philippine Transportation and Development Co. and the Manila Navigation Co., both engaged in lighterage and similar business, alone

represent the United States, and not unnaturally, as the business is understood to be unprofitable.

It is certain that the American population of Manila, and indeed of the whole of the Philippines, is seriously discouraged over the commercial outlook. There have been several different phases of opinion with regard to commercial possibilities, and with the passing of each phase the general feeling of discontent seems to have deepened. In a general way, we may divide the intellectual history of the exploiting Americans in the Philippines into three main stages.

(1) At the outset it was widely supposed by Americans at home and by those who had first come to the islands, either as soldiers or as civil employees, that an immense prospect of wealth had been opened through our occupation of Manila. The ideas of those who expressed these notions were usually vague, and were based upon stories brought by soldiers or by the hazy statements of officers or inexperienced business men concerning the immense trade possibilities of the islands. It was believed that by throwing open the gates to an inrush of American capital, under the protection of American law, and without any discrimination in its favour, immense earnings could be obtained in mining, lumbering and trading.

(2) The notion of immense profits had been vaguely held. It had received apparent, though false, support from the large profits realised by dealers in liquor and supplies, who depended on the army for their trade, but with the withdrawal of the military forces, it was seen that the large profits arising from business in Manila had been artificial and could not continue. Ideas of business success in the Philippines, therefore, changed, and began to be based upon the grant of exclusive franchises, to be worked by imported Chinese labour, or by the possession

of such exclusive privileges as would render it possible to earn large returns without competition.

(3) The difficulties of making franchises pay and of getting a favourable field for operation, in view of the tariff and other obstructive conditions, forced many Americans out of business subsequent to the year 1901, and has now led to the feeling that in the absence of cheap labour and exclusive franchises, the main field of profits must be found in (a) trading with the natives, buying their products and selling them at an advance; (b) banking and money lending; or (c) the furnishing of transportation to and from and among the islands.

Owing to this development of opinion, the recent drift has been in the direction of (1) small operations carried on with minute capital, and based on the hope of getting something for nothing by trade with the natives, or through the charging of exorbitant interest rates, or (2) the getting of special franchises, as in the case of the Manila Street Railway Company, which is now beginning business.

It is, however, frequently asserted that the chief element of commercial advantage to the United States in the possession of the Philippines resides not in the direct gains from trade with them either now or in the future, but in the fact that they furnish a "stepping-stone to Chinese trade." Just what is meant by this rather vague phrase is not very clear. If the direct trade between the Philippines and the United States is relatively profitless, it is hard to see why direct trade between the Philippines and China should be more so. There will of course be continuous demand in China for Philippine hemp, sugar, tobacco, etc., to a limited extent, and a corresponding demand in the Philippines for Chinese products. This trade would go on whether we owned the Philippines or

not, and there is little ground for a belief that it has prospered exceptionally under our rule. In such a trade, the only way in which Americans could profit would be by engaging in it as middlemen on the same terms as others, which they could do independent of any question as to sovereignty over the islands. This assumes that those who speak of the Philippines as a "stepping-stone" do not refer to a situation where Americans might monopolise the land of the islands in order to devote themselves to producing articles for export to China. This possibility will be elsewhere treated. We are now speaking solely of trade as such. Most of those who have spoken and written on this phase of the Philippine question, however, evidently do not think of trade between the United States and the Philippines in Chinese goods, or between the latter and China in local goods, but hold the notion that retention of the islands will in some way advance the trade between this country itself and Chinese territory. On that point the words of Mr. C. F. Randolph are conclusive. Says he:¹

Retention of the Philippines has no relation to the bulk of our export trade. During the fiscal years 1898-1900 we exported merchandise to the value of \$3,852,000,000, of which all Asia took but \$157,000,000. . . . During the fiscal years 1898-1900 our exports to China, including Hong Kong, averaged \$20,000,000. The potential volume of this export trade is perhaps very great, . . . but we must decline to accept hysterical prophecy about Asiatic trade as our inspiration to duty in the Philippines: . . . when the merchants . . . send goods for the mainland of Asia to Manila, there unlade and store them, and reship them thence to their destination, Manila will indeed realise the prediction of the Philippine Commission by becoming "the distributing centre of the Far East," but this event must await a discovery that trans-shipment and storage *en route* lessen freight charges.

¹"Law and Policy of Annexation," p. 159-161.

From this showing, it is a fair conclusion that the Philippine Islands have not thus far proved of commercial value to the United States, and that under existing conditions they are not likely to do so. The question may be asked whether their commercial value cannot be raised, and, if so, how. In general, such a result can be attained only through careful and long-continued study of the economic situation, and the most systematic application of policies designed to advance economic welfare. It will be apparent from what has already been said that the most obviously necessary of such measures is free trade with the United States. With the markets of the United States open to Philippine products, it would be reasonable to expect an upward trend of production, offset in part by the inactivity of the natives and the absence of other labour. Such gains will, however, be of no advantage if they are neutralised by a constantly growing expense of administration. A marked decrease in present expenses and corresponding reductions in taxation are of as much immediate importance as extension of markets. Under present conditions, the whole productive energy of the people is expended in paying the cost of administration.

Next to these two matters of cardinal importance is that of proper credit and banking facilities throughout the islands. To-day, the Philippine farmer borrows from money-lenders at rates never less than 10 per cent. on the best security, and sometimes as high as 40 per cent. The labourer working for wages has neither a way to save, nor a means of investing, his earnings, for there is neither a savings bank nor any similar agency whatever throughout the length and breadth of the islands. The merchant can look for loans to but a few banks, which do business on rather narrow lines. No bank currency, except for the very limited issue of a single institution, exists,

although bank notes would be the natural vehicle by which loans of credit would be conveyed in such a country as the Philippines.

Improvement in trade, if it comes at all, will come through careful attention to such matters as these. Except so far as individuals may grow rich quickly through land or mining claims granted them at public expense, gains in Philippine business will be slow and the result of regular, patient effort. Our exports to the islands will have to be made at low prices in order to gain any sale among the native buyers. Our capital invested in the Philippines will not be able to pay returns unless it is relieved of the load of taxation which must now be borne by those who own property in the archipelago.

CHAPTER XIV

RURAL AND AGRICULTURAL CONDITIONS

GRANTING that the export situation is discouraging and that foreign trade thus far holds out small evidence of improvement, it might be expected that a change would take place in the near future, if agriculture were in a flourishing condition, or at all events gave promise of improvement. The American authorities in the Philippines have constantly represented that any check to agriculture that may have made itself thus far felt has been temporary, and would lose its force so soon as "order" was restored. The implication that order is likely to be restored at any time in the near future might well be questioned; but conceding this point entirely, it should be understood that a restoration of "order" is far from certain to produce the desired results in a commercial way. If it were true that Philippine agriculturalists neither had nor required any fixed capital, the expectations referred to might be measurably sound. This, of course, is not the case, for while the capital they employed was small, it was all the more important to them as a reliance. To-day they are largely stripped of it, and in a number of ways return to the old conditions has been made difficult. How this is can best be understood by a review of agricultural conditions.

Probably the most fundamental agricultural question in the Philippine archipelago relates to the ownership of land and the system upon which it is cultivated. At least two such systems now exist.

(1) In the greater number of cases, Philippine fields

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are worked upon a kind of peasant-proprietor system. In such cases, the agricultural workers either own the land outright or hold it in tenancy from generation to generation, paying a customary rent. Needless to say, this system is not very satisfactory to any one except the man who cultivates the soil. About the little nipa cabin of the tao or peasant worker there is usually a small area roughly fenced or divided from its neighbours by rude ditches or embankments. This area often does not include as much as an acre, but it is intended to produce rice sufficient for the needs of the family, while a few banana palms planted about the house furnish enough fruit for domestic requirements. Fishing rights (usually owned in common by a pueblo) in some neighbouring stream afford a chance of improving the diet.

(2) In certain parts of the Philippines, notably in the richer provinces of Luzon, there are found "haciendas" or estates, which are worked either upon a plantation share system or by the payment of day wages to a class of agricultural labourers living in villages or near the hacienda. The share system of cultivation has a certain feudal quality, and the labourers who work the soil usually depend upon some native or mestizo "haciendero" as their natural leader and paternal friend or supervisor. Where estates worked by day labourers are found, or where the systems of tenancy are distinctly commercial and less paternal, it appears that the estates are ordinarily carried on by corporations for the raising of products for export. This is largely true of the tobacco haciendas of the Cagayan valley, of the hemp plantations of Southern Luzon and the Visayas, and of some sugar estates in Negros and elsewhere, now unhappily falling in disuse. When times are good, the condition of the independent tao who owns his bit of ground is probably less satisfactory than that of

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his hired or tenant neighbour. When times are bad, the reverse is usually the case, since the independent worker has always the means of subsistence at hand. This, therefore, is the safeguard that has kept the Philippines from worse disaster than they have suffered—the land is largely subdivided and is directly worked by the proprietors.

In spite of this modifying circumstance, the present conditions in the agricultural districts are terrible. Much misapprehension exists concerning the actual condition of the agricultural population. Many persons connected with the insular government make the broad claim that there has been absolutely no suffering in the provinces, and that despite severe losses in farm animals and in other ways, the natural products of the country have in most places been adequate to support the population and at least provide a minimum of subsistence. In this connection should be noticed the urgent representations made by Mr. Taft which led Congress, early in 1903, to appropriate the sum of \$3,000,000 to the relief of suffering in the islands. The history of the use made of this sum would be a long one, but it is sufficient to say that the Commission did not find it wise to use the money in the way anticipated by Congress, *i.e.*, in the distribution of rice to persons supposedly in want. After some efforts to employ the fund in such purchases, the experiment was found to be so demoralising that it was resolved to use the money in the form of appropriations for the construction of roads, school-houses, etc., whereby employment was afforded to those who lacked it. By midsummer of 1904, scarcely one-half had been paid out by all methods combined, and many government officers were disposed to speak of the whole experiment as unwise and even disastrous, expressing the wish that the request for money had never been made, or, having been made, had never been granted.

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There is thus evidence both of opinion and of the experience with the Congressional relief fund on the side of those who deny the existence of positive suffering in the Philippines. Those who talk in this way, however, neglect some fundamental facts in the situation. The mere absence of actual starvation in a country like the Philippines proves nothing. The truth is that while perhaps relatively few cases of real starvation have occurred, the food of large masses of the population has been curtailed to a bare subsistence minimum. This has resulted in reducing the energy and vitality of the population and in opening the way to the spread of epidemic and endemic diseases. The disastrous cholera experience of two years ago is believed by many to have been largely due to the generally weakened condition of a great percentage of the inhabitants. There is suffering of a real, serious and widespread character in the Philippines, and there has been such suffering ever since the military operations reached their height. This has not diminished in any general sense since the close of hostilities, though it has doubtless been relieved in particular places where "marked severity" was the order of the day during the war, and where, consequently, the restoration of a partial peace has lightened the burdens of the population.

Evidence of much value as to the location of the distress in the islands, as well as its cause, may be gathered from a study of the use that has been made of the Congressional relief fund. This fund, instead of being applied at once for the relief of suffering, as many persons in the United States supposed it would be, was slowly paid out by the Philippine Commission for work on roads, school-houses and similar objects. It was believed that this would be wiser than to pauperise the population by giving away food or money—an undoubtedly wise view. Down

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to November 30th, 1903, about \$500,000 U. S. had been spent in this way, and Mr. Taft furnishes a statement of the provinces to which it was apportioned.¹ The striking feature in this statement is the localisation of the rice donations, a large percentage of them being placed in the provinces immediately surrounding Manila. A list of some of the provinces within easy reach of Manila (none being more than 150 miles distant) will illustrate this point. A statement of population is also given :

PROVINCE	PICULS (RICE)	POPULATION
Albay	5,000	240,326
Zambales.....	5,400	104,549
Tarlac.....	4,000	135,107
Pampanga.....	5,000	223,754
Bulacan.....	10,000	223,742
Cavite.....	6,000	134,779
Batangas.....	12,000	257,715
Tayabas.....	8,050	153,065
Camarines.....	4,500	239,405
Nueva Ecija.....	4,500	134,147
	64,450	1,846,589

This shows that in all 64,450 piculs of rice were distributed in provinces aggregating 1,846,587 of population. Mr. Taft states the total rice distributed as 139,957 piculs, and the recent census places the population of the Philippines at 7,635,426 persons. About 46 per cent., therefore, of the total rice distributed was given out in ten provinces (out of forty), over an area containing about 24 per cent. of the population. The question may well be asked why distress was so highly localised, and the answer is that it was in some of these provinces that the war raged most fiercely and persistently, and that reconcentration had the

¹Fourth Report U. S. P. C., 1904, Vol. I., p. 21.

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most cruel effect. But our distribution of rice has done little to effect a real relief of the prevalent distress.

A journey through the provinces cannot but give a most discouraging impression of the internal condition of the Philippines. Many towns formerly well built, and destroyed during the war by the Spanish, the Filipino forces or by the American army, have been only partially rebuilt, nipa-thatched huts taking the place of houses constructed of "strong materials" (wood, stone or iron). Even churches which failed to escape the rage of the different bodies of soldiery are in many instances ruinous, and have been abandoned for primitive nipa structures of some sort. In many places where habitations once stood, even in some cases where towns existed, not a trace is left, except here and there a group of banana palms, the indication that a dwelling was once close by. Dykes and canals intended for the irrigation of rice fields have fallen into disuse, owing to injury inflicted during military operations, and irreparable without a capital which is everywhere lacking. In some places may be seen groves of young cocoanut trees from one to two years old. These are sometimes pointed out as evidence of work done in the extension of cultivation, and as symptomatic of returning agricultural prosperity. The notion is so comforting to those who are hopeful of improvement in Philippine conditions that one regrets to destroy its basis. The facts are, however, that investigation in nearly every case shows that these plantations merely take the place of groves that were destroyed by our soldiers when engaged in military operations in the neighbourhood. As the cocoanut is a slowly maturing tree, requiring about ten or twelve years to reach its full development, these young trees, instead of indicating progress, are evidence of a loss directly resulting from the war.



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Other depressing indications are numerous. In many parts of the Philippines the roads and trails are now nearly impassable and are daily falling into worse condition. It is generally conceded that they are to-day very much worse than they were in Spanish times, and that our expenditure in repairing them cannot compare with the outlay of our predecessors. The bridges which were blown up or otherwise destroyed in the course of military operations have seldom been replaced, and deep, often dangerous, fords take their place. Land transportation is on the whole much more difficult, more hazardous and slower than ever before. The obstacles which are apparent to one who travels over the chief highways become multiplied many times over the instant any attempt is made to follow a side path. Few branch roads in the Philippines are passable at all, except on foot or on horseback, vehicle travel being almost wholly out of the question.

There are many evidences of the effects of war still visible to the provincial traveller. The "disproportionate number of women and children" as compared with the number of men, noted by at least one unbiased Philippine observer, is still a remarkable fact, and indicates the severity of the war in sweeping off men of mature years, by what means it would be beside the point here to discuss. The population is badly housed—not from a Western, but from an Oriental standpoint—and in many cases this seems to be due to the absence of men vigorous enough to perform the work of rebuilding and rethatching the houses. Unthrifty fields, ill-cultivated or depending chiefly on the bounty of nature for their increase, are the rule in many provinces where the death of the carabaos has removed or greatly diminished the supply of draft animals. There is, indeed, little to wonder at in the infor-

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mation that the rice fields do not yield sufficient grain even for the bare support of the population. Of other products the same statement will hold true, and the loud complaint that the natives will not work and are rapidly deteriorating in the quality of their produce are in part explainable by the fact that so many of the mature workers have been swept away and their places taken by boys and women, who in better times would have had to play a 'prentice part in the work of production. The increasingly depressed state of agriculture in the rice-growing islands can be realised by a review of the importations of rice. During the Spanish régime, some rice was imported, but this situation was always considered unfortunate. With the coming on of the war in the chief rice-growing provinces came a suspension of the cultivation of the staple, and the destruction of most of the work animals speedily made the lack of rice permanent. The following table gives a résumé of recent importations, as compared with those of the later years of the Spanish régime :

Rice Importations—

1893.....	\$ 628,331 ¹
1894.....	563,879 ²
1900.....	3,113,423 ²
1901.....	5,490,958 ²
1902.....	6,578,481 ²
1903.....	10,061,323 ²
1904.....	11,548,814 ³

It should be noted that 1894 is spoken of by the Schurman Commission as a normal year in the Philippines, and this judgment doubtless applies to agriculture as well as to other conditions.

¹Bulletin No. 14, Department of Agriculture, 1898, pp. 24, 25.

²Report U. S. P. C., 1903, Vol. I, p. 48.

³Report Bureau of Insular Affairs, 1904, p. 32.



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This growth in the imports of rice is attributed by Philippine farmers not to changes in agriculture, but to three causes: (1) the almost total loss of their farm animals; (2) injury done to irrigation systems during the war; (3) the scarcity of adult male labour as a result of the war.

The existence of the conditions thus set forth does not depend upon the impressions of travelling observers. These are amply borne out by the collateral evidence of the officials of the United States Government. In 1903, when distress was very acute as a result of war, cholera, locusts, rinderpest and other evils, the Commission contemplated the establishment of a government agricultural bank in the islands to furnish capital for the relief of farmers. It then sent out a circular (through the insular treasurer) addressed to all provincial treasurers throughout the islands. In this circular, the treasurers were asked to state their views as to the organisation of the proposed bank, and they were thus naturally led to give some description of agricultural conditions in their respective provinces. The result was a widespread and practically general demand for the bank as a source of capital to be loaned on real estate security, and a general description of agricultural conditions as the worst possible. Some spoke of thousands of hectares of rich lands as lying idle, others of rates of interest ranging as high as 100 per cent. for six months, owing to scarcity of ready capital; of fields untilled on account of the total absence of farm animals, of "conditions of distress hard to describe," of agriculture as "decadent," of systems of quasi-slavery arising from the total inability of families to pay their debts and support themselves. These accounts afford a striking picture of economic demoralisation that can be realised with difficulty by those who have not witnessed

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it at first hand.¹ The reports of the provincial treasurers were written about the middle of 1903, or some eighteen months ago. Within the past year, it has been usual among our officials to claim that the economic crisis is over and that the islands have entered upon an era of peace and prosperity. I regret to say that these statements have little foundation. A glance at the tables already furnished will show that the export situation was less favourable by far for the fiscal year ending June 30th, 1904, than for the preceding fiscal year. A trip through some provinces of the Philippines in the late summer of 1904 convinced me that improvement had been slight, if it existed at all. This, indeed, is the uniform testimony of the inhabitants. In fact, ordinary common sense reflection would show that no material improvement could have occurred. The death of (say) 75 per cent. of all farm animals is a loss that could not be repaired for several years by natural increase, and importation of draft animals has proved a failure. So also of other forms of capital, which in a poor country require long periods for their restoration. So likewise of the human labour supply.

In the smaller towns by the wayside, some of the marked evidences of the country's depression are visible. Nearly all the houses and other buildings of every description are in disrepair. Where an effort has been made to obliterate damage done, an incongruous result is usually obtained, since the people are not able to afford the use of stone as repair material, and have often had to fill in with nipa-thatch where stone was the material of the structure. Worthless iron or nipa roofs take the place of

¹These reports have never been published, but were lent me for examination by the insular treasury on request of Hon. H. C. Ide, Vice-Governor of the Philippines, for whose kindness in the matter I take pleasure in recording my obligation.

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per... roofing torn off by soldiers or destroyed by shot. In the interior of the houses, the disorder is even more... for here one comes close to damaged walls, doors and windows, and appreciates more fully the meanness of the repair materials, which are all that the poverty of the population will suffer them to use. In numerous instances, the interior of a convento or church, often the only buildings of any value or permanence in a town, has done service as stabling room for cavalry horses, and has been the object of wanton violence on the part of the soldiery. Whatever of worth there was in the way of altar accessories, furnishings, or even floorings, where the latter consisted of fine woods, appears to have been removed and disposed of. The accumulated hoards of finery or money possessed by some families were in a great many cases discovered and removed by the soldiery, who became very astute in detecting the traditional hiding places of such hoards, as well as very cruel in extorting information as to such places whenever they found themselves unable to locate the deposits.

In brief, the impressions derived from a journey through the Philippine Islands are those which are produced from an inspection of a devastated, demoralised country just emerged from war, and entirely without the usual reserve resources of capital, either native or foreign, upon which to draw. If it were true that the existing situation represented the result of past evils exclusively, and if there were factors tending to stimulate a belief in continuous improvement in the immediate future, the prospects would be less discouraging. Unfortunately, this is not the case. The Philippines have had the misfortune to pass from a rigorous war into a period of complete economic change (from the legislative standpoint), whose results have been hardly less sweeping than those of the



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conflict. A number of influences profoundly affecting economic conditions have been set at work, or have remained as the permanent results of the war, and must inevitably preclude any immediate improvement in the outlook. These influences require enumeration and analysis to be thoroughly appreciated.

One great difficulty under which the Philippine agriculturist suffers is the almost entire absence of loanable capital and the impossibility of getting any advances upon agricultural lands, save at exorbitant rates of interest. These rates are never below 10 per cent., the common rate being 15 to 20 on thoroughly good security. In places, the rate rises to 40 per cent. If a landowner once gets into debt, owing to inability to pay his taxes out of current incomes, or from other causes, and is obliged to borrow, he sinks into a state of servitude to local money-lenders (where these exist), and finds it difficult to get clear without the loss of his total property. If he is unable to borrow, owing to the absence of capital, the disaster which might be postponed comes upon him at once, and he loses his land forthwith.

To remedy this state of affairs, it has been often proposed that mortgage banks should be established in the various provinces. This is a universally popular demand in some regions. Some months ago, a scheme of the sort was earnestly favoured by General Aguinaldo in an address to the Philippine Commission, and his views doubtless represent a considerable section of native opinion upon the subject. Mr. C. A. Conant, who made a report to the War Department upon currency and banking conditions in the Philippines, recommended the enactment of legislation suitable to regulate the business of private companies desirous of engaging in such banking, and the Philippine Commission itself has mentioned the

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matter in reports to Congress. No one has taken any direct interest in the subject, native desires notwithstanding. Congress has been content to make a general grant of power to the Commission for the control of banking, and the Commission has been satisfied to disclaim the possession of authority adequate to the task. In short, the question has made not one step toward solution, and the need for capital has grown more urgent as times have become harder, necessitating investments in machinery, etc., which could be obtained only by pledging the soil itself as security.³

The Commission unquestionably has full authority to deal with the problem of mortgage banking, and it is merely a matter of neglect or indifference that it has not **already done so**—to the extent at least of passing legislation for encouraging and regulating private enterprises of the sort. The great issue involved in the question is whether an enterprise of this character should be undertaken by the government or should be left to individuals. The natives, influenced by a fear of moneylenders arising from unfortunate experience in the past, think the question should be handled by the government, while the latter evidently has no intention of becoming involved in financial schemes of such difficulty and extent. There is, at all events, nothing to prevent the enactment of suitable legislation designed to encourage and regulate private banking enterprises, and it is only surprising that no steps toward that end have yet been taken.

About the only step toward putting agriculturists into better position for recovering their lost ground has been taken in the establishment of the court of land registration. One thing that has always militated against the securing of capital for agricultural loans in the Philip-

³See page 310, *supra*.

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pires has been the absence of good real-estate titles. The Spanish left these titles in the worst of condition, and it has remained for the American administration to adopt some measures toward ending the interminable litigation and costly confusion as to titles that everywhere exists. This, as will be evident, is the first step also toward putting landowners into position to obtain loans on their real estate. Nothing but good can come from a definite establishment of titles, and if wisely used as a basis for credit, the established titles must serve a useful purpose in the development of the country. But beneficent as it may prove in the long run, the work of the court of land registration is, and must be for some little time to come, exceedingly hard for the natives to bear. As land is usually held in very small parcels where it is actually owned at all, the fees charged by the court of land registration will prove very burdensome, for the scale of charges fixed by the Commission seems to bear much more heavily upon the small owner than upon the *haciendero*. Parcels of land worth \$100 U. S. or less must pay \$10, or at least 10 per cent. of their gross value, for registration, a tax which seems almost prohibitive to the average small owner. Yet this registration is likely to prove an absolute necessity, since, as already noted, few such owners have heretofore had any paper titles, while throughout all of the best provinces there are now waiting many Americans eager to occupy any land that may be of value so soon as the provisions of the public land act fully take effect. They will not scruple to possess themselves of specially desirable tracts whenever it appears that the nominal owner's title is uncertain or has not secured recognition from the American courts. Thus, then, the process of registering the land implies the incurring of great present hardship for the sake of future possible gain. This hard-

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ship and expense, coming just at the present time, fall with double force upon the impoverished population. Many men are not sufficiently intelligent to see the wisdom of this process of perfecting title, and many others feel that it would better have been undertaken at some other time. Still others, however—and these the best informed—approve the plan, but believe that the fees charged are far too high, and that the burden they impose on the poor man is disproportionate. This seems to be the fair and sound estimate of the situation.

Not so favourable a view as this can be taken of the Commission's tax policy. Students of agricultural conditions in the Philippines must be struck with surprise at the unwisdom and impolicy shown by the Commission in imposing land taxes under existing conditions. The idea of taxing real estate is new in the archipelago, and however just such taxes may abstractly be, they would none the less be unpopular under any conditions. To impose land taxes now, when the country population throughout large areas is prostrated with economic disaster, seems in the highest degree absurd. Indeed, the Commission itself recognises that such is the fact by suspending from time to time the operation of the tax in provinces where conditions are exceptionally bad.

While the rate does not seem high ($\frac{1}{4}$ of 1 per cent.), it is undoubtedly entirely beyond the ability of many farmers to pay, and strikingly indicates the poverty of the rural population. The tax, moreover, is far higher than it seems, owing to the very high assessment of land values for taxation. When these have been made at a low rate, the Commission has sometimes ordered a revision, and the result has been an assessment that is generally considered excessive. In travelling in the interior, the writer found the complaint against these taxes general and

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well founded. Wishing to test the basis for the discontent, he addressed a letter to all provincial treasurers asking for a statement of (1) land values, (2) the gross taxes assessed and (3) the amount of taxation delinquent. While this letter was not answered by some treasurers, and while some others were unable to furnish the data desired, a number of replies were received. The following brief table is compiled from some of these letters and illustrates the situation:

PROVINCE	No. of Parcels Taxed. (Pesos)	Taxes Assessed (Pesos)	No. of Parcels Delin- quent or Unpaid.	Taxes Delin- quent or Unpaid. (Pesos)
Abra	28,847	10,125	.....	5,940 ¹
Batangas.....	63,488	78,370	22,551	22,160 ²
Capiz .....	.....	43,462	24,845	16,597 ²
Occidental Negros.....	.....	98,844	[10,234 ²]	[42,806 ²] ³
Pampanga	27,469	131,876	17,423	77,144 ¹
Samar .....	.....	48,735	.....	19,494 ²

An almost incredible condition is thus revealed, one that could scarcely be believed, did not the evidence concerning it come from the officers of our government directly concerned. This state of affairs is practically universal, though it of course varies in intensity from one province or district to another. For some provinces I have seen hundreds of pieces of land averaging three or four acres in size advertised for sale in order to make up

¹Time of payment extended, hence not yet technically delinquent, though probably so.

²Finally delinquent.

³Data for 1903 (1904 not available).

delinquencies in taxes. It often happens, too, that at such land sales no one able to take up the offerings appears, and the land must revert to the municipality and lie idle after the eviction of the inhabitants. This situation is seldom talked of among Americans in the Philippines, but it is fully recognised. In several instances, the Commission has been obliged to pass acts relieving the minor provinces of the necessity of paying land taxes for a given period, and in others has had to postpone the payment of such taxes. Nor do these conditions apply solely to the peasant classes. They affect large land-owners even more sharply. I have met numbers of proprietors who have assured me of the utter impossibility of cultivating their estates owing to labour conditions, low prices of products and lack of farm animals, and who, worst of all, saw their ownership of the estates endangered through lack of money with which to pay taxes. The situation was aggravated by their absolute inability to borrow upon the land as security, owing to the absence of any system of land credit or of individuals with loanable funds who would advance the amount necessary to tide them over or enable them to make a new start. The mere existence of this tax is even worse than the load it imposes upon agriculture, because of the irritation it produces and the difficulty of shifting it to the proper shoulders through an adjustment of prices and rents. This process, relatively easy in a country like the United States, becomes a matter of great difficulty where rents are customary and not competitive. At present, and for a long time to come, this tax must necessarily constitute a real reduction in the income, and hence in the capitalised land values, of the farmer. It is to this that the hostility to the tax is attributable. Indeed, the baseless idea has become prevalent among large numbers of people that this

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form of taxation was specially designed for the purpose of forcing native owners to surrender their lands to Americans who want them.

While the land tax is very generally defended upon grounds of equity as no more than a fair contribution on the part of the agricultural members of the population, closer analysis shows its essential injustice under existing conditions. As things stand, the larger part of the tariff load must rest upon the shoulders of farmers. This follows from the fact that the exports of the islands are wholly agricultural, and that the tariff policy, in causing relative reduction of agricultural prices, has unmistakably fallen with the heaviest hand upon the agricultural population. So also the export tax on Philippine products has been a direct burden upon the farmer by causing a reduction in the prices exporters could afford to pay for native products. It is not true, therefore, as widely argued, that the land tax in the Philippines is based on the notion of equity in the distribution of taxation, since the farming class already bear their full share of the burden of maintaining the government. The imposition of the tax seems to have been merely another effort on the part of the Commission to hit a head wherever it could see a chance of bringing in another peso to the treasury. No class in the Philippines is so unprotected and so little able to defend itself as the farming class, and hence the unwisdom of imposing a tax against which are evidently arrayed justice, expediency and humanity.

Among the serious handicaps to agriculture to-day must be classed the exorbitantly high price of labour (Philippine conditions considered). Employers of agricultural labourers now find that whereas they formerly paid from 25 to 40 cents Mexican for ordinary day labour under the Spanish régime, they now have to pay from 60 cents to

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one peso Philippine currency—a rise of from 100 to 150 per cent. The fact that certain private employers occasionally pay as much as \$1.50 for labour of an unskilled (although heavy) sort, and that this rate is paid on the Benguet road, where a larger number of men are employed than is true in any other single enterprise in the islands, tends to raise general agricultural wages. But the controlling fact is that this rise has been largely necessitated by the increase in the cost of living. This increase in cost is fully 100 per cent., if not more. If the labourer finds himself obliged to pay double for his supplies, it is natural that he should demand a corresponding increase in wages.

The existence of ladronism is in many instances due solely to the inability of men to get work at the high rate of wages which present agricultural conditions compel them to charge, but which landowners quite as often find it beyond their means to pay. Without the chance of earning a living, without political power, devoid of the qualifications that might enable them to get office under the government, it is not strange that the ignorant taos should readily fall under the control of leaders who (not without justice) attribute the existing evils to American rule. These men urge that resistance to the constituted authorities will enfranchise the peasants from poverty as well as from foreign control.

The increase in the price of commodities would offset to the producer the larger sum he must expend in wages were it true that the commodities of regular production in the islands were consumed there, or were there a corresponding rise in prices in the world's markets. This is not the case. The bulk of the sugar, tobacco, copra, hemp and rope and other indigenous products of manufacture annually placed in the insular market is of course for

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export. Rice is probably the only home-grown product which is consumed at home, and the growers have been prevented from gaining the full advantage of the higher price of this staple by reason of the fact that not enough of it has been raised in recent years to supply the home demand, and could not be raised because of the scarcity of carabaos. The higher price, therefore, has merely inured to the advantage of the grower in neighbouring countries which export the grain to the Philippines. In most of the other commodities mentioned, market conditions are almost uniformly bad.

Sugar, which is sold by the grower in its crude state at about \$4 or \$4.50 Mexican per pilon (large jar of standard size), actually costs \$3 in direct expenses of production, while the system of partnership in vogue between landowners and managing growers usually allows so large a per cent. of the gross selling price to the grower as to raise the actual cost to the landowner to the full market value of the sugar, leaving nothing or next to nothing for land rent. The situation with regard to tobacco is similar, though not so bad. Tobacco, however, is declining in importance, because of the limitations on its market. Copra does not present a very encouraging outlook. Hemp alone has risen in price and in demand to anything like an extent comparable with the growth in living expenses.

The most immediate and pressing difficulty of Philippine agriculture just now is the almost entire loss of the work animals—the carabaos—already frequently mentioned. It is not possible to state the losses of these animals in actual numbers, though they can be relatively estimated with fair accuracy. Such estimates place the losses at from 95 to 99 per cent., the actual deaths varying between these limits at different points. It was ~~an~~



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instance of the singular liability to misfortune from which the Philippines have seemed to suffer during recent years that the serious epidemic of rinderpest, which took away so many of the cattle, should have been in part contemporaneous with the suffering from cholera and other diseases which has worked such havoc during the past two years.

It must not be supposed, however, that the losses in farm animals have been due solely to disease. Many of the carabaos were killed during the war or during the subsequent reconcentration operations. Others were killed and used as food either by soldiers or by their owners when the latter were driven to want. An officer of the government informs the writer that in a case coming under his own knowledge during the later period of the war a single American killed one hundred and forty-two carabaos in one day for the purpose of keeping them out of the hands of the insurgents. The number killed, as compared with the number dying of rinderpest and other diseases, cannot be stated as a total with any assurance of accuracy (any more than the gross losses), but it is certain that the percentage of loss among carabaos was as already indicated, and that the loss in horses, though not so high, was crushing.

The administration, in view of the terrible suffering due to this loss of the farm animals, and the failure of the board of health to arrest the epidemic before it had swept off practically the whole of the animal supply left by the war, has taken measures designed to replace the stock slaughtered and dead of disease. It has attempted to purchase supplies of cattle in China, and after importing them into the Philippines, to sell them at cost or a little less to agriculturists. But this plan, although well intended, has been far from successful. Speaking

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of the transaction, Governor Taft in his latest report says:¹

"Thus far it cannot be said that the contract [for the importation of carabaos] has been successful. The truth is that the imported animals seem to be peculiarly susceptible to many other diseases than rinderpest; after they are brought here . . . the carabao . . . have cost the insular government 126.65 Philippine pesos a head, without counting forage and other expenses of maintenance, which would perhaps increase the expense to 150 pesos. This is not encouraging, but experience will doubtless enable us to reduce the cost. . . . It seems likely, though experiment will only make it certain, that it would be wiser for us to import the so-called Indian bulls and cows used now in the Straits Settlements, in Java, and in India for rice culture. . . ."

Mr. Taft also submits a statement from which it appears that of 1,370 carabaos accepted alive (besides 435 which died at Shanghai after inoculation, intended to immunise them against disease), only about 900 survived. The price at which they have been offered for sale has been so high, owing to the heavy losses, that few could afford to purchase. Little aid has therefore been experienced from the carabao experiment. Indeed, men connected with the insular purchasing bureau do not hesitate to say that the whole carabao undertaking has been a blunder from the beginning, involving the government as it has in an outlay of some \$60,000 (gold) without any corresponding result. It would appear that the effort to import carabao (though undoubtedly a well-intentioned experiment) must be added to the large number of instances in which the Philippine Government has acted hastily, without due inquiry or premeditation.

From the very inception of the scheme, Filipinos who had been practical agriculturists looked upon it with

¹Report U. S. P. C., 1903, p. 24.

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something more than doubt. They were well aware that earlier experience did not warrant them in anticipating success for the government in its experiment. In the past, efforts to transfer carabaos even from one island to another had failed, because of the inability of the animals to accustom themselves to such a change of environment. Experienced men informed the Commission that it would be far wiser to spend the money involved in the carabao experiment upon improved irrigation for the rice fields or in the purchase of steam ploughs for work among the sugar cane and corn in those districts where carabaos were wanting. Because the Commission was unwilling to recede from its first intention, and was rigidly set upon disregarding the advice of practical farmers who offered their warnings, it incurred a serious loss of money, which the treasury was very ill-prepared to bear. The really singular feature of the whole operation is that it should have been supposed that a population half starving, destitute of farm animals, above all entirely destitute of any machinery for getting or extending credit, would be able to buy farm animals offered them at an artificially high price by a government which held out no method of securing the means of payment, but steadily demanded cash. It is not surprising that the result of such a scheme, planned as it was with little or no regard to the exigencies of the situation, should have been total failure.

It is undoubtedly true that proper changes in American legislation, whereby our market should be opened to insular products and cheap over-sea transportation assured, would do much to alleviate the sufferings of the Philippine farmer. If, in addition, the cost of our administration could be largely reduced, the foundation for solid prosperity would be laid, but it should be clearly understood that even with these favourable conditions assured, there



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will still be much to do before the damage done to insular prospects can be even partially repaired. Of present insular exports, four only deserve serious attention, and of these four hemp now ranks far ahead of the others, its exports, \$21,794,960, being about two-thirds of the total exports of the islands, while sugar, with \$2,668,507; tobacco, with \$2,013,287; and copra, with \$2,527,014, make a combined total of less than one-third the hemp exports. The immediate future, therefore, seems to depend upon finding larger markets for sugar, tobacco and copra and of maintaining and extending the market for hemp. It deserves to be noted that the extent to which Philippine copra, sugar and tobacco can be marketed depends not only on tariff conditions, but upon the actual demand for the products that can be built up.

Let us pass in review some facts relating to the demand for each of these articles. The area under sugar in various parts of the world has latterly been so large as to furnish a superabundant supply of the commodity and to preclude the possibility of any favourable prospects in the immediate future for such supplies as must compete in neutral or free-trade markets. Of this, the present condition of the West Indies and the bad outlook for Philippine sugar furnish abundant evidence. The admission of Philippine sugar to the United States is now being advocated on the ground that the product will thus enjoy especial advantages in our market, and will yet not injure the domestic sugar grower, because the amount likely to come in will be so small. It is obvious that the admission of Philippine sugar to the American market duty free would be an immense advantage to the producer, and would probably enable him to sustain himself in the face even of the present adverse sugar conditions so long as our present tariff rates on sugar were maintained against

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the rest of the world. The argument, however, defeats itself, since the plea for free admission is based on the claim that but little would be produced and would come in. If sugar should be imported from the Philippines in large quantities, it is certain that the situation would not be tolerated by our domestic sugar growers, who would demand the enforcement of the "protective principle" in their industry. Prosperity and large sales in the Philippine sugar industry now seem to be dependent upon preferential admission to the American market, but such admission is seemingly incompatible with large sales and consequent prosperity for political reasons.

The considerations that are true of sugar hold good also of tobacco. Tobacco, moreover, is in an exceptionally difficult situation. The Manila product, owing to its peculiar flavour, appeals to a particular class of consumers, and a trade in it must be carefully developed. How far this will be possible can hardly be predicted.

Copra goes only in small quantities to the United States. During the fiscal year 1904, only \$9,231 was imported here out of a total export from the Philippines of \$2,527,019. It goes chiefly to France, and alterations in our tariff laws are not likely to affect its production and sale very seriously either one way or the other. There is no reason to expect any considerable improvement in the sale of the article, except as such improvement may be brought about by lower prices and better qualities of the annual crops due to improved conditions of production.

The only important item in the present export trade remaining for consideration is hemp. This article has been the main reliance of the islands in the export trade, and it has been thought by some that an indefinite extension of hemp cultivation might be made. It has been assumed by the authorities that a practically unlimited demand for

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Manila hemp existed, and could not be met by substitutes of any sort. This being supposed true, much stress has been laid on increased hemp exports, especially in view of the very high prices for the staple that have lately prevailed. If it were true that the hemp area could be indefinitely extended, the situation would be different, but experience shows that it is land only of a very well-defined type that will yield satisfactory results, and that the supply must, therefore, be subject to distinct limitations. But a worse shock has come in the discovery that the demand for hemp is likewise limited, being confined to good qualities only, and falling off in a marked way when a certain price is exceeded.

During the past year or two a very sharp decline in the quality of Manila hemp has been noted. This deterioration went so far as to lead to demand for official supervision and classification of hemp offerings in the market, with a view to improving the quality of the native farmer's output. Investigation brought the Philippine Commission to the conclusion that direct action on the question was impossible, except under conditions that would unduly favour certain interests at the expense of others. "The high price of hemp," wrote the Commission, "always increases production of inferior quality. This is a natural economic result; if the dealers do not desire to pay high prices for the inferior quality, their refusing to do so will soon bring up the quality of hemp."¹ Correct as the Commission doubtless was in this decision, the fact remains that the demand for the fibre is very distinctly limited, and is decreased by deterioration in quality, as well as by increase in price. To what extent this is the case may be inferred from the decline in hemp exports to the United States during 1904. We took about \$12,300,000

¹Report U. S. P. C., 1903, Vo. I, p. 51.

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worth of hemp in 1903, out of a gross exportation of \$21,700,000 in that year. During the year 1904, out of substantially the same gross exports, only \$10,600,000 went to the United States, a decline of about \$11,700,000. The reasons for this falling off were clearly stated in a letter written to Mr. H. T. Edwards of the Philippine Bureau of Agriculture by a representative of the International Harvester Company of Chicago. After describing the quality of hemp preferred in the manufacture of binder twine, and complaining that "never within the experience of this company or its predecessors, extending over twenty years, have we been afflicted with so uniformly poor qualities of hemp as for the past two years," the letter went on to say that:

"If the supply of sisal [fibre] were sufficient, we should discontinue the use of Manila under present conditions of quality, and, while we are not able now to adopt this course, on account of our requirements, we are gradually raising them, using substitutes wherever it is possible, and other consumers are doing the same. We believe that the result will be a gradual reduction of the consumption of Manila hemp for binder twine purposes, and a corresponding increase in the consumption of other fibres, unless some remedy is found for improving Manila hemp. Once consumers learn that other fibres can be used as economically as Manila, a return to the latter fibre will be a difficult matter."

Mr. Edwards, in a later communication to the chief of his bureau, fully admitted the soundness of the complaints of the makers of binder twine, showed that sisal fibre is now used in the manufacture of probably 75 per cent. of all binder twine, and indicated the introduction of a machine for cleaning hemp as the only promising means of warding off danger to the hemp trade.¹ Such a ma-

¹Correspondence published "Manila American," July, 30th, 1904 (official paper).



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chine has since been completed, and at a recent test in Washington was said to work well, but is equally available for the treatment of sisal fibre. It is therefore hard to see how it will much assist in the advancement of the Manila product.

The sisal fibre several times referred to is now largely drawn from Mexico and elsewhere, and is only slightly cultivated in the Philippines. Its wider cultivation there is, of course, possible should commercial conditions make it profitable. The same is true of various other tropical products, some of which the government is now striving to introduce. But from what has been said it will be evident that Philippine agriculture is not likely to prove the bonanza it has been considered. Most of its products can be obtained as well and as cheaply from some other source, and others of them must meet the sharp competition of valuable substitutes grown elsewhere. The agricultural future of the Philippines must depend upon careful, persistent, steady work designed to improve the quality and lower the cost of native products and thus to win in a sharp competitive battle. Even with a rich soil and great natural productiveness, success can probably be gained only if special commercial advantages are granted by the United States.


CHAPTER XV

THE EXPLOITATION OF THE PHILIPPINES

IN many ways, the exploitation of the Philippines is the central factor in the problem of our relations to the islands. It was originally a main motive leading to our occupation, and it has constantly been before the eyes of our administrators, and particularly of our citizens, in the archipelago ever since. Thus far, our efforts at exploitation have been unsuccessful, and to this fact is due much of the doubt and hesitation which has characterised our insular policy hitherto. On the other hand, nothing can be more certain than that large investments of American capital in the islands would tend to embarrass us in relinquishing the islands.

Success in exploiting the Philippines is not a simple problem. On the side of agriculture, it is closely involved with the tariff question; on the side of franchises, with that of labour. At the bottom of the whole question lies the attitude of the government toward the native and the foreigner as well as toward general questions of development. This attitude involves considerations relating to the Congressional situation, as well as to the policy of the government of the Philippines.

The position of Congress has as usual been the complex resultant of numerous conflicting forces. As has been said, a main motive for the popular clamour which resulted in our taking the Philippines was the idea of exploitation. But this idea as popularly expressed was crude and ill-defined. So far as it was logical, it was based



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largely upon the notion of wide extensions of our trade, and not upon considerations of ownership of Philippine fields and mines. The legislators who were influential at Washington had had enough experience in such matters to be extremely wary about letting our government get into a hopeless entanglement over questions of franchises and lands; and when the Philippines became ours, they were able, in the absence of well-organised interests working to the contrary, to adopt a policy of delay. It was determined that the military authorities should have no power to alienate public lands, and thus the whole question of exploitation was postponed until the establishment of civil government.

The Taft Commission had hardly established itself in the islands before it began to urge the passage of legislation designed to encourage the investment of capital. This notion was strongly presented in the first¹ and second² reports of the Commission, but the discussion assumed no serious form until the Philippine Civil Government Bill was drafted.³ While that measure was before the Senate Committee on the Philippines, the question was debated and testimony taken. Most of those who had had charge of affairs in the islands were adverse to any policy which would result in large grants of public lands to individuals or corporations, but comparatively slight antagonism was shown toward mining concessions. The bill itself went through various phases in the different "committee prints," but as finally reported made full provision for mining, and also included some very important

¹Report U. S. P. C., 1900, pp. 48-54, e. g.

²Report U. S. P. C., 1901, pp. 29, 30, etc.

³See, however, the brief discussion of the Spooner Amendment already offered in Chapter II of this volume, and the remarks of Senator Bacon there quoted.

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provisions regarding public lands. The central feature of the latter was the limitation imposed upon the amount of land to be granted. Section 15 read as follows :

"That the Government of the Philippine Islands is hereby authorised and empowered, on such terms as it may prescribe by general legislation, to provide for the granting or sale and conveyance to actual occupants and settlers, and other citizens of said islands, such parts and portions of the public domain, other than timber and mineral lands of the United States, in said islands, as it may deem wise, not exceeding 16 hectares to any one person and for the sale and conveyance of not more than 1,024 hectares to any corporation or association of persons."

This provision was the outcome of a lengthy struggle in which certain interests (which by this time had crystallised) sought to secure the substitution of provisions largely increasing the amount of the land grants. Some of the proposals sought to secure grants of 20,000 acres and leases for ninety-nine years on Philippine lands. Two very different forces co-operated to oppose any such proposals. The sugar interests, very active in Washington during the session of 1901-02, regarded the Philippine land question as a phase of the general sugar problem. They did not wish to see large areas opened to sugar culture in the Philippines, for they foresaw the pressure for free trade with the United States certain to result therefrom. On the other hand, opponents of the colonial policy opposed a system of large land grants as likely to be prejudicial to native well-being. The combined result was as just indicated. Shortly before the passage of the bill, however, interests desirous of carrying out the exploitation policy secured an amendment to sec. 75. That section as passed read as follows :

"That no corporation shall be authorised to conduct the business of buying and selling real estate, or be permitted to hold or own real estate, except such as may be reasonably necessary to

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enable it to carry out the purposes for which it is created, and every corporation authorised to engage in agriculture shall by its charter be restricted to the ownership and control of not to exceed 1,024 hectares of land, and it shall be unlawful for any member of a corporation engaged in agriculture or mining and for any corporation organised for any purpose except irrigation to be in any wise interested in any other corporation engaged in agriculture or in mining. . . .”

This section, if carried into effect in good faith, would have given substance to sec. 15 by preventing corporations from actually gaining control by purchase of more than 1,024 hectares (2,529 acres), which they could “take up.” It was vitiated by the insertion of the words “except irrigation.” Mr. Taft, in a speech before the New York Chamber of Commerce early in 1904, spoke of a provision “by which the limitations [on land ownership] may be evaded if private profit requires.” Even with this open door of evasion, conditions were not sufficiently satisfactory to lead to much investment of capital, and the Commission has not hesitated to call for the increase of the limitation to something like 25,000 acres. While the Philippine Commission has thus been urgent in pressing the need for exploitation upon Congress, it has apparently had no consistent purpose of developing the islands by the application of their own resources.

“After three years of actual civil government,” says a recent observer, “. . . not one yard of railway has been begun; only one wagon road is in process of construction; no canals or deepening of rivers have been undertaken, nor any improvements of harbours, except at Manila. . . .”¹

¹A. R. Colquhoun, “Greater America,” p. 109. Since Mr. Colquhoun wrote the words quoted, some minor extensions of the Manila and Dagupan railway have been undertaken by private capitalists, a street railway has been constructed in Manila, and the railway construction bill passed by Congress early in 1905.

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None of these deficiencies is more serious than the failure to build roads, and this is the more striking because one of the main objects set before itself by the Commission when it began its labours was the improvement of the transportation facilities of the Philippines. In Spanish times there had been a rather poor system of inter-provincial roads, and during the insurrection these naturally became very much worse. Owing to military necessities, bridges were destroyed and roads rendered impassable. The close of the war found the means of communication much impaired. Some provinces were virtually isolated from others, and those who advised the Commission rightly directed its attention to the transportation question at the outset.

The very first act of legislation passed by the civil government, September 14th, 1900, appropriated \$2,000,000 Mexican to be expended "under the direction of the military governor in the construction and repair of such highways and bridges as in his judgment may be most conducive to the public welfare."¹

But this good resolution of the Commission with reference to the improvement of transportation did not last long. No further considerable appropriations for roads, except for a highway into Benguet province, were passed by the Commission until a long period had elapsed. This apparent neglect was a great disappointment to those who were interested in the future of the islands, for some improvement in the means of communication was considered vital by every one familiar with the economic condition of the archipelago.

A review of the first 1,083 acts passed by the Commission (terminating March 10th, 1904) shows that little more than \$1,500,000 gold had in all been appro-

¹Laws passed by the Philippine Commission, Vol. I, 1903, p. 1.

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appropriated from insular funds for road building by the Commission.¹

¹The following list furnishes a complete statement of the road appropriations of the Commission to March 10th, 1904:

Act No. 1,	Sept. 12, 1900, General Appropriation,	\$2,000,000 Mex.
Act No. 2,	Sept. 12, 1900, Benguet.....	5,000 Mex.
Act No. 61,	Dec. 21, 1900, Benguet.....	75,000 U. S.
Act No. 196,	Aug. 12, 1901, Local Roads.....	75,000 U. S.
Act No. 311,	Dec. 4, 1901, Benguet.....	25,000 U. S.
Act No. 330,	Jan. 9, 1902, Benguet.....	450 U. S.
Act No. 379,	Mar. 17, 1902, Benguet.....	100,000 Mex.
Act No. 381,	Apr. 2, 1902, Local Roads.....	50,000 Mex.
Act No. 418,	June 17, 1902, Benguet.....	113,500 Mex.
Act No. 490,	Oct. 27, 1902, Benguet.....	30,488 U. S.
Act No. 464,	Dec. 22, 1902, Local Roads.....	25,000 U. S.
Act No. 595,	Jan. 13, 1903, Benguet.....	120,000 U. S.
Act No. 623,	Feb. 7, 1903, Local Roads.....	6,000 U. S.
Act No. 794,	June 30, 1903, Benguet.....	7,500 U. S.
Act No. 835,	Aug. 20, 1903, Benguet.....	238,575 U. S.
Act No. 913,	Oct. 1, 1903, Benguet.....	6,221 U. S.
Act No. 918,	Oct. 2, 1903, Local Roads.....	25,000 U. S.
Act No. 920,	Oct. 3, 1903, Local Roads.....	84,000 U. S.
Act No. 1000,	Nov. 20, 1903, Local Roads.....	117,000 U. S.
Act No. 1015,	Nov. 30, 1903, Local Roads.....	87,000 U. S.
Act No. 1016,	Nov. 30, 1903, Local Roads.....	180,000 U. S.
Act No. 1073,	Mar. 3, 1904, Local Roads.....	126,800 U. S.
Act No. 1074,	Mar. 3, 1904, Local Roads.....	17,000 U. S.
Act No. 1083,	Mar. 10, 1904, Local Roads.....	31,000 U. S.

If these various sums be reduced to a basis of U. S. gold and the total taken, it will be found that in all about \$2,206,505 have been appropriated for the repair of roads and bridges. Of the acts above enumerated, Nos. 918-1083 inclusive, were made to draw upon the Congressional Relief Fund of 1903, and aggregated \$667,800. Of the earlier acts, Nos. 196, 381, 564, and 623 were loans made to provinces where distress existed, in order that aid might be furnished to those who needed work. These loans from the insular treasury aggregated \$81,000 Mexican, or about \$34,000 United States. The balance, after deducting these two sums from the grand total, is \$1,504,705, which represents

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Certain sums have been appropriated by various provinces from their own local funds for road improvement, but these sums have not been large, and the roads to which they were devoted were purely local. Moreover, they were no feature of the work of the insular government.¹


The item "Benguet" occurs frequently in the road appropriations of the Commission, and analysis shows that the sums appropriated for that province aggregated \$599,963, which sum, if deducted from the total of the Commission's road expenditures, would leave little more than \$900,000 as the outlay for roads other than those in Benguet. The archipelago as a whole, therefore, apart from Benguet province, has had much less than three-fourths of the total road appropriation drawn from insular funds. This seems a singular situation, when it is recalled that Benguet is not a commercial province, and would seem to need much less in the way of roads than

what the Commission has done with insular funds for the improvement of the transportation service of the islands, including the Benguet road.

¹I am indebted to Mr. James W. Beardsley, Consulting Engineer to the Commission and Chief of the Bureau of Engineering, for the following estimate of actual outlays for roads to June 1st, 1904:

Expended under military engineers pursuant to Act 1.....	\$2,000,000 Mex.
Expended in Mindanao as above.....	150,000 U. S.
Outlay for roads under construction at present (Congressional Fund).....	667,800 U. S.

Mr. Beardsley also estimates the cost to date (summer of 1904) of the Benguet road as about \$700,000 U. S. The total length of roads newly constructed under civil supervision he places at 250 to 300 miles. Little of this mileage is absolutely new, most of the outlay being made for improvements in old trails or unimproved wagon roads.



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some of the agricultural and exporting regions. The "Benguet wagon road," in fact, represents practically all of the Commission's road-making activities from the very beginning of its career. The sum of \$900,000 U. S., or about \$225,000 a year for four years, is substantially only the original appropriation of \$2,000,000 Mexican made at the outset, the Mexican dollar being reckoned at an equivalence of \$2.20 Mexican to \$1 U. S. It is certainly odd that the Commission should practically have limited its road-making work after the first day of its legislative existence to the construction of a highway intended to connect Manila with a mountain resort intended for use as a "summer capital" for the Commission. This, however, is what has been done.¹


¹The Commission early began to take a deep interest in Benguet, authorising a considerable appropriation for road surveys in the province at the very outset. Later, when work had been begun, the Commission showed a tendency to interfere arbitrarily with the plans of the engineers, and by various changes in route, the cost of the road was greatly increased. In the effort to keep charges down, it was sought to hire men at very low wages and, when it proved impossible to keep them, complaint was made of the inefficiency of Filipino labour. Instead of suspending operations, the Commission each year devoted practically its whole available road-fund to the construction of this highway. Thus, all road construction was practically limited to getting access to a mountain resort where a "sanitarium" (used as a summer hotel by the Commission and a few of the higher officers of the government) had been erected. In the process of constructing this road, there has been great sacrifice not only of money but also of lives, as may be seen from the reports of the engineers in charge. The road is by no means complete even as yet. The operation has been a scandal throughout the islands, rousing special indignation in those districts which have been left with their roads in the impassable condition to which they have been reduced by war. The failure of the Commission to take any measures for the relief of the bad road-transportation

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If the Commission has been niggardly in appropriations for internal development, it has been fruitful in legislation. The Public Land Act, promulgated August 2d, 1904, may be regarded as a definite statement of the policy to be pursued under the Civil Government Act. This land act provides in great detail for the homesteading by individuals at the rate of 16 hectares each, and the purchase or leasing by corporations of not to exceed 1,024 hectares of public land each, the details of the operation being confided to the Bureau of Public Lands.

How far this act will be availed of by prospective settlers it is as yet too early to say. There is general agreement that "homesteading," so far as applies to American settlers, is a bizarre idea. With perhaps a few exceptions, no American will find it worth his while to reside upon and cultivate his 16 hectares (40 acres) for five years, as provided by the act. The Philippine Islands are not suitable for occupation by American settlers, to whom the climate is wholly unadapted and agricultural conditions unfamiliar. How far the new system will prove attractive to natives is purely a subject for conjecture. The writer is informed by the officers of the Bureau of Public Lands that down to August, 1904, few evidences of probable settlement, either by Americans or natives, had been perceived. Here and there through the islands may be found a few men who have established themselves and are preparing to make good their claims. In some instances it unfortunately appears that the "homesteading" process is to be applied to land already occupied by natives. How far these occupants will be protected by the pro-

conditions have been a serious shock to belief in the wise intentions of that body, and the continued outlay at Benguet has led to serious reflections upon its motives,—however unfounded these may be.



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visions of the act designed to safeguard such cases is yet to be seen. The officials of the Bureau of Public Lands ascribe the comparatively slight interest in lands to the fact that the land act has not been long enough in operation—actual or anticipated—to bring out prospective purchasers, though they are inclined to accept the popular view that the provisions of the Civil Government Bill are insufficiently broad to attract many purchasers or lessees at any time. Such inquiries as have come to the bureau have been chiefly from Americans. On the whole, it must be concluded that the administration of lands in the Philippines has not proceeded far enough to permit a judgment as to the actual effect of existing legislation. One thing, however, stands out as conspicuously wise in the present plans for land management. This is the limitation which has been placed by Congress upon the amount of land to be taken up. If any change is needed, it is in the direction of further limitation rather than enlargement. The supposed loophole whereby land companies masquerading as irrigation companies can secure control of large tracts should be closed.


The foregoing statement is in direct opposition to the representations of the Philippine Commission and the current arguments of American exploiters. It is based upon the assumption that what we are seeking is the good of the natives and not the advantage of our own commercial adventurers. A system of large estates would materially injure the present status of the Philippine population. The natives could not, as a rule, expect to carry on such estates, and the business of conducting them would be largely, if not wholly, in the hands of foreigners. Not only would Filipinos lack the capital for beginning such enterprises on a large scale, but they would be unable to engage in them or compete with them for other reasons.

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On all large native estates which now exist, the system of tenancy is more or less patriarchal. The effort is to make the estate a self-sufficient unit rather than to produce on a basis of competition with others. If a system of competitive large-scale agriculture or mining were to be introduced into the Philippines to-day, the result would be that present native owners of estates would be absolutely unable to maintain themselves on the old basis and would soon be forced to sell out or to try to adopt the new system for themselves. This latter they would be unable to do, for such action on their part would place them in a position of antagonism to the ideas and prejudices of their own people. They would be ostracised. So also of the small native farmers who now cultivate very small

parcels of ground. Under the new system, these minute holdings would soon be absorbed or forced out of cultivation. A class of landless agricultural workers or peasants would take the place of the present population, which works very largely on its own land or holds land in tenancy under a loose semi-patriarchal system. Much may be learned on this subject from a study of the situation in Japan. That country does not permit foreigners to hold real estate, and the acquirement of franchises by foreign companies is looked upon with much suspicion and carefully guarded against by the government. No foreign enterprises involving the ownership of large areas of land would be tolerated for a moment.

What would happen to the Philippines to-day were the proposed franchise and land grant policy of the Commission to be put into effect was very clearly stated by General MacArthur when a witness before the Senate Committee on the Philippines in 1902. General MacArthur had already emphatically stated his views on this subject in a report concerning conditions in the Philip-



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pires. In reply to questions as to the effect of large land grants, he answered :

I deprecate the idea . . . that we are going to sell public lands there in blocks of 5,000 acres with a view to rapid exploitation. That I should regard as disastrous both to American and Filipino interests absolutely.¹

General MacArthur also explained the system of exploitation employed by the Dutch in Java, describing it as most injurious to the interests of the people, and predicted that similar results would follow a policy of rapid exploitation by Americans in the Philippines. Again, General MacArthur remarked :

One of the great apprehensions of the people . . . is that the effect of exploitation will be to deprive them of their resources, and relegate them eventually to a position of social inferiority about which they are very sensitive.²

The general made an exception in the case of railways,³ which he spoke of as an immediate necessity, neglecting the fact that railway franchises would necessarily be followed by agricultural and other grants; but with reference to all grants except those for railways he was explicit in urging that they should be "deferred as long as possible" and "held in abeyance."⁴

It should be observed in connection with what has just been said that an exaggerated idea of the extent of the public lands of the Philippines has grown up in the United States. Mr. Taft and others, in speaking of the area of the archipelago, often give it in round numbers as 70,000,000 acres, adding that 5,000,000 acres are now

¹S. Doc. No. 331, Part II, 57 Congress, 1st session, p. 1379.

²*Ibid.*, p. 876.

³*Ibid.*, p. 878.

⁴*Ibid.*, pp. 877, 878.

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private property and that 65,000,000 acres are open for development. This statement is misleading. The area of the islands is probably about 73,000,000 acres and the land already owned (though not all cultivated) about 12,000,000, leaving 61,000,000 in the hands of the government. Of this large area, however, fully 40,000,000 acres is forest, and will be reserved from occupancy under the public land act already considered (sec. 13). Only about 21,000,000 acres as a maximum are thus left open for agricultural exploitation.¹

The fact that about two-thirds of the public lands of the Philippines are thus retained for forest (or possibly mining) purposes renders the forestry policy of the islands a topic of much importance. Experience up to date is said to indicate that the timber license system will amply protect the forests of the islands against undue exploitation, and this may prove to be the case, if the Forest Bureau shall continue to be carefully administered and shall not yield to commercial pressure for the granting of licenses. The fact remains, however, that during the fiscal year ending June 30th, 1903, with little capital invested and but slight effort at exploitation, a total of nearly 5,000,000 cubic feet of lumber was taken from the public lands of the Philippines besides firewood, gum and gutta percha and other products, as well as the output of private estates. About 2,430 timber licenses were granted. Under present conditions, much of the lumber needed in Manila for building purposes is imported from the Pacific Coast of the United States, but if road improvement and other transportation services should largely improve in the Philippines, it might be expected that very much larger inroads upon the forests would be made.

¹Report of Chief of Forestry Bureau, September, 1903, in Report U. S. P. C., 1903, Vol. III, pp. 295-303; also p. 623.

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Of more immediate importance, even, are the mining conditions, which have been developed much further than those relating either to timber or to agriculture. One of the ideas which appealed most strongly to the Americans who first went to the islands was that the mineral resources would prove very rich. Measures designed to please the considerable body of prospectors who had come to Manila were early urged by the Commission, and, as already seen, Congress legislated extensively on the subject in the Philippine Civil Government Act. The Commission further extended and applied these provisions in Acts Nos. 624 and 777. This mining law, as adopted, was in general the same as that in force in Mexico. Technical discussion of the legislation would be out of place here, and it is only necessary to remark that the regulations provide for the locating of claims not exceeding 1,000 feet square by any individual, and limit each person to a single claim on any one lode.¹ Placer claims may run as high as 8 hectares, and coal lands may be taken up in blocks of 64 hectares. Larger allowances are made for corporations. As has been seen, the Civil Government Act went into effect July 1st, 1902. Act No. 624 was passed by the Commission February 7th, 1903. The legislation on mining has thus had opportunity for a more conclusive test than other branches of the Commission's legislation relative to the public domain. The chief of the Bureau of Public Lands reported September 1st, 1903, that up to that date a total of 599 mining locations had been filled, and the writer was informed by him (summer of 1904) that at least as many more would be reported for the year ending September 1st, 1904. A total of at least 1,200 claims in two years' operation shows that the legislation in force is well adapted to forward the process of

¹This provision the Commission wishes to have abolished.

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exploitation. Most of the individual Americans in the islands who are desirous of "developing" them belong, in fact, to the prospecting class, and they have gone to work energetically. The failure of the exploitation policy thus far has been in its ill-success in attracting corporate enterprise, which has held off for better privileges and more satisfactory labour facilities. Several large corporate interests have sent agents through the islands with a view to examining the mineral resources, and while reports have been favourable on the whole, those chiefly involved have been prevented from making heavy investments by uncertainty as to the Philippine policy of the United States and the extent to which public opinion in America would insist upon protection to native labour. Since the Presidential election of November, 1904, a number of companies which were previously holding back are said to have taken steps toward beginning business.

Another phase of the problem of exploitation relates to public franchises and the investment of large sums in permanent public works. The fundamental facts in the franchise situation are these. Business in the Philippines of the sort heretofore carried on has proved to be unprofitable. The export and import trade is in bad condition, the country overburdened with taxes, land is being sold to meet the assessments, farm animals are dead, estates unproductive. The Philippines have no market, owing to present tariff legislation. Consequently, the growth of a general business with foreign countries, based on competitive enterprise and spontaneous investment, has not occurred. The Commission finds its revenues inadequate, and experiences great difficulty in getting sufficient objects of taxation. The result has been to lead those in charge to the conclusion that the investment of capital must be brought about by inducements offered to particular indi-



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viduals and companies to put wealth into specified enterprises. These inducements can take the form only of exclusive privileges to do certain things or guarantees of interest on such investments, or both.


The idea governing this policy of encouraging investment seems to be two-fold. First, it is believed that such enterprises will result in immediate outlay of money and a consequent improvement in business conditions for the time at least. Every one in the islands recalls with satisfaction the military period, when large sums were regularly disbursed to soldiers and were as regularly spent by them. The result was an active demand for goods of all kinds, and consequent large profits to business men as well as large importations of commodities. The profits kept the business community satisfied with the situation, and the importations brought large volumes of customs duties into the treasury. If companies organised in the United States should come to the islands and undertake their internal development, they would spend large sums for labour and superintendence, for imported machinery and for supplies of all sorts. This would instil new life and activity into business. This motive is freely admitted by public officers and is regarded as legitimate. A public officer of standing in Manila with whom the writer talked during the past summer said to him, "The Commission knows it has got to introduce prosperity into these islands, otherwise the American people will get tired of the job and drop the islands in one way or another. Now the easiest thing is to get Congress to pass legislation committing the United States to Philippine prosperity. We can thus get capital in here on a guarantee, and that will make things boom and make our Philippine policy permanent." Questioned as to the future, he merely shrugged his shoulders and answered, "After us, the del-

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uge." Further, were certain companies induced to invest, and were they then to find that their interests would be advanced by free trade with the United States, they would at once begin systematic work in Washington for the purpose of inducing Congress to put the islands on a more satisfactory legislative basis, either by giving free trade with the United States or by abolishing some of the restrictive laws by which commerce is now hampered. In other words, the financial interests which now find their profit in legislation injurious to the commercial prospects of the archipelago would be met and antagonised by other interests, which would have an object in more liberal legislation. In this way, political pressure could be exerted in Washington for the measures which would be likely to advance insular commerce.

Again, it is believed that a large immediate investment of capital in the Philippines would afford employment at good rates to many natives who now are discontented. These men would then become more friendly to the existing order of things, and their better state of feeling would largely contribute to the tranquilisation of the country. Men who support the present Philippine policy feel that to grant a considerable number of franchises on condition that they should be immediately taken advantage of would be the keenest political stroke that could be made, and would end forever all chance of successful agitation toward a change in the political status of the islands.

By committing the government of the United States to what amounts to a guarantee of the interest on such investments at a specified rate, it is thought that the political objects involved in the plan of franchise grants will be materially advanced. There will be a strong feeling at Washington in favour of anything tending to promote trade with the Philippines and thus to improve business



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conditions there, while in case of proposals to sever our connection with them by granting independence or otherwise, the relation of the government to the question involved will act as a powerful deterrent to any action designed to change the existing situation.

The facts of the situation as just set forth were apprehended by the Commission at a very early date, and the passage of time strengthened its members in the belief that capital would not come to the islands in large sums, as had been anticipated, unless some special government aid were extended to it. To get Congress to extend such aid, and thereby to infuse new life into the moribund economic system of the islands, was a prime object with Mr. Taft when he resigned the governorship and accepted the portfolio of war. Very shortly after his return to the United States he made overtures to capitalists in New York, but soon became aware that nothing could be done until action had been obtained from Congress. In order to meet this need of the situation, a bill granting to the Philippine Commission the power to guarantee an income upon investments in railways, and providing also for certain issues of bonds for local improvements, as well as sundry changes in the Civil Government Act, was drawn up, presented to and passed by the House of Representatives. This was H. R. 14,623. Although it had gone through the lower chamber without unusual opposition in an inactive long session, it was determined to hang the measure up until after the Presidential election in the autumn. That event being disposed of, the measure was pressed forward as soon as Congress reassembled, and on December 12th, 1904, serious debate was begun in the Senate.

In the form in which the bill was presented to the Senate, it provided for several distinct objects. It ex-

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empted all bonds issued by the government of the Philippines from taxation, authorised the Commission to sell bonds for the construction of provincial and municipal public works of various sorts, conceded to the Commission the authority to enter into contracts guaranteeing an income to railway investors at a rate not exceeding 5 per cent. and to a gross amount not exceeding \$1,500,000 annually for thirty years, and authorised the importation of railway construction and equipment material free of duty. The act further made some minor changes in Philippine legislation,¹ and re-enacted the mining law of the islands with slight alterations. Of these provisions, the only ones that properly opened a field for serious debate were the sections authorising the issue of local bonds and the guarantee of railway incomes.

While the debate on the measure was shared in by but few members on either side of the chamber, it differed from most preceding Philippine debates in having a direct bearing upon the measure under review.

Discussion showed that the bill had been badly and loosely drawn in important particulars, and several of the more competent men on the Republican side exerted themselves to improve it in these respects. The suggestions of these men related in part to the rate of interest which might be guaranteed by the Commission and in part to methods of preventing fraud or the invalidation of the government's prior claim to the guaranteed roads. Further changes designed to limit the power of municipalities to issue bonds were also introduced. All these, however, were points of detail. The central figure in the debate,

¹Among these was a grant of authority to the Commission to raise the salaries of the Judges of the Supreme Court to \$10,000 annually. The title of the civil governor was changed to "governor-general."

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to which the most serious speeches were addressed, was the question whether or not the proposed railways should be built by the direct action of the Commission itself or by private individuals working with capital whose interest was guaranteed. Mr. Newlands of Nevada, in a lengthy argument, maintained that the bonds issued under the pending bill would be morally, if not legally, a charge upon the United States in case of inability on the part of the Commission to fulfil its obligations, supposing that a direct call should be made by railway owners whose enterprises had failed to pay the required dividend.¹ Therefore, he contended, it would be a measure of wisdom for our government to come forward at once with a direct guarantee of bonds to be issued by the Commission, thus cutting down the interest charge to $2\frac{1}{2}$ per cent., and saving \$750,000 yearly to the Philippine treasury. By then building the roads itself and putting by an annual sum for sinking fund, the Commission would in thirty years become the actual owner of the roads without cost additional to that contemplated by the bill.

Somewhat the same point of view was taken by other Senators, but Mr. Lodge, who was in charge of the measure, at once waved these arguments aside, scouting the notion of government ownership, and intimating the uselessness of discussion of the subject. He sharply antagonised the idea of postponing consideration of the measure pending the preparation of surveys on the ground that the Commission was fully able to deal with all matters of detail, and that what was needed was to push on and trust the Commission, giving them ample power and putting negotiations into their hands. Neglecting the opinion of the attorney-general's office rendered with reference to the friar land bonds, Mr. Lodge contended that the United

¹Congressional Record, 58th Congress, 3d session, pp. 133 *et seq.*

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States was bound by no obligation to make good the securities issued by the Commission, and that it would be unwise to enter upon such a policy now.¹

Conservative opponents of the bill attacked the measure on two grounds, inefficiency of the policy and unsuitability of the measure. Taking Mr. Lodge at his word with regard to the ultimate obligation arising from the interest guarantee, Mr. Culberson pointed to the unfortunate financial situation of the Commission, and argued that it would be impossible for the archipelago to add to its present annual load the burden of guaranteed interest payments. Mr. Bacon showed that none of our own government-aided roads had escaped insolvency, and drew therefrom the conclusion that the same would probably be true in the Philippines. If such a guarantee was to be made, it would amount to a subsidy, and hence it was maintained by Mr. Culberson and others that the subsidy had better be made in the form of land grants and not in money.

The radicals, on the other hand, attacked the whole plan as a fundamentally wrong measure. Said Mr. Quarles (a strong administration Republican):

What will be the effect . . . of this measure? . . . I am afraid that it will create a revulsion in the minds of those natives against our processes and our methods. . . . Let us stimulate them and obtain better methods of transportation over improved highways, and then let us take up the matter of railroad exploitation at a later time.²

Mr. Carmack argued that the best way to get the desired roads was to give the islands fair tariff relations with the United States, thus inducing prosperity and assuring the voluntary introduction of capital subject to no guarantee.³

¹*Ibid.*, p. 137, etc.

²*Ibid.*, p. 357.

³*Ibid.*, p. 359, etc.

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Sprinkled through the debate were discussions of remotely related topics—government in the islands, methods of taxing railway capital, and freights and fares upon the unbuilt railways of the Philippines. Nowhere was there sustained, persistent and downright opposition to the bill as such. Only one or two persons seemed to grasp the real danger of exploitation certain to result from the railway plans of the Commission. Mr. Newlands was almost alone in his prediction that:

Assuming that private capital becomes invested in this railway system, the owners of that capital will seek to make money in other enterprises connected with the railroad—in manufacturing and in production of various kinds—and they will naturally seek to control that production. . . . The danger will be that . . . we shall have there the operation of trusts and combinations and syndicates for the purpose of exploiting the country. . . .¹

In spite of the inadequate character of the debate, and the resolution of the administration Republicans to pass the bill without modification, enough opposition had developed within their own ranks to cut off some of the more dangerous powers conferred by the measure. When the bill came to a vote, several amendments were consequently incorporated, and these were in substance accepted by the representatives of the lower chamber in conference committee.

The bill as finally signed February 6th, 1905, limited the amount of improvement bonds to be issued by the Philippine Commission to a maximum of \$5,000,000. It further limited the gross amount of bonds that might be issued by any municipality to an amount not exceeding 5 per cent. of the assessed valuation of the local property. The railway bond provisions were found in sec. 4. In that section there was provided an elaborate mechanism for the control

¹*Ibid.*, p. 135.



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of the conditions under which interest guarantees were to be made. This mechanism was intended to secure the honest investment of capital and proper application of earnings, subject to rules to be laid down by the Commission. Under these conditions, the Commission might make guarantees of income at rates not exceeding 4 per cent., or \$1,200,000 per annum in all:¹ Contracts of guaranty were to be concluded only on proof of completion of sections of twenty continuous miles, and the insular supreme court was given original and exclusive jurisdiction in all cases involving the construction of the act. Subsequent to the passage of the act the War Department engaged a railway expert to make careful specifications and descriptions on the basis of which construction proposals might be invited.

There are several things which should be carefully noted in connection with the proposed franchise policy.

In the first place, there is absolutely no fund of local capital ready to take up the grants which the administration stands ready to give. Men in the Philippines, both natives and those who have come to the islands in the past and by long association have become identified with Philippine interests, have little or no capital outside what is absolutely necessary for the support of their present undertakings. They are in many cases deeply involved with local banks, and are looking to these institutions to carry them through the difficulties which they are now

¹The discriminating reader will of course understand in spite of the denials offered in the debate on the railway bill, that the credit of the United States is regarded by the law officers of our government as being behind the bonds issued by the Philippine Government. This is fully set forth in H. R. Report 2227, 58th Congress, 2d session, Part II, p. 4, in which the opinion of the attorney-general's office is quoted. The same view would apply by analogy of reasoning, to the railway interest guarantees.

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facing. They could not even think of investing in new operations. All capital for first enterprises, therefore, will necessarily have to come from outside the Philippines, which means that it will be drawn from the United States. This will result in the creation of a foreign holding of interests in the Philippines, a situation productive of less harm were the political affairs of the islands in the hands of their inhabitants, but likely to result disastrously while such affairs are under the control of those whose pecuniary welfare is involved with the administration of government and the selection of insular policies.

Secondly, the efforts to induce capitalists to invest will undoubtedly result in the practical giving away of the few very valuable privileges for little or nothing. A case in point is the charter granted to the Manila Street Railway Company, which is now beginning business in Manila. This document provides¹ for a fifty-year franchise grant to the street railway company, with no provision for the acquirement of the company's property by the city after a period of years, the only compensation for the franchise being a payment of 2½ per cent. of gross receipts. The company is further authorised to furnish electric light, heat and power, and has already absorbed the company lately engaged in supplying those services. It is scarcely necessary to say that the stock is held chiefly in the United States and not in the Philippines.

The experience with the Manila Street Railway Company will unquestionably be repeated in the case of any other franchise of a similar sort that may be accorded under the direct legislation that can so easily be passed by the Commission. Should it be so, every such franchise granted to-day under the existing business conditions will mean a grant of valuable privileges that might be sold in

¹See Act No. 484, Laws, Vol. II, pp. 32-41.

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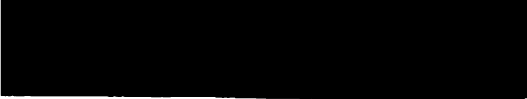
the country has not had time to recover from the effects of the war, and it is not likely that it will be taken up in part at least by local capital. Just at present there is no demand whatever for railways or for mining grants or for other forms of enterprise. Such grants, if now made, will not be made in response to genuine needs on the part of the population, and capital will have to be paid at an exorbitant figure (either in privileges or land or interest guarantees) for what it does. When the government goes to investors for the purpose of inducing them to make investments, it necessarily gets the worst of the bargain, and such seems to be the prospect at present.


Many conservative men feel that the effort to hurry matters is certain to result most unfavourably, partly for the reason that false impressions will be created in the minds of investors by the anxiety of the government to interest them in the islands, so that they will demand more and more exorbitant terms, and partly because the terms offered in the present depressed state of business would necessarily have to be more liberal than should be granted.

But the feature of the situation worthy of most careful thought is the present plan to guarantee interest on the investments of the type under discussion. Something similar to this plan has already been tried in the Philippines during the Spanish régime. The Manila and Dagupan railway, which was constructed by English capitalists, received a certain sum for every mile of railway constructed, with the result that the road is said to have cost more per mile than any other railway in the world.¹

¹Mr. James W. Beardsley, chief of the Bureau of Engineering, informs the writer, however, that the Manila and Dagupan reports the total cost of its line as \$4,500,000 or somewhat less than \$45,000 per mile, the road being something over 100 miles







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Sufficient experience of a similar sort has been had in the United States, but it should be remembered that the dangers of such work are much greater in the Philippines than in America. The character of the conditions under which a railroad must be laid, or any other large public work undertaken, render it possible to sink an immense sum without visible results. For this and other similar reasons, therefore, it is evident that a government guarantee may be far from the best means of securing investments of capital, as was indicated in the debate on the franchise bill, though doubtless the Commission will impose such conditions as it can for the protection of the government.

The accompanying map¹ shows that is now planned by the Commission in the way of railways, for which they are apparently ready to grant the most generous terms and concessions. This map embodies the results and recommendations of Mr. J. T. Norton, a civil engineer who was appointed by the Commission to make investigations, and who, after several months' reconnoissance, reported to that body in June, 1903.

The lines indicated on the map represent an estimated outlay of about \$11,000,000, portions of the road requir-

in length. The Manila and Dagupan is the only railway in the Philippines worthy of the name, though a few tram lines exist. It was constructed by English capital and has paid fair dividends, but a large proportion of its receipts are from passengers. No such returns could be expected in the case of the roads proposed (as later described herein) by the Commission, as they would traverse districts where the population is sparse and where there would be less demand for transportation, even, from the few inhabitants than along the lines of the Manila and Dagupan.

¹Taken from the Report of J. T. Norton, civil engineer on proposed railway lines in the island of Luzon, Washington, 1903. See, however, Appendix II to this volume.



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ing very heavy expenditure, owing to the engineering difficulties, as well as to the fact that the material, even to the ties, must be brought from the United States. Special methods must be resorted to, at considerable expense, to protect the wood of the ties from injury by tropical insects and to safeguard other parts of the material from peculiar dangers to which it is liable in the climate of the Philippines. Bridging the rivers will be costly, as many of them change their courses in the rainy season.

On the other hand, neither Mr. Norton (whose report is regarded as a standard), nor the experts in the Bureau of Engineering at Manila, feel able to promise anything brilliant in the way of actual returns on the investment in these lines. Mr. Norton's usual comment on a given stretch of proposed road is that it may pay a "fair interest" after the first year or two, but he is seldom willing to hint at anything more than this.¹ One of the most capable engineers now in the islands recently said to the writer apropos of Secretary Taft's apparent difficulty in inducing American capital to promise to come to the Philippines, that the poor success in this respect was no more than might have been expected. The reason he assigned was that conditions in the Philippines at present are not such as to warrant the hope of large returns, and that capital can make very much better dividends in the United States than it can there. The general feeling of some government officers undoubtedly is that the prospects that can be offered to capitalists are unsatisfactory, and that therefore special inducements, such as gifts of lands, guarantees of

¹Of the line from Manila to Aparri, Mr. Norton says that it "would hardly pay operating expenses for the first two years and no interest on capital invested until four or five years." He scribes the line from Manila to Batangas as probably a "pay-
; property."

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interest and other subventions, if not indeed all of them, will be requisite, and should be held out in order to secure favourable action by American investors.

The real inwardness of the railway situation is undoubtedly the feeling of the Commission that railway development is needed for political reasons, and that it must therefore be had at any sacrifice. The Commission, as we have seen elsewhere, has great difficulty making incomes equal outgoes. It has failed to act vigorously on the road policy, which it, as well as all competent observers, has laid down as essential. It sees no hope in present financial conditions for immediate action on the subject. Consequently, it seeks to secure the construction of railways by private capital as a substitute for the long provincial roads otherwise required. They will succeed, if at all, by the acquisition of land actually needed for the growth of present population (and which, if handed over to corporations, will undoubtedly be used for the laying out of large plantations to be worked by cheap labour) or by the actual payment of interest on investments out of public funds. The latter payments, if of considerable amount, would be as severe a drain upon the resources of the islands as would appropriations for the immediate construction of wagon roads, and hence it will unquestionably be sought to make the roads pay from the outset by the methods already indicated, provided Congress will pass the necessary legislation for larger land grants as urged by Mr. Taft. This amounts to a policy of hasty development and quick exploitation at the cost of the future well-being of the country and the slow but conservative expansion of its population and wealth.

The Philippine franchise question involves much more than the single problem of railways, since this inevitably leads off into related subjects. The opportunities in other




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fields have been thoroughly examined from time to time, including several recent surveys by men representing capitalists who might invest "if proper terms were offered them." While the present efforts of the Commission seem to be chiefly directed toward securing investments in railway enterprises, it is well understood that this is by no means the end of what they mean to undertake. It is desired to interest capital in other forms of investment if necessary, such as shipping.

Why have the interests held off thus far in spite of our friendly attitude, and what do they want? This question raises the question of the native attitude toward the plans of the Commission. It is difficult to say anything precise of the general feeling of the Filipino people on so complex a topic. Most of them know nothing of the subject, and neither appreciate the effects of the franchise policy for the future, nor the cost at which it must be carried out in the present. It is certain that they would oppose it did they believe that it would result in binding the Philippines more closely to the United States and in thus postponing, if not absolutely destroying, future prospects for independence or home rule. For the most part, however, they do not think of this phase of the subject, and would favour the construction of railways or other public works and the grant of franchises to the promoters if the construction could be effected with domestic labour, at no unreasonable cost to the country, without the sacrifice of its public lands, and without a resultant series of unpleasant consequences in the shape of agricultural exploitation enterprises of various sorts.

The ultimate answer to inquiries regarding the Filipino attitude toward foreign capitalistic enterprises is thus bound up with four conditions, of which three, as already , would probably be violated by the introduction of



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foreign capital. Of the other topic—the labour question—nothing has yet been said. A fundamental demand of many who have recently looked into the economic resources of the islands is the introduction of Chinese coolie labour, either under contract or otherwise. Should large operations be undertaken, either in connection with railways or otherwise, this demand will be largely intensified, and the pressure will probably become too strong to be resisted. This, in fact, is anticipated by many Americans now in the islands, who have been urgently demanding the admission of the Chinese for some time past. The interests represented in the islands have hitherto been unimportant, and their demand for cheap labour has consequently gone largely unheeded. But the situation would be very different were the request for the admission of Chinese to come from large organisations controlling public works and having the interest on their bonds guaranteed by the Commission, which means by the United States.

Those who have examined the railway situation carefully do not attempt to mask their partiality for Chinese labour. On this point Mr. Norton and most other engineers are exceedingly explicit. In the report already cited, Mr. Norton points out that his estimates are all based upon the possibility of completing the construction of the proposed lines within three years after the beginning of actual construction, which will undoubtedly require foreign labour. Without such labour the prices given will not apply, as dragging the construction over five or ten years of time would so largely increase the administrative expense and interest charges. There is no possibility," he continues, "of building the proposed lines, or any of them, within a reasonable length of time except by the importation of Chinese or other foreign labour," though he estimates

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that "a law requiring all able-bodied men residing within a given distance of proposed lines to work a certain number of days per month or year on their construction" would "aid to some extent."¹

The whole question of the economic outlook in the Philippines is so intimately bound up with the labour problem and with native well-being, while the statements of those who now advocate the admission of Chinese are so generally accepted, that it is worth while to consider the labour situation with care. The attitude toward Filipino labour that is most popular among the Americans in the Philippines is one of condescension, even of contempt. It is charged that the natives are naturally indolent and averse to labour, and that without ambition, and with scant needs, the threat of discharge has little or no terror for them, for they prefer to stop work rather than to continue, entirely irrespective of the pay they may receive. It is charged that an increase of pay merely decreases the time that a native will work instead of stimulating him to work longer and more faithfully. Americans say that Filipino labour is expensive, unintelligent and difficult to get on any terms. For these reasons, there has for some time past been a loud outcry for the admission of Chinese labour in order that the "development of the islands" may proceed. This point of view on the part of Americans has not contributed to a better understanding between them and the Filipinos, nor has it tended to increase the efficiency of men employed under American overseers.

Wishing to test the accuracy of these statements concerning Filipino labour, the writer has investigated as

¹Norton's report, *ante cit.*, p. 10. While some engineers now believe that sufficient Filipino labour could be had they admit that good wages would have to be paid for it, which would largely enhance the quoted estimates of cost.

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many cases where native labour is largely employed as he could find. There are four principal sources of information on this subject, corresponding to the four instances in which native labour has actually been employed on a large scale. The experience in each of these cases has been as follows:

(1) The Marivéles stone quarries. In Spanish times, a beginning had been made at works designed to increase the area of safe anchorage in Manila Bay. After the arrival of the Americans, these works were continued, the contract for quarrying stone and filling the space behind the sea wall being let to the "Atlantic, Gulf and Pacific Company." This corporation established an office at Manila and opened stone quarries at Marivéles, about thirty miles down the bay. Here grew up a village in which were employed (summer of 1904) some 800 Filipinos, working under the direction of white overseers. Under these conditions, labour is carried on at Marivéles with great success. It is certainly not true that a Filipino does anything corresponding to the day's labour of a white man in a colder climate. He does, however, do much better than the white labourer could do in the climate of the Philippines, and from figures furnished by the overseers in charge, it would appear that the cost of the work per cubic yard is not very different from what it would be in the United States. It would be absurd to expect that a labourer supported on a diet almost exclusively of rice with an occasional piece of fish could possess physical force comparable with that of the labourer in temperate climates supported upon the substantial diet there customary. Experience shows that the labour of natives who earn a peso (fifty cents gold) per day, and whose standard of living is proportionately low, is not cheap, and measured both by quantity and quality, will turn out

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to be no more profitable than that of the European or American labourer, whose standard of living requires much higher pay, but who accomplishes correspondingly more.

One point is regarded by the superintendents as definitely established—they think that an employer who offers fair wages and regular pay can secure all the men he needs, and by decent treatment can keep the bulk of them as long as they are needed. The Filipino will not work for nothing, and he will not submit to the abuse and humiliation that could be visited upon a Chinaman without protest, but the white overseers find him teachable and on the whole a satisfactory labourer, considering the fact that his frame is small and his muscles, like those of many tropical peoples, lax and undeveloped. Some who have worked as overseers of Chinamen before assuming charge of the natives at Marivéles say without hesitation that the Filipinos are quite as satisfactory labourers when they are doing their best as are the Chinese coolies, and that they turn out as much work. The chief difference they detect between the two peoples when employed as day labourers is that the Filipino refuses to be treated with the contempt and brutality that a Chinese coolie seems to put up with willingly enough. As a general verdict, it may be stated that the experience with the 800 Filipino labourers at Marivéles over a period of many months furnishes unqualified support to the belief that under suitable conditions the natives can and will work both steadily and well. Training and patience in control do as much for them as for other labourers, but the material is there and can be availed of. As for supply of labour, the managers of the Atlantic, Gulf and Pacific Company give full assurance that they have all, and more than all, the applications for employment that they can take care of, and the places



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of any men who may leave after a pay-day are quickly filled.

(2) The Manila Street Railway Company. In carrying out the terms of its franchise within the time fixed, the Manila Street Railway Company has had to employ a very large force of natives in grading, paving and the laying of tracks. This work has been in progress for many months with increasing intensity, the force growing larger and larger, but the company has never lacked for men. A word to the old employees on Saturday night that more men would be wanted on Monday morning has always produced applications from the desired number of workmen at the appointed time. These men have worked under very different conditions from those which prevail at Marivéles. Instead of living in "company houses" and buying at a "company store," they live in their own homes and buy wherever they choose. Instead of having their amusements provided, they find them where they can, and are free to stop work whenever they please. In spite of these facts, upon which predictions of failure were early based, the supply of labour has been regular and the natives, instead of stopping a large percentage of the days for amusements, have really taken relatively few holidays. The quality of their work has also been good. Personal observation had led the writer to think them considerably superior in application, intelligence and attention to many of the ordinary labourers seen in the United States engaged in similar kinds of street work, though the amount they accomplish may be less in consequence of the difference in hours, the character of the climate and the smaller physique of the men. The company has often expressed satisfaction with the efforts of the labourers and with the abundant supply of them. It is frequently charged that both at Marivéles and in the employ of the Manila Street

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Railway Company satisfactory forces of men have been gathered by a process of survival of the fittest, many thousands being employed and the less efficient discharged from day to day until the weaker, idler and more inconstant had nearly all been eliminated. This is an ingenious supposition, but does not seem to accord with the facts. At Marivéles, men are hired just as they come, and without any regard to their past records. They are very seldom discharged, and it would be entirely incorrect to think that the men of the force had been culled from a mass of others by any process of gradual selection or discharge. Much the same is true of the street railway force, although there have naturally been more changes in this body of men, owing to the fact that it is at work in a place where other employments are occasionally offered, and at a kind of work which usually requires greater skill than quarrying. For the first of these two reasons, men have left their places in probably greater numbers than has been true at Marivéles, and for the second reason it has been necessary to discharge more men than at Marivéles, in order to get those who were adapted to the kind of work set them to do. The success in getting an abundant supply of workmen has, however, been complete, and their faithfulness and attention to duty has been satisfactory. The employees do not represent a select group culled from a much larger mass, but in their various occupations are simply the average labour of the country.

(3) The Benguet wagon road. In beginning the construction of this highway, a body of natives was employed at low wages under a misapprehension on their part. They were improperly provided for, and most of them speedily deserted, while those that remained worked halfheartedly. In fact, it proved difficult or impossible to get

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valuable results out of them. This experience led to much frothy talk about the worthlessness of native labour, and is the stock piece of evidence on the subject. The recent history of this enterprise has, however, reversed the inferences drawn from earlier efforts and has made clear that the initial difficulties were due to careless management quite as much as to inefficient labour. The force of men now engaged on the road is working well under better management, and the complaints concerning native employees have ceased.

(4) Various branches of government service. Natives have been employed here and there quite numerously by different bureaus of the government which had work to do, or by the supply departments of the army and navy. One of the departments or bureaus making the largest use of native labour has been that of the quartermaster, and written evidence regarding the general value of this labour has been furnished by the officers in charge. Major J. B. Aleshire, in an apparently forgotten report, dated November 4th, 1902, gave his experience with a body of Filipinos numbering about 1,500 men. He reached the conclusions that:

There is no difficulty in securing good labour.

The labourer works from 7 A.M. to 12 M., and from 1.30 P.M. to 5.30 P.M., and under emergencies, whenever required, with no extra pay for Sunday or night work.


This labour is very efficient.

Chinese labour was formerly employed for the handling of coal, but has been abandoned and replaced by Filipino labour, which by practical tests during several months averaged more tons per man per day and at a much lower rate per ton.

I prefer the Filipino labour employed by this office to Chinese.

The attendance of Filipino labourers has been and is excellent.²


²Third Annual Report Philippine Commission, Washington, 1903. part 1, p. 163.



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Major Aleshire's conclusions thus stated are amply borne out by the evidence furnished by other officers to him, and quoted in the document cited below. His experience is the same as that of many other public officials and private contractors and business men and is in substantial agreement with the results attained in the work of the Atlantic, Gulf and Pacific Company, the Manila Street Railway Company and latterly, the task of constructing the Benguet road. These four examples, which it is believed are the only ones where Filipino labour has been commercially employed in non-agricultural enterprises on a large scale, must be regarded as furnishing a test of practical experience in contradistinction to the vague abuse and broad charges of inefficiency levelled against Filipino labour by dissatisfied Americans resident in the Philippines.

This experience should be given full weight in discussing the main political question, which is dependent upon judgments concerning the efficiency of Filipino labour—the question, namely, whether the Chinese should or should not be freely admitted to the archipelago. The demand for the admission of the Chinese has been loud and persistent during the past year or two, and has proceeded not only from Americans actually in the Philippines, but from English and other business firms having interests in the islands, and from Americans at home who are contemplating the investment of capital. This demand is nominally based upon the scarcity of Filipino labour and upon its inefficiency. We have already seen, however, that in practical life this labour has been found abundant and relatively efficient, and the question whence this demand originates may therefore fairly be asked. Does it come from ignorance of the real facts of the situation or from some other source? It is not to be supposed that



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any of those really engaged in or contemplating large transactions are ignorant of what has been done by other employers, and it would therefore seem that the demand for the admission of the Chinese must have a meaning different from what appears on its face. The basis of it seems really to be that by the admission of Chinese workmen the wages paid for day labour, now relatively high as compared with other Oriental countries (50 cents gold per day for ordinary day labour), would be decreased, and the intenser competition would lead to the lowering of the Filipino's standard of living. The surplus earnings which he is now able to spend in amusement of various kinds could be cut off, and without much reduction in his efficiency his wages could be lowered to little more than enough to pay for his daily allowance of rice and fish. The reduction in wages which would certainly follow the admission of Chinese is generally conceded in conversation by those who advocate the abolition of the immigration laws, although they prefer to rest their main argument upon the alleged inefficiency and scarcity of Filipino labour. It is probably true that were large works to be undertaken in the internal development of the Philippines, the increased demand for labour would raise wages even above the relatively high point they have now reached. The Filipinos themselves understand the situation perfectly well, and bitterly resent proposals to bring Chinese coolies into the islands, because they know that they themselves would then be obliged to labour for the mere wherewithal to keep body and soul together. It is much to the credit of Mr. Taft and a few of those associated with him that they have hitherto resisted all efforts to secure the introduction of Chinese coolies. This has been a wise position politically, as well as industrially, for the strong race hatred now existing between the Filipinos and the


Chinese already in the islands would unquestionably be much accentuated by the coming of a large number of coolies.

One feature of the labour question that has received too little attention is the recent proposals to admit the Chinese under certain restrictions, similar to those adopted by the English in South Africa. This plan is warmly advocated by some Americans under the guise of a measure of protection to the natives, the claim being that should Chinese be admitted under a system which will guarantee their return to China within a definite period, the country would be relieved of all danger of a Chinese invasion and settlement. This idea is supported by Professor J. W. Jenks, who made some inquiry into conditions in the Philippines in 1901-02. Professor Jenks says: "It seems to be necessary to admit, under careful restrictions, a certain number of Chinese labourers,"¹ and goes on to suggest a scheme whereby Chinese could be admitted upon bond of their employers that they return at the end of a specified time. Professor Jenks further denies that the demand for Chinese labour is based solely on a desire to cut down wages, though he concedes that such a wish plays some part. He, however, argues that:

"Wages at the present time, in certain lines of industry, are so high that it would be impossible to compete in a common market with Hong Kong, Singapore or other cities with whose goods the Philippines must enter into competition," and suggests that a reduction of some extent in wages is necessary, thus admitting the whole case, viz., that the demand for Chinese labour comes from those who wish to exploit the resources of the islands for their own benefit and who rely on cheap labour to reach their ends.

What would be the effect of thus artificially lowering

Report on Certain Economic Questions in the Orient, p. 158.



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wages, while artificially maintaining prices (through tariff and other legislation), and at the same time taxing with crushing effect the industries of the country, is a question not faced by any of the advocates of Chinese immigration. The extreme selfishness of those who are making these demands can be better understood by a closer analysis of one aspect of Chinese immigration. Contrary to what is generally supposed in the United States, there are many Chinamen who control capital and who are in addition the shrewdest of traders. If the gates of the Philippines should be opened to unrestricted immigration, there would undoubtedly be an influx of this class of Chinese. They would compete as sharply with Americans who have business interests in the Philippines as would the coolies with ordinary Filipino labour. Americans engaged in retail business would inevitably be driven out or forced to reduce their prices and profits. They do not wish to see the bars let down to an immigration which would produce such results, and this is the real reason why they propose to give the Filipinos labour competition by bringing in coolies under bond while they protect themselves against trade competition by maintaining the general immigration laws. This policy, although it masquerades as a scheme of protection to the native labourer (in contradistinction to unrestricted immigration), really aims to protect no one except the white trader and investor. Thus the Chinese question, contrary to what is usually supposed, is very far from being a single distinct issue. It involves more than usual possibilities of injustice, not only as between races, but as between employer and employee.

To sum up the present exploitation prospects of the Philippines, there is small prospect that exceptional profits can be earned on investments of private capital in public

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world which capital can be induced to come in only under government guarantee, or on the strength of large concessions of land, or the control of labour, or all of these inducements. If such concessions, especially those relating to labour supply, are requisite, there are no natives that would willingly countenance the plan for a moment. As General MacArthur early pointed out, they are intensely adverse, at any rate, to any policy that involves treating them as a subject race, or that implies forced labour on their part, or would develop a system under which they would degenerate into a landless peasantry. Exploitation, therefore, must practically be accomplished in the face of the opposing public opinion of the Philippines. What is needed is conservative and rational public improvements, particularly a system of good roads constructed with the islands' own resources, or, if necessary, the proceeds of public loans directly made, and resulting in general benefit without charge to producers and traders. Needless to say, such improvements should be constructed with domestic labour.



CHAPTER XVI

INCOME AND OUTGO

WHEN the Philippine Commission took charge of affairs in Manila, it found the treasury in a flourishing condition. The Spanish tariff regulations had been enforced by the military authorities and had produced large revenues. True, the disturbed state of the country had precluded the collection of much internal revenue outside Manila, but this would in any event have been relatively unimportant. Importations had been large, owing to the presence of a numerous body of troops. On the other hand, administration had not been especially costly, being carried on chiefly by American officers, who were paid by the United States. A surplus of about \$2,500,000 U. S. was reported by the Commission November 30th, 1900.¹ This, with \$455,093 of Spanish seized funds—in all, therefore, \$3,000,000 in round numbers—was the inheritance from the military régime. It is unfortunate that no system of bookkeeping that can be readily followed has ever been adopted by the Philippine treasury. From the reports of that office, however, and from those of the Secretary of Finance and Justice, the following tabular statement has been compiled.

This statement requires some explanation, which must be inferred, rather than drawn directly, from the reports of the government. In columns 1 and 2 of the table are given the actual cash receipts and disbursements of the government for the various years. Column 3 is the difference between columns 1 and 2. Column 4, headed "apparent gross surplus," is therefore cumulative, and each item represents the savings of the whole series of preceding

¹Report U. S. P. C., 1900, p. 36.

TABLE SHOWING CONDITION OF PHILIPPINE TREASURY DURING FISCAL YEARS 1898-1905

FISCAL YEAR	RECEIPTS	EXPENDITURES	SURPLUS OR DEFICIT FOR YEAR	APPARENT GROSS SURPLUS	ACTUAL BALANCE IN TREASURY	FREE BALANCE IN TREASURY
1898-1899.....	\$3,463,581	\$3,094,102	+\$369,479	\$369,479		
1899-1900.....	6,768,710	5,114,772	+1,653,938	2,023,417	\$2,500,000 ¹	2,500,000 ¹
1900-1901.....	11,263,317	7,063,821	+4,199,496	6,222,913	3,919,420	3,919,420
1901-1902.....	13,726,106	13,954,011	-227,905	5,995,008	3,999,426	3,999,426
1902-1903.....						
Ordinary.....	16,832,402					
Extraordinary ...	7,675,390	19,869,104	+4,638,686	10,633,694	6,849,321	2,173,931
Total.....	24,507,790	15,071,060	5,861,867	16,495,561	10,547,606	-270,299
1903-1904.....	20,932,927					

¹ Figures chiefly computed from Reports of Treasurer and Report of Secretary of Finance and Justice in Report of Philippine Commission for 1904, Part III, p. 399 *et seq.* Figures for 1904 from preliminary Report U. S. P. C., 1905.

² November 30, 1900, instead of June 30. See First Report U. S. P. C., p. 36.

years. It thus stands for the money actually in the treasury at the end of each fiscal year. It appears, however, from a study of the finances of the Philippines, that the Commission has habitually allowed appropriations to run over from year to year. This practice has given rise to an item called "repayments from appropriations," which now makes its appearance annually in the statements, and represents the sums left over from various earlier appropriations and finally paid back into the treasury. It also implies that the apparent surplus in the treasury at the end of each year is purely nominal, since out of it are due various balances on appropriations yet unliquidated. Column 5 has been compiled to show the net balance, less liabilities for appropriations, actually the property of the treasury at the close of each year. This column shows the real cash condition of the treasury, and furnishes the proper index to its condition down to the year 1902-03. In the latter year, two things not properly to be combined with the ordinary revenue account of the government were done—a currency system was established on borrowed money and a sum of \$3,000,000 was received as a donation from Congress for the relief of suffering in the islands. None of the sums then received ought to be included as normal revenue, nor should the outlays growing out of these be regarded as usual. Unfortunately, the treasury has simply included them in its ordinary accounts. Column 6 is therefore given as representing the free balance in the treasury when the trust funds arising from the currency operations and the Congressional relief enterprise are omitted from consideration. In looking through the figures for 1903, it must be remembered that receipts should be reduced by \$3,000,000 of certificates of indebtedness issued, by \$1,000,000 worth of pesos deposited as the result of coinage and by \$3,000,000 of relief funds, a

total of about \$7,600,000. So, also, expenditures should be decreased by the portions of these borrowed funds that were actually spent and the apparent gross surplus by the portion of such funds remaining unspent. Confining our attention to column 1, it appears that the total receipts actually gathered into the treasury from ordinary sources during 1900-01, 1901-02, 1902-03 and 1903-04 amounted to \$70,430,140. The treasury started with a free balance in 1900 of \$2,500,000, and it had at the end of the fiscal year 1904 a deficit of \$270,299. Expenditures have therefore exceeded receipts for the period by \$2,770,299, and amounted in all to \$73,200,439, which is a sum wholly derived from insular sources and represents the actual cost to the natives of the Philippines of four years of Commission government. It should be noted that this deficit was the fact which most strongly impelled the Commission to inaugurate the new internal revenue system, shortly to be studied, and that in the absence of some such new source of supply, a much larger deficit for the year ending June 30th, 1905, was anticipated by the authorities. This is roughly an average of \$18,300,000 annually. If we deduct \$16,000,000 as the cost of the currency system, purchase of friar lands, etc., borne out of the proceeds of bond sales or from the gifts of Congress, the average annual outlay for running expenses will be reduced to \$14,300,000. What have the Philippines received in return?

They have already received government, as has been seen. It is also maintained that they have received education and public works. Both these topics have been given a separate and full treatment, but at this point it will be well to review the general revenue basis upon which these claims rest.

The Philippine Commission early saw the need of the

islands for internal improvements directed along judicious lines, and in the beginning made a liberal appropriation to that end. Before long, however, the increasing cost of administration forced the executive to stay its hand from the treasury. As a result, the actual outlay from the central treasury for such works has been small, and has become centralised along certain very distinct lines. The main objects for which outlay of a kind to be regarded as permanent investment has been incurred are (1) a road to the summer resort in Benguet, (2) the improvement of the port of Manila, (3) preliminary work toward improving certain other ports, (4) scattering appropriations for road repairs and construction here and there, (5) certain betterments and construction of public buildings in Manila (printing plant, ice plant, etc.), (6) purchase of coast guard vessels, etc. This, of course, omits from consideration the currency system and the land purchases, which have been paid for with borrowed money and which have been eliminated from account.

From the none too lucid accounts of the auditor, the total outlays for permanent purposes made from annual revenues seem to have been about as follows:

1901.....	\$ 867,983 ¹
1902.....	2,109,336 ²
1903.....	2,213,179 ³
1904.....	3,352,414 ⁴
	\$8,540,912

¹Report War Department, 1901, Vol. I, Part 8, p. 72; also Part 9, p. 488.

²Report Philippine Commission, 1902, in Report War Department, 1902, Vol. X, Part 2, p. 800.

³Report Secretary of Finance and Justice in Report Philippine Commission, 1903, Part 3, p. 296.

⁴Report U. S. P. C., 1905, p. 207.

In the matter of education, the situation is plainer. For that object (through the Department of Public Instruction) the expenditures have been as follows:

1901.....	\$ 233,411
1902.....	1,194,381 ¹
1903.....	1,400,563 ²
1904.....	1,244,096 ³
	\$4,072,451

As a gross total, it therefore appears that a little over \$12,500,000 represents the outlay of the government on educational and public improvements during the four years under consideration, or on an average about \$3,000,000 annually. This deducted from \$13,300,000 would leave about \$10,300,000 as the outlay for the actual expenses of maintaining peace and order and of legislation.

It will, however, be observed that this figure includes no allowance for military expenses or for the maintenance of American battleships in Philippine waters. According to the report of Major-General Davis for the year 1903,⁴ the actual expenditures for the army were \$17,968,445, while estimated outlays for navy, according to the same officer, would raise the expenses for the year to \$21,000,000. The number of men—about 16,000 white troops and 5,000 scouts—upon which this estimate is based has now been somewhat reduced, so that it may

¹Report Philippine Commission, 1902, in Report War Department, 1902, Vol. X, Part 2, p. 800.

²Report Secretary Finance and Justice in Report Philippine Commission, 1903, Part 3, p. 443.

³Report Philippine Commission, 1905, p. 239. Compare figures therein given with those furnished in reports already mentioned.

⁴Pp. 44-50.

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be fair to reckon a reduction of perhaps \$3,000,000 in the cost of the Philippine military establishment.

If this be done, we should have the account as follows:

Civil Government (borne by the islands)	\$10,300,000
Military and Naval Forces (borne by United States).....	18,000,000
	<hr/>
	\$28,300,000

A strict computation would increase this amount by a considerable sum, since the islands are in a variety of ways a cash drain on the resources of the United States. Omitting such facts from consideration for the moment, the question recurs, Is this a moderate and reasonable sum for the annual maintenance of government in the archipelago?

It is undoubtedly representative of the normal outlay which must be looked for in the immediate future, for we have already eliminated from the civil figures all items of extraordinary expense, while the military figures are based on a force of 12,000 to 14,000 white and 5,000 native troops, a force regarded as something like the minimum military strength with which the "civil government" can feel itself safe. In trying to form a judgment as to the reasonableness and general economy of such a government, it is necessary to fall back upon Spanish precedent, since the temporary native government had probably no regular budget—none, at least, that has become publicly known.

According to the investigations of the Schurman Philippine Commission, the financial affairs of the government of the Philippines for the years 1894-95 stood as follows:¹

¹Report of First Philippine Commission, 1900, Vol. I, pp. 79, 80.

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RECEIPTS		EXPENDITURES	
Direct Taxes	\$6,659,450	General Obligations	\$1,360,500
Indirect Taxes	4,565,000	State	65,150
Receipts from Monopolies	1,112,850	Church and Courts	1,687,100
Lotteries	873,000	War	4,045,000
From State Property	195,500	Treasury	823,201
Petty Receipts	174,100	Government	2,220,120
		Public Works, etc.	628,752
		Navy	2,450,170
	\$13,579,900		13,280,139

It appears at once that this statement is not precisely comparable with that already given for the American Government. The first item under expenditures, that of "General Obligations," must be omitted, since nothing like it occurs in our own budget. It included pensions and a number of other expenses not directly connected with the Philippine Islands. So, too, of the second item, "State" expenses, which covered all Spanish diplomatic outlays in Oriental countries. If these two items be omitted, it will appear that the government of the Philippines cost the Spanish administrators \$11,854,483, of which sum \$6,495,237 was for war and navy, \$628,752 for public works, and the balance, \$4,730,494, for civil (including church) administration. The "dollars" here spoken of are, moreover, the Spanish-Filipino pesos, or Mexican dollars, worth possibly fifty cents (American money) in the year 1894-95.¹ The figure just given should, there-

¹In making the comparison between total outlays in which military and naval expenses are included, moreover, it should be borne in mind that the outlay for army under the Spanish was based on a force of about 13,200 men, of whom 11,000 were natives, while our own is based on a force of some 17,000 to 19,000 men, of whom only 5,000 to 6,000 were native troops known as scouts. This point of difference is important, since where native

fore, be halved, and the quotient, \$2,365,247, will be the cost of Spanish civil administration stated in gold. Comparison with the figures just given for American civil government shows that the cost of our administration is about four times as great as that of Spain during a normal year. It would be hardly fair to accept even this comparison. Spanish administration was highly centralised, and no separate system of provincial finance existed. Under American rule, such a system has, however, been instituted. In order to compare fairly the burden resting upon the people under the two kinds of administration, the sum total of provincial and municipal expenses should be computed, and the resulting figure should be added to the cost of central administration under American rule. This would mean an increase of at least \$3,200,000 in the gross expenses of civil government. The present cost of central and provincial government in the Philippines, without reference to military and naval expenses, but including the city of Manila, would be thus raised to some thirteen and a half million dollars, as against two and four-tenths millions in Spanish times, or more than five times as much.

From what source has this great total been drawn? Omitting from consideration all military and naval outlay, as well as the Congressional gift of \$3,000,000, the cost of administration has been paid by the Philippine Islands themselves¹ from current receipts.

It has been seen that the military authorities, upon coming into control of the city of Manila, re-established the Spanish tariff, which was later superseded by a heavier one of our own. They also enforced such of the Spanish

troops rather than foreign are paid, the money goes to the inhabitants of the country and not to outsiders.

¹The loans incurred for the expenses of inaugurating the new currency system, etc., are of course omitted from consideration.

internal taxes as circumstances permitted, although they did not succeed in collecting much revenue from sources other than customs. When the Philippine Commission came into power, it made little immediate change in the existing situation. Spanish modes of taxation thus formed the basis of our Philippine fiscal system.

The principal Spanish sources of revenue and their yield in the normal year 1894 have already been reviewed.¹ Of these items, as recapitulated, the tariff has already been fully considered. The most considerable of the remaining classes of revenue is seen to be the "direct taxes." This account consisted in 1894 of the following components:

	MEX.
Poll taxes ("cédulas").....	\$4,586,250
Business ("Industria") tax.....	1,323,800
Poll taxes on Chinese.....	482,800
Tax on urban property ("Urbana").....	110,400
Minor items.....	157,000
	\$6,659,450

The poll taxes thus referred to were arranged in several classes, varying in amount from nothing to 25 pesos (later 37.50 pesos)² These were abolished by the Philippine Commission, but later restored on a basis much more uniform than the Spanish (one dollar Mexican per capita). The "business taxes" were essentially taxes on income or profits and were, in part, retained by the Commission. The poll taxes on Chinese were amalgamated with other poll taxes, and racial distinctions abolished. The "minor items" were largely done away with.

¹*Supra*, page 414.

²First Report U. S. P. C., 1901, p. 103.

Of the other captions in the table of revenues just given,¹ the receipts from monopolies (opium, cock-pits, etc.) were abolished, with the exception of sales of stamped paper for contracts, wills, etc., which were retained. The lotteries carried on by Spain were also discarded. "Revenues from State property," etc., are not properly to be considered a tax, but are represented in the fiscal scheme of the Commission by forestry taxes, timber licenses, etc., sales of public lands and other similar items. The estimated "petty receipts" were largely seigniorage on the coinage of money, which of course figures in the new coinage operations of the Commission, the other small accounts figuring under this head being largely discontinued."² The actual details of legislation by which the new adjustments were made, under the Commission's government, may be found in Acts No. 133, sec. 26³ (cedula tax), No. 223, sec. 3⁴ (abolishing urbana tax), and elsewhere, as well as in the military orders on the subject,⁵ but need not detain us here. It will be more instructive to note the actual sums collected under Commission rule when the system had been fairly put into running order. According to the official statement, we collected, during the fiscal year ending June 30th, 1904, from:

¹*Supra*, p. 414.

²A statement of the working of this system of taxation under Spain can be found in the report of the Schurman Commission (Vol. I). The Taft Commission gives a similar review in its first report (1901). Professor C. C. Plehn gives a more complete historical account in *Political Science Quarterly*, December, 1901, and March, 1902.

³Laws, Vol. I, 249.

⁴Laws, Vol. I, 558.

⁵Laws, Vol. I, p. 558.

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OUTSIDE MANILA.

	PESOS. MEX.
...taxes ¹	1,672,967
...ss taxes ¹	1,393,154
...ed paper (see "monopolies") above ¹	77,811
...ry taxes (see "State property") above ²	589,854
	3,733,786
Cart taxes ¹	100,198
Miscellaneous municipal taxes ¹	1,280,594
	4,114,578
Total provincial and municipal..	4,114,578
Same items as above for city of Manila ³	2,430,914
	6,545,482
General total.....	6,545,482

This makes it appear that our business, or "*Industria*," tax was considerably heavier than that levied by the Spanish, while the same was true of our forestry taxes. We had materially lightened the poll taxes, and those on stamped paper, and we had wholly abolished lotteries, the opium monopoly, and a number of minor taxes. An important offset to these changes, however, must be considered. Land had never been taxed in Spanish times, but the Commission, as already seen, early established a land tax of not to exceed $\frac{3}{8}$ of 1 per cent. ad valorem for the benefit of provincial governments, and $\frac{1}{2}$ of 1 per cent. for the use of municipal governments.⁴ This tax, from the first, gave great trouble and, as previously pointed out,⁵ caused widespread hardship. It brought in, how-

¹Report of the auditor of the Philippine Islands, 1905, p. 159. Philippine currency is reduced to Mexican at 1.10 to 1.

²*Ibid.*, p. 92.

³*Ibid.*, Part I, p. 84.

⁴Act No. 82, sec. 43. *Ibid.*, p. 124.

⁵*Supra*, p. 353.

ever, during the fiscal year 1903 about 2,646,053 Mexican pesos, in the provinces, and about 1,652,337 pesos in the City of Manila—in all some \$4,300,000 Mex. Omitting from the Spanish accounts already given the items lotteries and opium monopoly, it thus appears that internal taxation, in the proper sense of the word, amounted to somewhat over 10,800,000 pesos in 1903 under American rule, as compared with about 7,500,000 pesos in 1894, under Spanish rule. The tendencies to gamble and to smoke opium have been as freely indulged under our régime as under that of the Spaniards, though the profits have gone into private hands, and not into the public treasury.

One further matter must be touched upon before the real fiscal conditions in the Philippines can be understood. This is the distribution of receipts between the central and local governments. The Commission, of course, kept for itself the incomes from tariff and export duties. It gave, as already noted, the land tax to the provincial and municipal governments in the proportions of $\frac{3}{8}$ of 1 per cent. and $\frac{1}{2}$ of 1 per cent., respectively. It collected the forestry taxes, but, after expenses of administration were paid, it refunded them to the provinces where the timber was cut, and they were by each province shared with its municipalities. The proceeds of "cédulas" in each province were divided equally between the provincial government and the municipalities of that province. Proceeds of the taxes on business and on property, as well as the income accruing from stamps on legal documents, were likewise divided.¹ During the fiscal year 1903 less than \$8,000

¹The "business taxes" included an elaborate system of licenses for carrying on business. These ranged from 6 to 8 pesos a year for small retailers to 150 pesos in more lucrative occupations, such as the practice of law, shipping of goods, etc. Under the

(U. S.) were realised by the central government from sources classed as "internal revenues."

A sharp distinction was thus drawn between provincial (including municipal), and insular, finance, in apparent imitation of the similar distinction existing in the United States between national finance and the affairs of states and local governments. The distinction, however, speedily proved to be one of accounting merely, for it shortly appeared that the heavy machinery provided for provincial governments could not run without much lubrication from the insular treasury. As already seen, the provincial governments had been organised early in 1901. During that fiscal year (ending June 30, 1902), fifteen provinces had to be aided by "loans" from the central exchequer. Nor was this situation simply temporary, for the fiscal year 1903 produced the same results. While a few loans were repaid, many new ones were contracted. The details of the operations during those two years were as follows:

PROVINCE	1902		1903	
	LOANS ¹	REPAYMENTS	LOANS ²	REPAYMENTS.
Abra.....			\$12,500	
Albay.....				\$5,000
Ambos Camarines...	\$50,000	\$5,000		
Antique.....			12,250	
Batangas.....			62,250	5,000

provisions of Act No. 83 (municipal code) these incomes were deposited in the provincial treasury and the portions accruing to the municipalities were returned to them by the provincial treasurer.

¹Converted from United States into Mexican at 2 to 1. Report U. S. P. C., 1902, p. 802.

²Mexican: see Report U. S. P. C., Part 3, p. 458.

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PROVINCE	1902		1903	
	LOANS	REPAY- MENTS	LOANS	REPAY- MENTS
Bohol	5,000			5,000
Bulacan		5,000	11,350	
Capiz	50,000			
Cavite	5,000		50,000	
Cebu		5,000		
Ilocos Norte	5,000			5,000
Ilocos Sur	5,000			5,000
Iloilo	50,000			
Isabela	5,000			
Marinduque				6,500
Misamis	5,000			5,000
Mindoro			6,500	
Pampanga				5,000
Nueva Ecija		4,000	22,350	7,050
Paragua			13,350	
Rizal	5,000		2,600	
Samar			31,000	
Sorsogon	5,000			5,000
Surigao	4,000			
Tayabas		5,000		5,000
Union	5,000		15,960	
Zambales	5,000			

At the close of the fiscal year 1903, it thus appeared that about twenty-seven provinces (out of forty all told) had been obliged at one time or another to appeal to the central treasury for aid. They had borrowed in all over \$450,000 Mexican and had returned less than \$30,000, leaving at least \$370,000 still due. Including earlier loans, about \$480,000 Mexican were owing to the central government from the provinces. Considering that little had been done by the provinces in public works, that native school-teachers and municipal police had often gone unpaid, etc., this result would seem to show that the provinces were far from being in a sound financial condition.

The following table shows the balance on hand in each

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provincial treasury June 30th, 1903, and the debt owing to the insular government at the same time:¹

	ON HAND JUNE 30, 1903	INDEBTEDNESS TO INSULAR GOVERNMENT JUNE 30, 1903
Abra	\$7,172 Mex.	\$12,550
Albay.....	11,090	....
Ambos Camarines	31,745	50,000
Antique.....	6,302	12,250
Bataan	3,636	5,000
Batangas.....	41,327	62,250
Benguet	5,305	....
Bulacan	25,743	11,350
Cagayan	63,809	....
Capiz.....	3,433	55,000
Cavite.....	50,601	55,000
Cebu.....	47,220	....
Ilocos Norte.....	40,213	....
Ilocos Sur.....	20,903	....

¹The following statement has been compiled from data furnished in Report U. S. P. C. for 1903 (published 1904), Part 3. Sums expressed in U. S. dollars have been reduced to Mexican at 12 for 1 rate. Since the statement was compiled data showing provincial balances for June 30th, 1904 (though not, I believe indebtedness to the central government) have become available. These data show a state of affairs substantially similar to that represented above, though Commissioner Ide remarks that "the provinces and municipalities on the whole were in better condition during the fiscal year 1904 than during the fiscal year 1903." "At the close of the fiscal year 1904, there were cash balances in the hands of the provincial treasurers amounting to \$740,398 in money of the United States. . . . At the close of the fiscal year 1903 the cash balance . . . in the hands of provincial treasurers amounted to \$446,547 in money of the United States. . . ." This, of course, throws no light on changes in indebtedness.

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	ON HAND JUNE 30, 1903	INDEBTEDNESS TO INSULAR GOVERNMENT JUNE 30, 1903
Iloilo.....	\$19,598 Mex.	\$50,000
Isabela.....	10,326	5,000
Laguna.....	20,522	....
Lepanto-Bontoc. Supported chiefly by insular appropriations		
Leyte.....	\$43,167	....
Masbate.....	4,893	\$5,000
Mindoro.....	4,794	6,500
Misamis.....	11,460	....
Nueva Ecija.....	20,881	15,300
Nueva Vizcaya.....	9,467	....
Occidental Negros.....	6,774	....
Oriental Negros.....	16,584	....
Pangasinan.....	30,929	5,000
Pampanga.....	103,166	....
Paragua.....	2,262	13,350
Rizal.....	4,405	7,600
Romblon.....	2,769	....
Samar.....	96,541	31,000
Sorsogon.....	18,245	....
Surigao.....	2,835	4,000
Tarlac.....	47,417	....
Tayabas.....	55,675	....
Union.....	2,863	20,960
Zambales.....	4,472	5,000

In most cases, the adverse balances against the several provinces would count for little as a debt, if funded into interest-bearing securities. The dangerous feature of the situation is found in the fact that these adverse balances have been incurred for running expenses, and are likely to continue to increase. This fact has been plainly perceived by the Commission. Financial incapacity in the provinces, and insufficiency, as well as mismanagement, of municipal funds would alone furnish cause for serious

anxiety. But these have not stood alone. A more powerful stimulus to action has been found in the apparent prospect of an insular deficit resulting from the great extension in the scope of the government and the mounting outlays on ordinary accounts. Keen recognition of the needs of the situation led, in 1904, to action designed to relieve the treasuries, both insular and provincial. It was proposed to impose taxes analogous to those levied under our own internal revenue system upon tobacco and liquors.

The bill, as originally drafted, aroused intense criticism; and discussion developed that the measure, if enacted unaltered, would result in drawing most of the money of the islands into the vaults of the government. Imperfections of so obvious a character were freely pointed out by merchants and others that the need of careful revision became evident and was unwillingly undertaken by the Commission. A greatly modified form of the measure made its appearance in July, 1904, but provoked at the public hearings very decided opposition. Nevertheless, little or no heed was paid to these protests. While many of the old taxes were retained in the final draft of the bill, they were materially altered. The gross taxes collected under the previous system had brought in about 6,500,000 pesos. This sum was now to be increased (according to the official estimates) to at least 12,100,000, but it was intended that about four-fifths of this amount should come from the new taxes on tobacco and liquors. A reduction of the old internal revenue taxes would thus be effected and the main burden rested upon two objects of taxation. Strong opposition naturally came from manufacturers of tobacco, and from distillers and brewers, but was by no means confined to them. Manufacturing and shipping interests offered serious criticisms on the measure, but no changes of importance were secured from

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the Commission. The bill was passed July 3d, 1904, substantially as finally drafted, and went into effect August 1st, 1904.

As ultimately enacted (and now in operation), the internal revenue law is a lengthy measure of 153 sections, in which all laws relating to internal taxes are consolidated. It reserves exclusively and specifically to municipalities the proceeds of licenses for theatres, cockpits, museums, billiard-rooms, concert-halls, pawnbrokers and circuses. It divides equally between provincial and municipal governments the proceeds of the cedula or poll tax. And, finally, it takes for the insular government the proceeds of all other licenses and business taxes, all stamp taxes, the proceeds of the taxes on liquor and tobacco and the forestry taxes. Of the gross revenues accruing to the Insular Treasury, 10 per cent. are ordered set apart for the provincial governments,¹ and 15 per cent. for the municipalities, these sums to be divided in proportion to population. Without going farther into details concerning this act, it may be noted that its effects, should it work out as anticipated by the government, will be to produce revenue about as follows :²

	MEX. PESOS
Purely municipal revenues (licenses)	1,925,000
15 per cent. of gross insular revenue returned to municipalities	1,536,250
Total municipal income	3,461,250
10 per cent. of gross insular revenue returned to provinces	1,017,500
Net insular revenue	7,631,250

¹Act No. 1189 (separate brochure), Manila, 1904, secs. 147-150.

²This, however, omits the special municipal taxes collected in Manila.

In this estimate, the final item 7,631,250 pesos, is practically the increase in taxation added to the burden of the islands by the new legislation.¹ Contrasted with the Spanish fiscal situation for 1894, the revenues of our government for coming years may be expected to stand as follows:

	SPANISH RÉGIME PESOS (MEX.)	AMERICAN RÉGIME PESOS (ESTIMATED)
Customs.....	4,565,000	18,900,000
Internal taxes.....	9,014,450	12,100,000
Land taxes.....	.....	4,300,000
Total.....	13,579,450	35,300,000

This furnishes the comparative test of the real burdens resting on the people ten years ago and at the present moment. It should be added that many inhabitants of the Philippines anticipate a much greater burden as a result of the new law than the foregoing figures would show. The Filipino honorary commissioners to the St. Louis Exposition, many of them men of good judgment and high standing, protested against the law as ruinous in its effects and irregular in its passage. How far the more gloomy expectations may be justified can be learned

¹In the preliminary report of the Commission for 1904, published early in 1905, Commissioner Ide computes this net increase in insular revenue as probably \$1,750,000 U. S., with the new law in operation 11 months. This would equal practically \$1,900,000, or \$4,199,888 Mex. Many of the taxes, however, did not go into effect until January 1st, 1905, so that this estimate is imperfect. The Bureau of Insular Affairs informs me that these central internal revenues have amounted to 778,208 pesos, P. C., for March and April, 1905. This would be at the rate of 5,136,168 pesos, Mex., for the year.

only from experience. Even under the most favourable circumstances the new tax will be a severe drain.

An account of the financial condition and prospects of the government of the Philippines would be incomplete without some review of the methods by which the islands are made to draw upon the treasury of the United States, and the ways in which their own power of financial recuperation has been crippled by our colonial policy.

The inter-relations between the Government of the United States and the Philippine Commission form one of the commonest topics of conversation in the islands, and on no subject probably can a greater diversity of opinion be found. Many persons assert that the Government of the United States is excessively generous in its treatment of, and attitude toward, the islands; and, conversely, nothing is commoner than the claim that our government has been niggardly and mean in its Philippine policy. It is a paradox to say that both these views are correct, but both are in fact perfectly sound. What the parties to the argument usually neglect is that a sharp distinction must be drawn between the Government of the United States, viewed as an "administrative entity," and the government viewed as the representative of a national policy. In the former capacity, our government has been more than generous—it has been lavish—where any expenditure of money on matters relating to insular administration was in question. In the latter, it has been so unwise as to squander the revenues of the islands in useless outlays, and so mean as to cripple the trade of the archipelago and bring many provinces to the verge of ruin, with little prospect of improvement so long as present policies are continued in force. This peculiar situation, like most others where the ultimate welfare of the islands is concerned, is the outgrowth of considerations of ex-

pediency and of the desire of our administration to meet political exigencies arising in the United States.

It is an undeniable fact that, in all business relations with the United States, the government of the Philippines has been greatly favoured. As has just been shown, the Philippine budget is very difficult to balance and there has been constant danger of a deficit. This danger has grown as the American population of the islands has declined. As less money (drawn from the United States) has been paid out to soldiers, who promptly spent it, and as more money (drawn from insular revenues) has been disbursed for a steadily growing body of civil employees, there has been less business done and consequently less to tax, while the strain on the islands' resources has become more intense. This has made it a matter of first-class importance to relieve the insular treasury so far as possible, and thus to stave off the threatening deficit. Were this not to be done, and were expenditures to exceed incomes, the result could be only a reduction in the cost of government in the Philippines, implying the lopping off of many bureaus, and harder work for those which were retained, or else a demand upon Congress to help matters out by authorising the issue of bonds or by directly contributing to insular revenue. Either of these courses might be disastrous politically both to the local government and to the party in power at Washington. What has actually been done, therefore, has been to saddle upon the United States all possible items of expense that would naturally be defrayed from the insular treasury and thus in a measure to help in making ends meet.

The first and most important item of Philippine expense borne by the United States Government has already been described in general terms,¹ and is, of course, the cost of

¹*Supra*, p. 412.

supporting an army in the islands for the purpose of overawing the natives and maintaining the "civil" government. At the time when the last available general army report for the Division of the Philippines was rendered, there were actually in service 21,817 men and 1,241 officers, a total of about 23,000, of which some 5,000 were natives. And this is not a charge which is about to terminate. General Davis estimates that probably 10,000 American soldiers, 5,000 scouts and 5,000 constabulary will be permanently required in the Philippines for the maintenance of order. The estimate of 10,000 white soldiers seems low, as judged by the opinions of other authorities, but it will be fair to accept it. On the basis of the familiar estimate (quoted also by General Davis), that an American soldier costs his country, all told, about \$1,000 a year,¹ the regular annual cost of supporting 10,000 white soldiers in the islands will be \$10,000,000. This is an item of outlay properly chargeable to the archipelago itself. It was so charged by Spain, and a similar mode of reckoning is employed by other countries which maintain colonial systems.

In like manner, the force of several thousand native scouts, whose status has been elsewhere described, are enlisted as part of the American army and are paid by our War Department. These native troops now cost us very nearly as much as Americans, and even though we should reduce their cost, as advocated by many army officers, by reducing their rations and pay, we could not expect to support them for less than the cost of similar troops to such nations as England, Holland, and France. The average cost per man to these countries is probably in the neighborhood of \$200 a year, and this on a basis of 5,000

¹This estimate is supported by experience in maintaining our army in the Philippines.

men would make a total cost of \$1,000,000 to be added to the \$10,000,000 for American troops, or \$11,000,000 in all. As a matter of fact, the natives now cost us nearly as much as white troops, and the total army outlay is about \$15,000,000.

A third item of expense, borne by the United States Government in connection with the military maintenance of the Philippines, relates to the transportation of soldiers back and forth from the United States and between the islands. The latter element in transportation outlay is estimated by General Davis at \$2,731,812 for the year 1903, while figures for trans-Pacific carriage are not available, owing to the difficulty of segregating the elements of cost chargeable to different portions of the service. It should be remembered that constant movement of troops across the Pacific will be necessary, because of the necessity of relieving the men in the Philippines, in consequence of the effects of the climate. This, as well as inter-island transportation, to say nothing of necessary shipments of food supplies, will, therefore, be a permanent element of outlay for the United States.

The fact that army officers are quite numerously employed by the government in civil offices, many of them created by local legislation, strikes observers very forcibly. Nearly a score of such men could be enumerated, but they continue to draw pay as army officers, though doing civil government work, and thus their services are a gift from the United States to the insular government.

How large a naval outlay should be considered chargeable directly to the Philippines is, of course, a matter of opinion. In any case, the amount of this outlay would have to vary from time to time, as our relations with foreign countries which might cast an avaricious eye upon the Philippines happened to be friendly or the reverse.

Legislators familiar with the considerations influential in the forming of our naval budget say that, were we free of the Philippines, our annual naval outlay could be cut down from \$100,000,000 to \$65,000,000 in round numbers. Perhaps it would be fairer to charge this enormous increase in naval outlay to the account of a general imperialistic policy, rather than to regard it as an item in the special cost of maintaining the Philippines. But, in any event, the naval outlays in the islands, for maintenance and repair of battleships, cost of supporting a navy-yard, etc., should be included, and these, as already noted, will foot up from \$2,000,000 to \$4,000,000 annually.

Finally, from the military standpoint, it should be remembered that troops serving in the Philippines are credited with double time toward their retirement on pay, and this large, though necessarily indeterminate, item of cost borne by the United States should be charged to Philippine account. The same is true of the higher pay allowed to army officers for their tropical service.

Looked at from the civil side, the government of the Philippines has been treated only less generously by the home administration than from the military side. The considerable cost of maintaining the war department bureaus which have charge of the administration of the Philippines is not debited to the islands, but to the United States as a regular feature of War Department outlay. It might be considered far-fetched to speak of the fact that various committees of Congress devote their whole time to Philippine affairs, and that the legislative body itself has often been almost fully occupied for long periods with debates upon Philippine conditions, but it is certainly not unfair to point out that the cost of the Bureau of Insular Affairs is properly an item in "Colonial" outgo. It was so regarded, and so charged by Spain. The sar

is true of the hire of clerks occupied with routine relating to the Philippines, and of the cost of printing the vast mass of Philippine material poured out from the government printing office during recent years.

A good example of the way in which the Philippines draw upon the home treasury at every point is found in the administration of the post-office. Under present arrangements, the Philippines are supposed to pay the cost of transmitting all mail originating within the islands, while the United States bears the cost of transmitting all mail originating in this country. This would, in any event, be a one-sided arrangement, but appears exceptionally striking when it is noted that the post-office in Manila considers its mail delivered in the United States when it has been placed on board a government vessel bound for that country. Much of this mail is carried on transports, and the familiar argument is often offered to the effect that, as these vessels have to be run in any case, it is not right to reckon the cost of carrying the mails as an item of expense to the home government. The same argument is applied by Mr. Taft to the maintenance of the army in the Philippines, and on this basis it is easy to show that the islands cost us nothing and have never done so. The fact remains, however, that in 1903 (the last year for which detailed statistics are now available) the cost for carrying on the insular postal service was \$231,431, of which only \$25,991 was paid out for mail transportation. Of this sum, \$9,743 was paid for the carriage of letters going to foreign countries, \$6,910 for sea transportation and \$7,729 for inland delivery. Even with its cost of transportation thus largely borne by the United States, the postal service showed a deficit of \$85,728 for the year, its gross receipts being only \$145,702.¹ This deficit was the more

¹Report U. S. P. C., Vol. III, p. 154.

surprising in view of the fact that commercial steamers running on regular inter-island routes have been required to carry the mails free of charge as was formerly the case during the Spanish régime. A one-cent rate for letters to points within the Philippines is partly responsible for the shortage, while high clerical and other salaries have had their effect on the budget, without producing a corresponding improvement in the service, which is unsatisfactory, and is said to compare unfavourably with that furnished by the Spanish administration.

It has been seen that through military men, who are now holding civil positions in the islands, valuable aid is obtained by the Civil Government without cost to itself. In a similar way, it is to be observed, that extensive aid is given to the insular government by the United States when civil employees are "lent" or "detailed" to do work in the Philippines, while continuing to draw their salaries from the United States treasury. This practice is probably more general than is understood at home, and implies a considerable saving to the islands. An example of the practice is found in the Insular Coast and Geodetic Survey, where, of a total of nineteen Americans, fourteen have been detailed from the corresponding office in the United States—these, moreover, including all of the higher salaried employees of the survey.¹

The situation changes materially when attention is directed to the attitude of the United States toward the Philippines in matters of general policy. When these are under consideration, the home government assumes at once a new rôle and all traces of generosity disappear. The methods of Congress, where the larger interests of the Philippines are at stake, are seen in the tariff legislation it has enacted. As elsewhere pointed out, the insular

¹See Official Roster, 1904, pp. 41, 42.

tariff on imported goods was so framed by the administrators at Washington as to discriminate sharply in favour of American goods, in direct violation of the spirit, if not of the letter, of our international obligations.

Similar results have been produced in introducing an insular currency, the silver for inaugurating it to be supplied by fresh purchases through the Bureau of Insular Affairs, while the price was incidentally raised through the establishment of the International Exchange Commission, whose work resulted in a considerable rise in the price of silver and consequent extra expense to the insular treasury.

So also, in dealing with insular revenues, the home government cut off the export duty on insular products levied by the insular treasury, pretending to compensate the islands for this loss in income by decreeing a refund of custom duties levied in United States ports of Philippine goods. The exports to the United States being chiefly hemp, which is on the free list, the action of Congress meant a serious loss of revenue to the islands without any corresponding return.

So also, when it was proposed to reduce the Dingley rates to 25 per cent. of their original amount, Congress declined to cut off more than 25 per cent. of the usual rates, retaining a duty of 75 per cent. of the old schedules on Philippine products. Many of those who had loudly professed sympathy for the Philippines voted against the proposed 75 per cent. reduction, and some even objected to any reduction whatever.

The apparent inconsistency between the seeming generosity of the Washington administration and its evident conservatism when general policies are involved is explainable in the usual way. In matters of revenue and in economic questions generally Congress has shown a lack of resisting power where special interests are at stake.

It was natural that silver-mine owners should have sought to make a profit out of the change in the Philippine currency system. The cordage manufacturers had a colourable pretext in demanding the abolition of the hemp export duty on constitutional grounds, if the Philippines were, as represented, a part of the United States. That the beet-sugar and tobacco interests should be recognised in their opposition to reductions in the Dingley duties was quite to be expected and simply the customary outcome. But the loss to the islands in having foisted upon them an unproductive tariff, in losing their Spanish market without gaining a compensating outlet in the United States, in being cut off from one of their chief sources of revenue in the hemp duty, and in being forced to pay much more for their new currency than they should have done, has been slenderly, if at all, compensated by the readiness of Congress to shift some items of expense from the insular budget to that of the United States.

There can be no doubt whatever that one of the most serious dangers in the management of the Philippines proceeds exclusively from Washington, and is found in the way in which various features of administration are controlled in behalf of financial and industrial interests in the United States. There are, of course, many instances in which it would be impossible to make out a clear case, even where moral certainty existed, against the men involved. In those that have been cited, however, the evidence seems to be conclusive, indicating precisely how the Philippines and their interests, as well as those of our own citizens, are used as a cat's-paw for the sake of promoting the prosperity of influential Americans, not through the legitimate channels of trade, but by round-about methods which entail severe suffering upon the islands.

CHAPTER XVII

THE FUTURE

IN the foregoing chapters our policy toward the Philippines and our methods in administering insular government have been reviewed.

One problem regarding the Philippines is that of their commercial value. This problem may be regarded from several different points of view. Will the Philippines prove of value to the United States as a place for settlement and colonisation by our citizens, as were the lands of the Louisiana purchase and other annexations of the past? This inquiry needs only to be put to be answered. The Philippines can never serve as a field for true colonisation, because of the entire incapacity of the races inhabiting temperate regions to adapt themselves to the climate. While Americans and Europeans can live in the Philippines, and with due care can maintain themselves in fair health and strength at least for limited periods, there is absolutely no experience to show that white man can successfully perform outdoor work; or even lead comfortable, healthy lives, when closely confined at indoor occupations. No considerable number of American men can ever succeed in living continuously in the Philippines, owing to climatic and physiological reasons, if no others. American women find it impossible to maintain health there for any considerable periods, and it seems a matter of great difficulty to rear healthy children belonging to northern races anywhere in the

islands. Mr. Taft himself has fixed the maximum number of Americans (outside the army) who can properly live in the Philippines at about 25,000. This means that, under the most favourable circumstances, the Americans in the archipelago can be only government employees, merchants and overseers, and these only to a very limited extent, while this population must necessarily shift and alter rapidly in composition.

Will the Philippines prove of value as a field for the profitable sale of American goods? So far as experience goes, they will not. What they may do in the future will depend entirely upon building up the industrial prosperity of the islands and putting them in a self-supporting, economic condition. Even if this end should be attained, there is no reason to expect that our political control will induce them to purchase in America rather than elsewhere. Under equitable non-preferential tariff conditions, their trade will go to the best market. The natives do not now, and probably will not, show preference for American goods at higher prices than must be paid for equally serviceable competing products. History, as well as economic theory and our own brief experience under the Philippine tariff of 1902, give no warrant for the belief that preferential tariff treatment will advance the interests of our producers in Philippine markets. Such treatment, if tentative, will result in friction; if extreme and persistent, will cut off the economic prosperity upon which all trade must be based.

How far will the Philippine Islands prove a valuable field for the investment of American capital? There is no reason to believe that they will serve better in this respect, if controlled by us, than would be the case (under suitable treaties) if native rule were established. Either way, the chances for profitable investment will depend on two

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The general trade and tariff conditions,
 largely upon finding a market for Philippine
 products (2) the extent to which the natural re-
 source islands are thrown open at exceptional ad-
 vantage to Americans. The second condition, like the
 first, is not contingent upon the maintenance of our gov-
 ernment there any more than in Cuba, unless the laws
 governing landholding, mining, etc., are now more
 favourable to Americans than a native government would
 grant. If these are the conditions, certain persons resulting
 from such investments is a waste, since it consists of
 wealth which is taken from the original inhabitants and
 which has been taken against their wish. At
 present, there seems to be a prospect of fair profit to be
 made from investments in government land, at the pres-
 ent nominal price, if (1) the tariff rates of the United
 States shall be abolished; (2) the restriction on large land-
 holdings by corporations shall be modified; and (3) Chi-
 nese or other Asiatic labour shall be introduced. If the
 second and third of these conditions be fulfilled, the result
 will be disaster to the natives for reasons already set
 forth.

Will the Philippines prove of advantage in the develop-
 ment of our trade with China and the East? Our trade
 with Asia is now of little importance as compared with
 the other departments of our commerce. Granting that it
 may become, or may be made, of great volume, will the
 possession of the Philippines advance us in it? This could
 be the case only if it would be more profitable to unload
 and trans-ship our freight at Manila, than to send it
 through direct to its destination.¹ If a port of distribu-
 tion is wanted, it is now furnished by the Island of Hong

¹See Randolph: "Law and Policy of Annexation," previously
 cited; also p. 334 above.

Kong, where the best facilities for such operations, subject to perfectly free-trade conditions, are now offered. If it is meant that the possession of the Philippines will result in profit to Americans stationed in the Philippines and engaging in the Chinese trade therefrom, it should be understood that such Americans would be no more successful under an American governor than under a native (always supposing the maintenance of order), and in any case must be few in number.

Can the Philippines furnish a satisfactory field of activity to young Americans who wish to enter upon administrative work, thus opening careers closed to them at home? Granting that such careers are closed in this country, it is certain, as seen elsewhere, that the Philippines now have more of such men than they can support and that a reduction of the force is an urgently needed administrative reform. The Schurman Commission pointed out that the number of American officials should be small, and it is the alleged policy of the present administration to reduce the number of American employees. There will be no field in the Philippine Government for any considerable number of Americans, if an enlightened policy be followed.

What are the present fiscal relations of the Philippines to the United States? The islands constitute a continuous draft on our treasury of not less than \$20,000,000 annually, for maintenance of army, extra tropical pay, pensions, postal expenses, transportation, salaries of army officers engaged in civil duty and other accounts of like nature.

What is the military status of the Philippines? They require the continuous presence of at least one-fifth of our regular army at its present enlisted strength, and a suitable naval force, for the maintenance merely of domes-

tic order. In case of serious war upon us, from the Pacific side, immediate evacuation of the Philippines would be absolutely necessary. According to the testimony of every officer of standing familiar with the situation, should an effort be made to hold them, an enormously large force would be required.

To sum up—the islands are a source of expense and trouble to the American people as a whole, and our occupation thus far, has been injurious to the native inhabitants. There is no advantage accruing to us from their retention which cannot be gained through reasonable trade and military arrangements with our possible successors. The only possible economic argument for continuing in the administration of the islands is found in the interests of those who want specially favourable terms for getting access to the lands, mines, etc., of the archipelago. To give any weight whatever to this argument would be to place the interests of a very limited class of moneyed commercial exploiters above those of the American nation as a whole.

By those who are willing to waive considerations of false pride and of unwillingness to confess defeat, it is still urged that our departure would be the signal for rampant disorder, that we owe it to the interests of civilisation to continue in control of the islands, that we could never consent to the cession to another power, and that the good we are doing justifies our remaining in defiance of the wishes of the inhabitants. The fundamental points in this statement are the claims that the natives could not or would not maintain orderly government and that our administration is resulting in inestimable good to the islanders. Of these contentions, the second needs no further discussion, for it has been fully considered in former chapters.

The first, however, remains.

The principal trouble in reaching definite conclusions as to the capacity of Filipinos is found in the fact that thus far the natives have had little opportunity of affording any direct evidence as to what they would do if allowed political independence. The natives were on the whole an orderly and controllable people under Spanish rule and the best of them have shown capacity, all things considered, in professional and liberal studies. As workmen, they are capable of doing artistic and skilful work under proper instruction and they are distinctly amenable to organisation as common labourers and, under proper officers, as a military force. With these things in mind, it is possible to understand the fact, for such it is, that the government of Aguinaldo was able to maintain order throughout the archipelago, and to secure the rights of property as well as respect for the laws. That this is the case is amply attested by the evidence of Americans who came to the Philippines with our troops in 1898, and who had dealings with the insurgents. It is again fully attested by two agents sent by Admiral Dewey to examine into conditions in the interior of the Philippines shortly after the battle of Manila, and whose testimony is published in full as a government document.¹ These agents travelled widely in Luzon and found order and quiet prevalent wherever they went. Some testimony is also afforded by the striking personal experience of Albert Sonnichsen, an American, who was captured shortly after the taking of Manila and who remained a prisoner of the natives nearly a year.² The state papers of many of the revolutionary leaders, particularly those of Mabini

¹S. Doc. No. 66, 56th Congress, 1st session for report of these officers.

²Ten months a captive among Filipinos.

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and others, show a high degree of ability and information² and the proposed plans for a form of government, drawn up by the men who gathered about Aguinaldo, indicate capacity as well as familiarity with the work of other countries. These, however, are not the only facts that furnish evidence as to the possibility of peace and order under native rule. In the Babuyanes and Calamianes Islands—a little group just north of Luzon—American authority has never been fully established, simply because it has never been thought worth while to make much effort to gain a foothold there. The Spanish themselves never paid much attention to this particular group. As a result, the situation in these islands may perhaps be regarded as somewhat representative of what **may be done by the natives when free from white guidance.** I have never visited these islands, but Americans who have visited there state that a successful tribal or patriarchal form of rule, under which order is adequately maintained, has been established. Very much the same may be said of communities of natives in Luzon and other islands which have been least subject to white interference. It seems to be a fact that, wherever no effort has been made to thrust foreign institutions and ideas upon these cruder peoples, they have been able to develop their own civilisation successfully and well. Today, Filipinos are members of the governing commission, judges of the courts, governors of provinces, though with limited powers, holders of some important offices, charged with responsibility in banks, teachers in colleges, and are in general discharging the duties of intelligent and cultivated men. Mr. John Barrett asserted that the Malolos congress compared favourably with the

²See Report of Schurman Commission, etc.; also unpublished papers of Mabini

parliament of Japan. Dr. David J. Doherty, who recently visited the islands, states the "national assets" of the Filipinos as follows:

1. The Filipinos are the only Christian people in the Orient.
 2. They are the only oriental people who attempted to form—or even dreamed of forming—a modern republic.
 3. As a race their stock has been elevated above the level of other oriental and tropical races by marriage intermixture with the Spaniards and by three centuries of contact with European civilisation. . . . They recognise one another as Filipinos as freely as the Saxons and Bavarians know each other to be Germans.
 4. The Filipinos are not hostile to strangers, to foreign culture or to foreign speech. . . .
 5. Most Filipinos own their own houses, whether great or small. Less than six per cent. are "renters." There is but little, if any, serfdom like the peonage of Mexico and Spanish America. . . .
 6. Their morale is of a high order. The death rate (which unfortunately is large) is much overtopped by the birth rate. There is no "race suicide" among them. The ratio of marriage is a little higher than in our own country and much higher than in the West Indies. The ratio of "consensual" marriages ("querida" unions) is only three per cent.—much less than in Cuba. . . .
 7. The Filipinos already have a considerable native press. . . . Eight different daily and weekly papers [are] printed in the native language, and there are at least as many more printed in Spanish.
 8. The status of the Filipino woman is distinctly western. She is not the slave nor the toy of her husband, but she is his partner and helpmate.
 9. On certain matters of public policy in recent years the Filipino has shown that he occupies a positively western standpoint. He has opposed the licensing of the opium traffic. He has opposed the introduction of Chinese contract labour. . . .
- Many Chicagoans met the Philippine honorary commissioners who were the city's guests last year. Those gentlemen, who were both of mixed and pure Filipino blood, represented the wealthier

classes. The scouts and constabulary, who were seen by thousands of Americans at the St. Louis Exposition, are almost all of pure Filipino blood, and represent the average run of Filipinos, selected without any special tests, except possibly medical ones. Surely all these Filipinos acted very much like western people.

Data like these are general in character, but they are facts, while the statements of those who predict a period of misrule under native government are hypotheses. It is worth noting that none of the similar predictions that were made when the Cuban republic was established have been realised.

The inquirer, moreover, who falls back upon general reasoning concerning the capacity of the natives for self-government, should remember that no such reasoning can be successful, unless it recognises the main facts in the case and accepts them as data upon which to base conclusions. In the first place, it should be understood that no effort to thrust upon the Filipinos the ideas and institutions which have been developed by the Western nations after a long period of constitutional struggle ought to anticipate success. The natives of the Philippines are entirely foreign to the inhabitants of the United States in all of their ways of thought, action, and prejudice. What we have consistently done thus far has been to try to force upon them methods and institutions with which they were wholly unacquainted and for which they had no natural aptitude. We have been trying to make a Filipino over into an American. As well expect to turn a palm tree into an elm!

If by self-government we mean capacity to imitate the United States, it is probable that this capacity is low. If, on the other hand, we mean by that term the power to maintain order throughout the country and to assure

proper treatment of foreigners and foreign interests, a different answer may be returned. One of the chief fears that has been expressed by the Philippine Commission and others has been that our withdrawal would have the effect of throwing the control of affairs into the hands of a clique of incompetent and designing men. Thus, for example, in its first preliminary report the Commission wrote as follows :

Change of policy, by turning islands over to coterie of Tagalog politicians, will blight their fair prospects of enormous improvement, drive out capital, make life and property—secular and religious—most insecure, banish by fear of cruel proscription, a considerable body of conservative Filipinos, who have aided Americans in well-founded belief that their people are not now fit for self-government, and reintroduce the same oppression and corruption which existed in all provinces under Malolos insurgent government during the eight months of its control.

This opinion is often supported by the apparent success of designing leaders, in stirring up the people, and imposing upon them. It is well worthy of note that such irregularities as are here complained of have taken place as a rule where it has been sought to conform native ideas to foreign institutions. The men who are naturally brought to the front when the natives are left to themselves are of a very different type from those who have risen to the surface under American or Spanish domination and the latter compare most favourably with the former.

It has further been feared, and in fact this fear has formed the basis of many of the most extreme deliverances on the subject, that the tribal form of organisation, and the racial differences existing in the different parts of the islands, would constitute a serious obstacle to the success of any government carried on by natives. While

it is not well to dogmatise on this subject, it would certainly seem that the strong racial bonds and tribal sympathies existing between different groups of these natives constitute one of the most hopeful features of the political situation in the Philippines. Such bonds certainly more than offset the dangers of race-prejudice, etc., of which so much has been said heretofore. They have a very high value in laying the foundation for local self-government, if they are properly used to this end. The actual instances of race wars or tribal contests in the Philippines are few in number.¹

Much has been made of the differences in language as between the different racial groups. Yet these differences are very far from being as extreme as those which are found in different sections of China. It may well be questioned whether the linguistic differences are greater than those which exist as between different districts in Ger-

¹The problems arising out of conditions in Mindanao should be frankly faced in any discussion of the future of the Philippines. They are undoubtedly among the most difficult elements in the whole insular situation. The usual way of putting the case is to say that, as long as the Moros continue in revolt, any notion of turning over the administration of the archipelago to the Filipinos would be absurd, since they would be unable to subdue Moro opposition, while the hostility of the latter to the inhabitants of the northern part of the archipelago would put any friendly agreement between the two sections out of the question. Moreover, it is argued, Filipino control of the Moro country would be as distasteful to the population as control by Americans. There is some truth in these claims, but they do not reach as far as their authors believe. Difficulty with the Moros would have no bearing upon our duty to the inhabitants of the northern islands, if it should seem just on all grounds to grant independence to the latter. The Moros could be left to themselves, in which case there is little probability of their interfering with the inhabitants of the other islands. Should Filipinos determine to hold the Moro country (subject to our assent), they could

many. Certainly they are not as great as those now found in Austria or in the different cantons of Switzerland.

It is often inquired whether it would be possible for the United States to withdraw from the Philippines at once. Certain persons ask what changes in present methods (if not complete withdrawal of American forces and officers) those who criticise the administration would be disposed to suggest. It is not difficult to outline such a course of action. Clearly the first step to be taken is to surrender to the natives all such branches of government as can be safely intrusted to them without risk to public security and order or to private property. At the same time, the natives might be allowed to shape institutions of their own for the conduct of their affairs rather than be compelled to conform to rigid moulds.

In carrying out such a policy as here suggested, a beginning should undoubtedly be made with the local governments. These should be largely simplified and made to follow native models much more closely. Hardly any observer who has visited the Philippines has failed to comment on the lack of suitability of our municipal government unquestionably maintain themselves in the few coast towns, which were all that the Spaniards were able to control. It should be remembered that the Moro problem in its present form is largely one of our own making, due to the desire to assert real control over the southern islands. However, the Moro question is one that may well be dealt with apart from the affairs of the rest of the archipelago. Filipinos care little or nothing whether Mindanao and the Sulu group are incorporated into the same State with themselves or not. Finally, in case of the retention of American sovereignty over the islands, conditions in the Moro country have no more to do with the demand for home rule and local self-government in the civilised parts of the archipelago than outbreaks in the Indian Territory have to do with the city government of New York.

ernments. In spite of the fact that the Philippine "municipality" resembles much more closely our county or our township, we have sought to establish city governments like those of the United States with mayor and common council complete. One finds it hard to see on what ground such action can be justified. We should certainly have done far more wisely to adopt something resembling a township or county government of a most elementary character rather than to confuse the inhabitants with the "red tape" and official complications that have actually been forced upon them. Even the Commission recognises the unsatisfactory character of the native municipal governments, though it fails to admit the real cause of the difficulty with them.

What is really needed in the municipal governments is to abolish much of their sham democracy and substitute true democracy. The elective franchise should be largely extended and at the same time the number of officers and the expense of administration should be largely reduced.

As a second step in the process of simplifying the government in the Philippines, there can be little or no doubt that the provincial governments should be entirely abolished, and their functions transferred, so far as possible, to the municipality; and, so far as not possible, to the central authority. The situation would then be that each Philippine municipality would control its own affairs through a simple government elected by a broad franchise. The whole would be presided over by a central authority.

In getting away from central American control, and in passing to a system of native government, the most natural plan will undoubtedly be the creation of a legislative assembly of some sort. This, indeed, is now provided for by the terms of the civil government act. When such a body has been created, it must be given more than a merely

nominal power. The merely nominal grant of power is almost inevitably followed by a feeling that the forms are of no value, and this naturally results in an attitude of contempt toward them. This has been the fundamental error in our "training for self-government." An assembly in which practically no real authority is lodged, as is to be the case with the proposed Philippine assembly, will be of little or no value and may even prove worse than useless.

So soon as such an assembly has been fully organized and put into working order, it should, therefore, be allowed actually to legislate, unrestricted by any "Commission" or upper house, composed of Americans and exercising the real power. A single strong American, acting as governor-general, could do all and more than all of the useful work now done by the Philippine Commission.

With these steps toward self-government should be coupled a steady reduction in the number of Americans holding administrative places. Many bureaus should be lopped off at once, and in the others Filipinos should take the place of Americans as soon as possible. Just when the final step of allowing the head of the state to be chosen by Filipinos should come, is not a matter of fundamental moment, for what the natives want primarily is home rule. Finally, of course, they should be allowed to elect, or otherwise choose their own chief executive. The date for such choice should be agreed upon and definitely established, but whether it should be set five or ten years hence is a matter of minor importance, and would be so considered by them. In fact, the essential factor in the whole operation would be simply an emphatic declaration of intentions by our government, followed by such steps as would show good faith.

Those who oppose all plans looking toward the separa-

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tion of the Philippines from the United States often assert that the Philippines could not exist as an independent nation for any appreciable length of time, owing to the greed of the European nations for Asiatic territory. This would be the case should we hastily withdraw without conditions. Should we take such a step, we should show a national weakness which has not characterised our policy toward America or toward Cuba and the West Indies. What did there we can do in the Philippines. We should secure their independence and freedom from foreign control, and we owe it to them to do so. Just now, no one has been fully shown by Mr. Randolph in his monograph.¹ We should take steps looking toward the neutralisation of the Philippines, through diplomatic arrangements with the chief powers interested in the development of China and the Far East. Certainly if the diplomacy of Mr. Hay has been able to do so much toward directing the future of China, it can attain also this lesser object.

It would hardly be satisfactory to terminate these suggestions without some reference to the possibilities of such a plan from the standpoint of our own politics. While the rôle of political prophet or diviner is always dangerous, there are a few things that seem certain. Our people will hardly countenance the cession or sale of the Philippines to another power. The islands must be independent or must remain ours. The controlling motive in making the decision will undoubtedly be economic. Yet it is not too much to hope that this motive may be controlled by enlightened self-interest, as affecting the whole nation, and not by the prospects of personal profit to a few individuals. If our trade with the islands should greatly improve, it would be natural that they should be regarded

¹Carman F. Randolph, "The Law and Policy of Annexation."

with a much more favourable eye by our business men than is now the case. But this need not in itself necessarily alter our political action with regard to the islands. If their independence should be proposed on terms such as would assure a continuance of proper trade relations between them and the United States, there is no reason why such a change should encounter any serious opposition.

The outlook would be entirely altered if any interests in this country should succeed in getting control of the lands or other natural resources of the islands. In that case, our interest in them would not be that which proceeds from general considerations of trade, but would become special in character. We should then be likely to shape our course not in the interest of the whole country, but in that of a very small class. Influences such as these would undoubtedly do more toward retarding the political development of the archipelago and would doubtless hamper more seriously the prospects of independence from the United States than any others that could possibly be invoked.

One cannot too strongly condemn the proposal to throw the lands of the country open to exploiters from the United States. Should American capital be invested in the Philippines in large amounts, it will feel an unmistakable reluctance to see a change in government, and the result will be, as has been the case in Hawaii, to consolidate foreign influence and make it irresistible.

The policy just sketched will imply a great change in our attitude toward the Philippine problem. If this change in attitude requires too great an outlay of social energy; and if we, therefore, persist in the rut into which we are now dropping as regards the Philippines—if, in short, we continue to retain them on the same political basis as now

—there are still very radical changes in our mode of government that must be made.

The first and most important of these changes is an entire alteration in our economic policy toward the islands. This means, first of all, free trade with the United States, not merely free admission of Philippine products to our markets, but free admission of American products to the Philippines. It would be better if this could be extended to cover the admission of all foreign products to the Philippines as well, for it is only on this basis that even partial success in competition with Hong Kong as a shipping and distributing point can be attained. The second radical change needed is a very large reduction in the present cost of administration. Supposing that our government now costs \$15,000,000 gold annually, the reduction should be not less than one-half, and should preferably be two-thirds, of present outlay. The cost of public works, harbours, roads, etc., should not be included in this sum, but might be met by the issue of bonds guaranteed by the United States. The revenue necessary to carry on government should be obtained (so far as not raised through the tariff as modified) from the poll taxes and from appropriate income taxes. Reduction in the cost of administration should be effected (1) by the total abolition of provincial governments, (2) by the simplification of municipal governments, (3) by the abolition of a considerable number of bureaus in the central government, (4) by the discharge of Americans from all routine or clerical positions—even the higher ones—and the substitution of Filipinos at lower salaries than are now paid, and (5) by the abolition of the Philippine Commission and its corps of secretaries, clerks, servants, and underlings.

The present tendencies in Philippine government do not move along the line of development indicated. They point

to an increase in the expense of government from year to year. While the authorities have earnestly exerted themselves to gain free access for Philippine products to American markets and may succeed in securing substantial reductions, if not ultimate free admission, there is no indication that they intend to seek the abolition of legislation discriminating in favour of American goods and ships. To do so would be to cut much of their political support from beneath them—a fact they keenly realise. Political necessities, too, compel adherence to the policy of exploitation, with liberal land and money provisions, and the advocacy of larger and more liberal land-grant legislation by Congress. Reduction in the cost of government and in the number of Americans employed will seem to them like a “backward step,” and as such to be shunned. To keep up the government on its present basis must mean the maintenance of existing taxes, and this implies a most serious and extraordinary drain on the resources of the population—one that will prohibit the natives, too, from making savings or accumulating capital. These things make the outlook discouraging.

The Philippine problem is approaching—indeed has even now arrived at—a point where definite action looking to the future is essential. No serious policy can now be planned without the expectation of long years of effort in carrying it out. We have learned that rapid development is impossible. The East is not to be hurried. But no long-range policy can be carried out, or even successfully initiated, without certainty (so far as humanly possible) regarding the future of the Philippines. Continuance in the present system implies more and more distinctly, as time goes on, an indefinite maintenance of the existing status. From year to year, more and more interests will cluster about our Philippine policy and will

oppose any attempt to alter it. The first step toward a change must be a declaration of the intention to work toward independence, and a distinct definition of the time when such independence may be possible. That declaration will render it easier, not harder, to govern the natives in the interim, and will make it possible to avoid further entanglements tending toward the continuance of existing relations.



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APPENDIX I

COMPARATIVE STATEMENT OF CIVIL EMPLOYEES IN THE PHILIPPINES AT THE END OF THE YEAR 1903¹

	AMERICANS AND OTHER FOREIGNERS	SALARIES	FILIPINOS AND CHINESE	SALARIES
Philippine Commission—				
Members	4	\$20,000	3	\$15,000
Secretaries	4	9,600	3	4,200
Executive Bureau.....	51	89,340	50	22,820
Civil Service Board.....	18	33,300	12	6,680
Bureau of Insular Purchasing Agent	116	124,350	28	12,040
Office of Improvement of Port of Manila	51	45,600	20	8,856
Secretary of Interior.....	1	10,500	.....	.....
Bureau of Public Health....	76	111,620	82	38,270
Bureau of Forestry.....	40	53,060	144	52,390
Mining Bureau.....	3	5,400	4	2,100
Philippine Weather Bureau..	9	9,960	75	24,450
Bureau of Public Lands	10	17,650	5	1,800
Bureau of Agriculture.....	35	45,380	9	6,840
Ethnological Survey	5	10,100	3	1,320
Bureau of Government Lab- oratories	37	63,400	7	3,880
Bureau of Patents, etc.....	.....	.....	4	1,650
Philippine Civil Hospital....	36	29,060	6	2,100
Civil Sanitarium	4	4,920	.....	.....
Secretary of Commerce.....	1	10,500	.....	.....
Bureau of Posts.....	208	150,020	175	33,230
Constabulary	310	345,542	109	55,583
Bilibid Prison.....	44	50,350	58	18,580

¹The rosters from which these returns were computed were made public in June, 1904, but represent conditions as they existed at the close of 1903.

	AMERICANS AND OTHER FOREIGNERS	SALARIES	FILIPINOS AND CHINESE	SALARIES
Bureau of Coast Guard and Transportation	143	169,300	116	49,270
Coast and Geodetic Survey..	19 ¹	7,740	20	8,220
Bureau of Engineering.....	32	57,670	6	1,800
Secretary of Finance and Justice.....	1	10,500	.....	.....
Bureau of Insular Treasury..	47	83,550	11	4,440
Bureau of Insular Auditor...	59	99,450	26	12,410
Bureau of Customs and Im- migration.....	267	361,250	320	104,150
Bureau of Cold Storage and Ice-plant.....	52	57,320	19	6,632
Supreme Court.....	9	38,200	20	26,840
Courts of First Instance, Court of Land Registration, Court of Customs Appeals	60	162,620	197	150,384
Secretary of Public Instruc- tion	1	10,500	.....	.....
Bureau of Architecture.....	22	32,550	7	2,340
Bureau of Education.....	818	989,490	136	51,722
Bureau of Archives .....	.....	.....	14	9,840
Bureau of Statistics and Offi- cial Gazette.....	1	1,800	5	3,080
Bureau of Printing.....	63	94,630	3 ²	2,460

¹Of these, fourteen were detailed from the United States Service and paid by the United States Government, and their salaries are not here included.

²Omitting day-labourers.

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PROVINCIAL SERVICE

	AMERICANS AND OTHER FOREIGNERS	SALARIES	FILIPINOS AND CHINESE	SALARIES
Abra.....	2	\$2,220	12	\$4,312
Albay.....	8	11,950	20	7,020
Ambos Camarines.....	6	8,320	24	11,132
Antique.....	2	2,520	11	6,280
Bataan.....	2	3,300	10	4,384
Batangas.....	4	6,600	20	10,700
Benguet.....	2	2,500	3	1,540
Bohol.....	2	3,000	19	7,470
Bulacan.....	5	7,000	23	9,842
Cagayan.....	5	6,800	14	6,830
Capiz.....	4	4,900	17	8,120
Cavite.....	3	3,780	15	6,810
Cebu.....	6	10,300	13	10,380
Ilocos Norte.....	4	6,100	23	8,112
Ilocos Sur.....	4	5,900	16	8,010
Iloilo.....	7	8,760	29	17,112
Isabela.....	3	4,400	13	6,510
Laguna.....	3	4,900	10	7,056
Lepanto-Bontoc.....	6	9,200	8	1,920
Leyte.....	8	11,650	14	5,932
Masbate.....	1	1,200	8	3,344
Mindoro.....	4	5,650	7	4,548
Misamis.....	4	5,180	13	7,240
Moro.....	29	45,020	6	1,230
Negros Occidental.....	5	7,000	27	14,470
Negros Oriental.....	3	4,400	16	6,940
Nueva Ecija.....	4	5,580	15	7,320
Nueva Vizcaya.....	4	5,340	4	1,572
Pampanga.....	6	7,500	17	7,740
Pangasinan.....	4	5,800	38	17,272
Paragua.....	1	1,500	2	840
Rizal.....	4	6,400	20	9,510
Romblon.....	1	1,500	8	4,230
Samar.....	2	2,850	17	7,600
Sorsogon.....	4	5,580	21	10,270
Surigao.....	2	3,500	9	6,736
Tarlac.....	2	3,300	18	7,960
Tayabas.....	6	8,600	22	11,390
Union.....	4	5,620	16	7,922
Zambales.....	2	3,000	19	8,708
Detailed in connection with improvements in Benguet Province.....	4	5,900	.....	.....

MUNICIPAL SERVICE OF MANILA

	AMERICANS AND OTHER FOREIGNERS	SALARIES	FILIPINOS AND CHINESE	SALARIES
Municipal Board	16	\$31,100	9	\$11,610
Department of Engineering and Public Works.....	86	106,670	171	64,350
Department of Assessment and Collections.....	28	44,900	104	28,580
Fire Department.....	61	69,480	53	19,200
Law Department.....	16	29,950	10	15,740
Municipal Court.....	2	5,100	4	2,800
Justice of the Peace Courts..	.....	.....	6	2,840
Department of City Schools..	5	6,000	167	72,480
Sheriff of Manila.....	5	7,400	9	3,480
Department of Police.....	371	391,940	472	158,470
Register of Deeds.....	.....	.....	7	4,188



APPENDIX II

Since the chapter dealing with railway exploitation (Chapter XV.) was written, the railway plans of the administration have broadened somewhat. The following despatch to the "New York Journal of Commerce and Commercial Bulletin" shows what is now contemplated. Comparison of this despatch with the map already given (page 391) shows that Mr. Norton's surveys for Luzon have been retained, with minor modifications, and that considerable additions in the shape of railways for other islands have been made.

WASHINGTON, June 11.

(Special).—The Bureau of Insular Affairs in the War Department has issued invitations for proposals for the construction and operation of the proposed system of railways in the Philippine Islands under the act of Congress authorising the Philippine Government to guarantee an income of not exceeding four per cent. per annum for a period not exceeding thirty years upon the first-lien bonds issued by the company or companies constructing and operating the roads. Bids are to be opened in the Bureau of Insular Affairs and in the office of the Philippine Commission in Manila, at 9 o'clock A.M. in Washington and 10 o'clock P.M. in Manila on November 1. Bids will be received only from individual citizens or copartnerships of the United States or the Philippine Islands or from railroad corporations duly organised and existing under the laws of a State of the United States, or the United States or the Philippine Islands. Bids must be accompanied by certified checks ranging in amount from \$100,000 to \$500,000, depending on the number of lines that the bidder proposes to construct and operate.

The lines of railway for which bids are to be received include six in the island of Luzon and one each in the islands of Panay, Negros, Cebu, Leyte and Samar. The lines in the island of

Luzon are as follows: A line from Dagupan, in the province of Pangasinan, to Laoag, in the province of Ilicos Norte, a distance of approximately 168 miles. A line from San Fabian, on the Lingayen Gulf, via Twin Peaks and the canyon of the Bued River to Baguio, with the option of entering the town of Trinidad, in the province of Benguet, a distance of about fifty-five miles. This line will have the right to locate its tracks upon the roadway constructed by the Philippine Government from San Fabian to Baguio, with the right to use the waters of the Bued and Agno rivers. A line from Dagupan or Cabanatuan or any point between Dagupan and Cabanatuan, which shall have railway connection with the city of Manila, through the Caraballo Pass and down the Cagayan River to Aparri, a distance of about 260 miles. A line from Manila northward to connect with the lines to Laoag, Benguet and Aparri, a distance of about 120 miles. A line from Manila to Batangas, a distance of about seventy miles, with two lines therefrom—one from Calamba, in the province of Laguna, to Santa Cruz, in the same province, a distance of about twenty-five miles, and the other from Lipa or other convenient point in the province of Batangas to Lucena, in the province of Tayabas, a distance of about thirty-five miles, making a total distance for this line of about 130 miles. A line from Pasacao, on the Gulf of Pasacao, to Ligao, in the province of Albay, with a line from Liago to Tabaco and across the island of Cabraray to the harbour of Bataan, in the same province, and with the main line extending to Legaspi, on the Gulf of Albay, the length of the main line and branch being about 100 miles.

The line in Panay is to run from Iloilo, in the province of Iloilo, in a northerly direction, forking to the towns of Capiz and Bataan, on the north coast of the island, a distance of about 100 miles.

The line in Negros is to run from the harbour of Escalante, on the northeast coast, westerly, following the coast line to Himamailan, a distance of about 100 miles.

The line in Cebu is to run north from the city of Cebu to Danao, on the east coast, and south from the city of Cebu to Argao, on the east coast, with the option of a line across the island from Carcar or Sibonga to the west coast, and thence along the coast between Dumanjug and Barili, a distance of about ninety-five miles.

The line in Leyte is to run west from Tacloban to Carigara,



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on the Bay of Carigara, and southerly from Tacloban to Abuyog, a distance of about fifty-five miles.

The line in Samar is to run from the town of Wright, formerly Paranas, on the west coast, to San Julien, on the east coast, a distance of about fifty miles.

The points of competition that will be considered in the awarding of concessions will include: The lines of railway and mileage that the bidder will construct, equip, maintain and operate without any guaranty; the rate of interest to be guaranteed on the bonds, not exceeding four per cent.; the duration of such guaranty, not exceeding thirty years; what percentage less than 95 per cent. of the cost of construction the bidder will accept as the amount for which first-lien, interest-guaranteed bonds shall be issued. Alternative propositions involving all, either or any combination of these points of competition are invited and will be considered. Each bidder must state what organisation and facilities he commands for undertaking the work, what forces will be employed in making the final location and how soon and in what manner the work of construction will be prosecuted, and with what organisation and credit or means of credit he intends to maintain and operate the system or lines."



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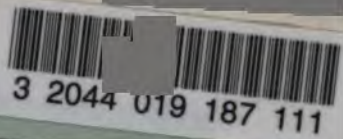
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