

ment function to go into the business of administering guarantee funds for insuring private credit. If free banking were really intended, the banks would be left to insure their own credit, either by a mutual arrangement or in insurance companies.

The unconcealed object of the government guarantee fund is to associate government credit with the bank notes in the public mind, and thereby give them the peculiar advantage which attaches to popular confidence in government money.

V.

As to the other feature of the Fowler bill, the terrific contraction of the volume of legal tender, the dangerous character of the proposed revolution is even more obvious.

In ordinary times the currency of the country would consist (see section 22 of the bill) of stray gold coins, of fugitive silver dollars, of fractional silver coinage, of clearing house gold certificates in denominations of \$20 and upward, of government silver certificates in denominations of \$5 and less, and of national bank notes of \$10 and upwards. But only gold coin would be legal tender, and every pennyworth of all this currency, save only the stray gold pieces, would be redeemable upon demand in nothing but gold. All past due debts, moreover, would be payable in gold at any moment at the option of the creditor.

If there were no laws for the forcible collection of debts, this would make no difference. Legal tenders derive all their importance from the laws for enforcing payment. If all debts were debts of honor, like gamblers' debts, then honor would work both ways, and suspension of payment, or resort to an unusual medium of final redemption when the ordinary medium was not generally available, would be no dishonor. On the contrary, it would be regarded as dishonorable to insist upon the ordinary medium when it was extraordinarily scarce. But with laws for the forcible collection of debt, scarcity of legal tenders raises havoc with debtors. It is not the volume of currency with reference to trade, but the volume of legal tender with reference to laws for the collection of debt, that makes the gist of the money question.

With debt collection laws in force, the imagination shrinks from con-

templating the possible effect of the cancellation of all legal tender but gold, which the Fowler bill proposes. But think for a moment of what that effect would be in times of financial stress, when banks run to cover by "suspending specie payment," in other words, defying the law for the collection of debts—or when a stringency might be profitable to a powerful banking ring.

This blundering or worse than blundering bankers' measure, proposes on the one hand to build up mountains of debt, payable in legal tender whenever so required by the creditor, and on the other hand to diminish the volume of legal tender to the lowest known minimum. The government must pay its bonds in gold; it must pay its silver currency in gold; it must pay its greenbacks in gold; the banks must pay their notes in gold; their customers must meet their obligations in gold; the increasing mass of public debt—state, county, city, township, school district and all—must be met in gold as it matures if gold happens to be in demand; the great load of corporate debt—railroads, street cars, lighting companies, and so on and on—must be paid in gold as it matures, if the creditor requires it; and private mortgage debts must also be paid in gold if exacted. For all this crushing burden of legally enforceable obligations there is to be only one legal tender, and that is gold.

VI.

The Fowler bill may be an illustrious example of sound financial science, but it looks more like a despicable example of the kind of financial science that the unsophisticated learn from experience of "Hungry Joes." It would pile up legal debts while cutting down legal tender, it would farm out the currency function of the government to a banking ring, and it would reestablish the old United States bank system which Jackson overthrew in a struggle to determine whether the government should abolish the bank or the bank own the government.

Yet this pernicious bill will be enacted if a Republican or a "reorganizing" Democratic Congress is elected in the Fall. It keeps alive the essential issue of which the silver coinage question was only one manifestation. It is a new phase of the vicious financial principle which the Chicago and the Kansas City platforms condemned.

NEWS

A general convention of coal miners (p. 231) met at Indianapolis on the 17th. This convention was assembled with a view to extending the anthracite coal strike, now in progress throughout the anthracite region, to all the coal mines of the country. A call by five districts of the United Mine Workers of America was necessary to authorize the convention, and that had been secured in May. Three of the districts joining in the call were those into which the anthracite region is divided, the fourth was a Michigan and the fifth a West Virginia district. The convention was accordingly ordered by President Mitchell, and met as already stated, on the 17th. There were 900 delegates in attendance.

President Mitchell opened the proceedings with an address in which he opposed a general strike. He placed his opposition on two grounds: first, that sympathetic strikes on a large scale never succeed; and, second, that the soft coal miners are under contract with their employers and that labor union "contracts mutually made should during their life be kept inviolate." Instead of a general strike in support of the anthracite strikers he urged the convention to appropriate \$50,000, to appeal to local unions to donate as much as they can afford, to levy an assessment upon all members and also upon the officers of the organizations, to appeal to American trade unions and the general public for financial assistance, and to issue an address to the American people.

Debate began upon Mr. Mitchell's plan on the 17th and continued on the 18th, when the subject was referred to a committee consisting of President Mitchell, Vice President Lewis, Secretary Wilson and the president of each district. On the 19th this committee recommended and the convention adopted the following plan, substantially the same as that proposed by President Mitchell in his speech:

1. That the national secretary-treasurer be authorized to appropriate \$50,000 from the funds of the national treasury for the benefit of the districts one, seven and nine (the anthracite districts).
2. That all districts and subdistricts and local unions be asked to donate

whatever they can afford for the support of the strike.

3. That an assessment of 10 per cent. be levied on the earnings of members of the unions Nos. 6, 8, 12, 13, 19, 23 and 25, and that an assessment of 1 per cent. a week be made of the members of districts Nos. 2, 5, 11, 14, 15, 16, 20 and 27. This assessment is not to be made against members of unions now on strike, but in such cases the assessments are to commence when the strikes are over, the manner of this being arranged by the unions.

4. The assessment to be paid direct by the local unions to Secretary-Treasurer Wilson.

5. That 25 per cent. be deducted from the salaries of all national district officers and organizers.

6. That the assessments begin from July 16.

7 That all contributions made by the national organization be distributed pro rata to the anthracite districts, as shown by the last coal reports.

8. That each local union be requested to aid as far as possible in securing work for men now on strike. In this connection the good offices of the American Federation of Labor will be requested.

9. That an address be submitted to the American people.

The address, which was adopted by the convention before its final adjournment on the 19th, is a succinct statement of the case for the striking anthracite miners and an appeal to "every trades union and trades unionist, to every citizen whose interests are involved, and to every lover of fair play to assist in raising \$1,000,000 a month from outside sources as long as the strike may last."

Publication has just been made by the authorities at Washington of the verdict in the Glenn court-martial trial (p. 71) in the Philippines. Maj. Glenn's offense consisted (p. 25) in ordering the use of the so-called "water-cure" for the purpose of extorting information. The court-martial was originally ordered by the President to sit in San Francisco, but it was afterwards allowed to sit at Manila. According to the evidence, upon which the President acted, drawn out before the Senate Philippines committee, one instance of the use of the "water-cure" by Maj. Glenn was upon the person of the presidente of the town of Igaras, Iloilo, on the 27th of November, 1900. The object of the torture was to extort information. It was twice applied. The first time the water from a 100-gallon tank was turned

into the victim's mouth, he lying prostrate and his mouth being forcibly held open, until he gave the desired information. The second time a syringe was inserted in his mouth and another in his nose, the two syringes taking water from a five-gallon can. With the man held down upon his back streams of water were in this manner pumped into him, and to make the torture more effective salt was thrown into the water. Not only was this torture inflicted under Maj. Glenn's orders, but also under his orders the town of Igaras, a place of about 10,000 inhabitants, was burned to the ground. Such was the testimony before the Senate committee. Maj. Glenn is convicted by the court-martial, which fixes his punishment at \$50 fine and one month's suspension from duty.

Regarding the humanity of the "water-cure" method of securing information in an enemy's country, and the extensiveness of its use by the American army in the Philippines, Col. Stephen W. Groesbeck, U. S. A., formerly judge advocate of the division of the Philippines, who arrived in San Francisco from Manila on the 20th, gave out a newspaper interview upon his arrival at San Francisco, in which he is reported as saying that he believed "the 'water-cure,' as practiced by the American army in the Philippines, to be the most humane method of obtaining information that is known to modern warfare." He added that it had been abused only by young officers, overzealous and inexperienced in their work.

An official statement of the aggregate casualties suffered by the American army in subjugating the people of the Philippines, the first full official report yet made, was published by the war department on the 23d. It covers the period from February 4, 1899, when actual fighting began, to April 30, 1902, the date adopted by the war department as marking the end of organized resistance. The statement is in substance as follows:

Killed or died of wounds:		
Officers	69	
Men ..	936	1,005
Died of disease:		
Officers	47	
Men	2,535	2,582
Died from accidents:		
Officers	6	
Men	125	131

Drowned:		
Officers	6	
Men	257	263
Suicides:		
Officers	10	
Men	72	82
Murdered:		
Officers	1	
Men	91	92
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Total deaths		4,155
Wounded:		
Officers.....	190	
Men	2,707	2,897
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Total casualties		7,052
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Aggregate troops in the service:		
Officers	4,135	
Men	123,803	127,938
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Average of troops in the service by months		
		40,000

The war department estimates the percentage which the number of killed and wounded bears to the average strength of the army as 9.7.

In reply to Gov. Taft's final communication to the papal commission at Rome, regarding the Friar's lands in the Philippines (p. 232), Cardinal Rampolla, the papal secretary of state and head of the commission, wrote Gov. Taft on the 18th assuring him that the representative of the Vatican to be sent to Manila will enter into negotiations with the Philippine authorities on the four points indicated in the cablegram of Secretary Root. These had been communicated by Gov. Taft and were as follows: to furnish lists (1) of the property the church authorities are willing to sell, together with the nature and details of their titles; (2) of the churches, convents, etc., for which they claim damages in consequence of the occupancy thereof by United States troops; (3) of church properties, the formal title to which was in the Spanish crown at the time of the cession of the archipelago to the United States; and, (4) of the various charitable and educational trusts which the authorities of the church consider as devolving upon the church rather than the state. This reply closed Gov. Taft's mission to Rome, and on the 20th he took his formal official leave of the pope, departing from Rome for Manila on the 21st.

Further developments regarding the decision of the supreme court of Ohio invalidating the charter of Cleveland (p.232) place the respon-