A WORLD OF EMPIRES: UNITED STATES RULE IN THE PHILIPPINES, 1898-1913

A Dissertation submitted to the Faculty of the Graduate School of Arts and Sciences of Georgetown University in partial fulfillment of the requirements for the degree of Doctor of Philosophy in History

by

Christopher Allen Morrison, M.A.

Washington, DC
August 17, 2009
A WORLD OF EMPIRES:
UNITED STATES RULE IN THE PHILIPPINES, 1898-1913

Christopher Allen Morrison, M.A.
Thesis Advisor: Nancy Bernkopf Tucker, Ph.D.

ABSTRACT

The United States occupied parts of the Philippine Islands in 1898 and acquired the entire archipelago from Spain in 1899. From 1898-1913, Americans involved in Philippine affairs interacted with other empires in two primary ways that shaped U.S. rule in the Philippines. First, as new colonial rulers of a distant, unfamiliar Asian land and people, Americans confronted many challenges that were different from those involved in the United States’ westward continental expansion during the 19th century. Consequently, Americans examined other colonial powers’ experiences to find policy models, lessons of what to avoid, and examples to cite while lobbying for or against certain Philippine initiatives. Second, the American-Philippine colony was located in a region awash in imperialism and was surrounded by other colonial states, to which the Philippines had a variety of direct linkages. As a result of these inter-imperial links, events occurring elsewhere in the region sometimes heavily influenced the islands’ affairs and forced U.S. colonial officials to devise policies that accounted for Philippine connections to the broader imperialist context.

This dissertation examines important policymaking episodes in the first fifteen years of U.S.-Philippine colonial history. These include the formation of an American
colonial government, a currency reform campaign, the creation of an opium control regime, the establishment of an agricultural bank, and the response to Japanese imperialism. In each case, interaction with other empires significantly shaped United States colonial rule in the Philippines. Americans’ studying and borrowing of ideas from other colonial powers were part of a pragmatic approach to colonial policy making. Although American policy models and ideas played a role, the American-Philippine colonial project was not an ideological attempt to remake the Philippines in the image of the United States. U.S. rule in the Philippines had more limited goals aimed at stability and some economic development, and Americans sometimes adopted other powers’ ideas to achieve these goals. This interaction with other empires was part of a U.S. approach to foreign relations during the period that emphasized international cooperation. This study also shows the impact that engagement with other empires had on American exceptionalist attitudes about colonialism.
The United States’ annexation of the Philippine Islands in 1899 launched Americans and their government on a nearly half-century venture as colonial rulers of a far-off Asian land and people. This experience was unprecedented for Americans, despite their nation’s history of governing and incorporating new territories while the United States extended its boundaries westward during the course of the 19th century. The Philippine situation was unique for a number of reasons. The territory was a large, very distant, tropical archipelago. Moreover, the islands were heavily populated by a mix of unfamiliar ethnic groups that most Americans agreed would never be incorporated into the country’s political, territorial, or cultural body. Nor did U.S. officials expect a substantial number of Americans to settle in the colony.

Although governing the Philippines was a novel undertaking for the United States, in 1899 Americans were joining a surge of imperialism that had been a defining feature of late-19th century international affairs. Stronger powers had partitioned Africa, established control over almost all non-Chinese Asian territories, and were engaged in an ongoing scramble to extract concessions from the weak Chinese Empire. In Southeast Asia, the Philippines themselves were located in the midst of both newly acquired and long held colonies ruled by Japan and European powers. Japanese Formosa, the Dutch East Indies, the British Malay States, and French Indochina, among others, all were nearby and possessed various demographic, socio-economic, geographic, and other characteristics that were similar to the Philippines.
These two basic observations, that administering a place like the Philippines was without direct American precedent and that other powers had historical and contemporary experience ruling similar colonies, proved to be the starting point for this study. They suggested that, as the United States began to rule its new Asian colony, Americans would have examined how other imperial powers had ruled their subject territories to learn what worked or failed. Indeed, a check of what was being said in the period’s major opinion journals such as Forum, The Nation, and North American Review confirmed this assumption. During the first three years of U.S. rule in the Philippines, a number of influential Americans were calling for U.S. officials to take account of what the British, Dutch, and French had done in the field of colonial policy. This finding was intriguing, but of course did not answer the more significant question of how this kind of engagement with other powers’ colonialism actually played a role in the formation of U.S. colonial policy.

My determination to answer that question gave shape to this dissertation, which digs into the details of several important American-Philippine policymaking episodes from 1898-1913. During the course of my research, I explored many facets of U.S. rule in the islands and found in a number of cases that Americans who shaped Philippine affairs drew heavily on experiences of other empires to find policy models, lessons of what to avoid, and examples to cite while lobbying for or against certain initiatives. A profound instance of this occurred in 1899-1900 as U.S. officials confronted perhaps the most fundamental early policy choice they had to make. In deciding what form of colonial government to institute in the archipelago, American policy makers
commissioned research studies and consulted published literature on how other powers governed their colonies.

As I continued to delve into this period of U.S.-Philippine history, I also found that interaction with other empires went beyond Americans’ efforts to gain their bearings for crafting colonial policy. The American-Philippine colony was located in a region awash in imperialism and was surrounded by other colonial states, to which the Philippines had a variety of direct economic, strategic, immigration, transportation, and other linkages. As a result of these inter-imperial links, events occurring elsewhere in the region sometimes heavily influenced the islands’ affairs and forced U.S. colonial officials to devise policies that accounted for Philippine connections to the broader imperialist context. This inter-imperial dynamic came into play, for instance, in 1900-01, when the Boxer Rebellion in China helped fuel a currency crisis in the Philippines, and after 1905, when Japanese expansionism in the region provoked intense reactions among Filipinos and Americans within the islands.

American engagement with other empires thus took on a variety of forms. I argue that this had an important impact on the American experience as a colonial power in the Philippines. To appreciate the significance of these interactions, and the value of looking at U.S.-Philippine history from this perspective, it is helpful to consider very briefly the state of scholarship on the subject. Existing historical research that examines the early phase of U.S. rule in the Philippines emphasizes the influence of American domestic precedents and contexts, or the contest between American and Filipino agendas that
played out on the ground within the islands. Inter-imperial connections have remained essentially unexplored, despite the fact that some scholars have acknowledged the need to situate the U.S.- Philippine story within broader regional and imperial contexts. The failure to examine American interaction with other empires consequently has left an important void in our understanding of the United States’ history as a colonizing power.

In making this observation, I am not suggesting that Americans did not draw on their own historical experience as they pursued colonialism in the Philippines. Nor do I deny that contemporary American domestic factors and American-Filipino interactions made profound impacts on U.S. colonial policy. Indeed, I do not believe U.S.- Philippine history can be understood properly without grasping these dynamics. But this approach does not tell the whole story. As one of the leading scholars in the field, Glenn A. May, observed in 1996 in an important historiographical survey, “Clearly…much of the history of U.S.- Philippine relations remains to be written.” May explained that many topics have been “largely ignored” and that “the real challenge confronting the field is…that of approaching the subject matter in very different ways.”

---


some important contributions since May wrote those words; however, the field remains underdeveloped. This dissertation, by examining the U.S.-Philippine story through the lens of interaction with other empires, takes up May’s challenge to approach the subject differently. In so doing, it brings to the fore previously ignored issues and offers a fresh perspective on some of the more familiar topics in early American-Philippine history.

This study’s most important contribution, then, is that it provides for a more comprehensive and fully developed U.S.-Philippine colonial history. Specifically, American engagement with the colonialism of other powers clearly affected the making of Philippine policy, both as a consequence of studying foreign models and through reaction to events outside the Philippines that imposed new conditions within the islands via inter-imperial links. Moreover, understanding interactions with other empires reveals ways in which the American-Philippine colonial project was linked to the wider regional and global context at a time of growing intellectual, communication, transportation, and financial interconnectedness.

Recognizing the role this inter-imperial dynamic played in American-Philippine history not only tells us more about the formation of policy, but also about the underlying objectives of the U.S. colonial program. American examination and borrowing of ideas from other colonial powers, as well as U.S. officials’ reactions to conditions imposed on the Philippines via links to other empires, strongly suggests that the United States took an

---


ix
essentially pragmatic approach to colonial policymaking. Although U.S. officials relied to some extent on domestic American ideas, policy models, and historical precedents, they were not engaged in an ideological attempt to remake the Philippines in the image of the United States, as some scholars have suggested. In fact, the cases presented here repeatedly indicate that U.S. rule in the Philippines had more limited goals aimed simply at stability and a degree of economic development, and Americans sometimes readily adopted other powers’ ideas to achieve these goals.

Examining American engagement with other empires also provides insights into Americans’ exceptionalist understanding of their own country’s colonialism. Even as they sometimes modeled Philippine policies after those of other powers, Americans continually engaged in comparisons that usually led them to view U.S. colonialism as more progressive and enlightened. And beyond the core American-Philippine story, exploring these inter-imperial connections contributes to our understanding of U.S. foreign affairs during the era and of imperialism as a pivotal aspect of early 20th century world history.

Although this study presents a range of American Philippine-related interactions with other empires, it is by no means an exhaustive catalog of them. By the same token, many important facets of U.S. rule in the Philippines were not significantly affected by inter-imperial connections, and thus do not receive much consideration here. The episodes discussed in this study are ones that offer some of the clearest evidence that American engagement with other empires played an important role in U.S. colonial rule

---

of the Philippines. Moreover, the issues dealt with here were quite significant for key political, economic, and social aspects of the American-Philippine colonial experience, and they reflect the variety of ways in which engagement with other empires was involved in that experience. Admittedly, an undertaking as large and multifaceted as the American-Philippine colonial project generated a vast array of political, societal, economic, personal, and other effects not addressed here that might have involved or been influenced by inter-imperial dynamics. As the first in-depth foray into the subject, however, this dissertation makes clear the significance of interactions with other empires and hopefully will open the way for additional exploration of this aspect of the American-Philippine colonial experience.
ACKNOWLEDGEMENTS

Pursuing a Ph.D. in history, and especially writing this dissertation, has involved a lot of solitary effort. Yet, despite the many hours spent alone in archives, libraries, and in front of a computer screen, I also have had an incredible network of family, friends, colleagues, and institutions that have supported and sustained me throughout this process. Without them, I never could have reached this point and I owe them a deep debt of gratitude.

I can hardly imagine a more ideal place to study the history of U.S. foreign relations than Georgetown University. It was my tremendous good fortune to be part of its community of scholars and I am grateful for the financial support that the History Department and the Graduate School of Arts and Sciences provided during my years there. A research grant from the University of Michigan’s Bentley Historical Library facilitated an important phase of research for this study and the library’s staff was just as helpful after I departed as when I was there asking for box after box. During most of my career at Georgetown I have also worked at the Department of State’s Office of the Historian (or HO as we call it), which continually offered me the flexibility to take off to read, write, attend conferences, and basically do what I needed to bring this project to fruition. Even more importantly, HO provided me every day the opportunity to work with a group of colleagues and friends who possess an amazing range of historical interests and expertise. I was glad to be able to draw on that body of knowledge, and especially appreciate the support I received from the folks at HO during the challenging final stages of work on this dissertation.

From the moment I arrived at Georgetown, I was lucky enough to start working with the three historians who eventually served on my dissertation committee. They guided me through many aspects of my graduate career and I have learned a great deal from each of them. My advisor, Nancy Tucker, allowed me the freedom to explore a topic that was far from the one I had proposed when I applied to work with her, and her demand for clarity of thinking and expression has made me a much better historian and writer. I also am grateful for her patience with me while this project moved along in fits and starts of progress. David Painter was an invaluable support during my graduate career and he consistently sent me titles that I had not yet found but often became crucial to my work. He was especially helpful in forcing me to consider the important questions about the history of the United States’ interactions with the politically weaker and less developed areas of the world. And Michael Kazin has long been a supportive and collegial mentor. He asked important and searching questions when I presented him my written first stab at this subject, and I am thankful that he has not stopped asking such questions. I would also like to express my appreciation for Robert McMahon. He sparked my interest in U.S. foreign relations history as an undergraduate at the University of Florida, and offered indispensable advice and guidance as I later became his M.A. student and as I applied for Ph.D. programs around the country.
None of this would have been possible, however, without the love and support that I have received from my family. My mother, Dolores Aman, and my father, Malcolm Morrison, are wonderful parents who encouraged my love of reading and my interest in history from as early as I can remember having that interest. Their encouragement is what started me along this path, and the support I received from them and my brother and sister, Clinton and Jana Morrison, never wavered (even as that path seemed to grow ever longer and they gently asked when I might finish). Craig Daigle, who has become like family over the years since we first met at HO as young graduate students, is the kind of great friend that few people are lucky enough to find. And when it came to graduate school, whether it was grilling me to prepare for exams, bouncing around ideas about topics and sources, or bolstering my resolve to finish this dissertation, Craig has been a tremendous source of advice and support.

Above all, I must thank my incredible wife Yvonne. I have been in graduate school for almost our entire time together and I am eternally grateful for her support, understanding, and endurance during all those years. Our family expanded in the final stages of this project with the birth of our wonderful son Bryce, who provided an additional inspiration to push it through to completion. And as I neared the end and faced write, revise, and prepare for my defense, Yvonne took on the extra responsibilities to give me the time and space I needed. She will always have my deepest respect and appreciation, and I look forward to many more shared accomplishments in our family’s future.
# Table of Contents

**Chapter One**

“To Take Our True Position in the European Family:” A New Look at the American Experience as a Colonial Power in the Philippines

**Chapter Two**

“A Precedent for Our Guidance:” The International Context of Imperialism and the Establishment of an American Colonial Regime in the Philippines, 1898-1902

**Chapter Three**

Exchanging Silver for Gold: Currency Reform in the American-Philippine Colonial State, 1898-1903

**Chapter Four**

“For the Protection of a People Against a Vice:” Opium & the Philippines, 1898-1908

**Chapter Five**

“An Attempt to Adapt the Egyptian Scheme to Philippine Conditions:” Creating an Agricultural Bank for the Philippines, 1902-1908

**Chapter Six**

Entanglement and Anxiety: The Philippine Constabulary and Concerns about Japanese Intentions in the Philippines

**Conclusion**

**Bibliography**
CHAPTER ONE

“To Take Our True Position in the European Family:”

A New Look at the American Experience as a Colonial Power in the Philippines

Writing in the Atlantic Monthly in March 1900 about the United States’ recent annexation of the Philippines and other overseas territories, former Secretary of State Richard Olney declared, “Both duty and interest required us to take our true position in the European family.”¹ Olney’s succinct justification of why Americans chose to acquire colonial possessions in 1898-99 encapsulated the core arguments made by his contemporaries who favored annexation. Annexationists emphasized, to varying degrees, a perceived American duty toward “backward” peoples, strategic and economic national interests, and the recent surge of European imperialist acquisitions as factors that compelled the United States to become a colonial power.²

These themes of duty, interest, and the context of European imperialism have been echoed in the expansive body of scholarship that explores the United States’ decision to acquire the Philippines after defeating Spain in 1898. Given the intensity of the contemporary debate over annexation and the historical weight scholars accord the

² In this dissertation I employ the term “colony” to describe the Philippines under American control, and the term “colonial” to describe the U.S.-Philippine relationship. The United States generally has avoided an official application of these terms to its activities in the islands because of the negative connotation they carried; however, the reality of the relationship and the issues dealt with in the current study suggest that these terms are the most appropriate. For a discussion of how U.S. officials at the turn of the century consciously decided to reject the label of “colony” for the Philippines, see: William Pomeroy, American Neo-Colonialism: Its Emergence in the Philippines and Asia (New York: International Publishers, 1970), 132-3. For an example of a contemporary argument against calling the Philippines a colony, see: U.S. Congress, Senate, Report of the Philippine Commission to the President, S. Doc. 138, 56th Cong., 1st sess., 1900: 106.
decision to become a colonial power, it is hardly surprising that historians have devoted significant attention to explaining this episode in U.S. history. They have directed considerably less scrutiny, however, toward the subsequent American experience of ruling colonies.

Among the few scholars who have analyzed significant aspects of the United States’ colonial undertaking, several have insightfully examined the early development of the U.S. administration in the Philippines. Important issues explored in these works include the dynamics of the American pursuit of a self-appointed “civilizing mission,” the strategic dimensions of American possession of the Philippines, and the economic issues associated with U.S. control of the archipelago. Inquiries along these lines reflect, in part, a desire to trace how “duty” and “interest” rationales for annexation like those expressed by Olney fulfilled or disappointed expectations.

Despite the value of this scholarship on the early years of American colonialism in the Philippines, a gap remains with regard to Olney’s third theme. Historians have not thoroughly examined how actual American possession and administration of the islands interacted with the colonialism of the United States’ imperial “family members.” Indeed,

---

most scholarship on the American experience as a colonial power in the Philippines presents the subject as disconnected from the imperial projects of other nations.⁴

In fact, American colonialism in the Philippines intersected with other nations’ imperialism in significant ways. Following the annexation debate, American policy makers and the informed public kept their eyes trained upon other states’ colonial enterprises, looking to them as sources of information, encouragement, and justification for (or arguments against) the United States’ colonial project. Moreover, the American-Philippine colonial state that emerged in the first two decades of the 20th century itself was caught up in a web of inter-imperial connections that shaped its evolution. Americans sometimes cooperated with other states on issues of mutual concern, and, of course, competition amongst imperial powers, at times more open and direct than at others, was an important influence on American-Philippine affairs. Even connections among empires that contemporaries only dimly perceived sometimes profoundly shaped developments in the Philippines. As such, the early American-Philippine colonial project was marked by both conceptual and practical interactions with the imperialism of other powers, an “inter-imperial” dynamic that was more extensive and significant than historians heretofore have recognized.

---

⁴ One exception to this characterization is the tendency for historians to note, generally in passing, contemporary comparisons between the Boer War in South Africa and the Philippine-American War, each of which occurred from 1899-1902. For the most thorough analysis of the relationship between the United States and South African actors at the turn of the century, see: Thomas J. Noer, Briton, Boer, and Yankee: The United States and South Africa, 1870-1914 (Kent State University Press, 1978). See also, Paul A. Kramer, “Empires, Exceptions, and Anglo-Saxons: Race and Rule between the British and United States Empire, 1880-1910” Journal of American History 88 (March 2002): 1315-1353.
The current study demonstrates that this inter-imperial dynamic influenced the development of the nascent American-Philippine colonial state in matters as fundamental as the establishment of a colonial government, currency reform, and economic development strategies. Understanding that this was the case generates important insights into the colonial state-building process in the U.S.-governed Philippines. It also sheds new light on how Americans engaged with foreign affairs, and on how great powers and colonial states interacted within the context of early 20th century imperialism. Consequently, this study of the inter-imperial dimension of the American experience as a colonial power in the Philippines makes a profound contribution to U.S.-Philippine history and, in turn, to important aspects of United States and international history.

***

The United States’ decision to annex an Asian-Pacific colony following the War of 1898 was a defining episode in the country’s history, and scholars have studied it closely to discern why Americans chose to acquire the Philippines at that moment. As noted above, many historians have put forth explanations that echo the themes enunciated by Secretary Olney in his Atlantic Monthly article. With regard to the question of perceived “duty” toward the Filipinos, some historians suggest that U.S. officials believed they confronted a set of equally unpalatable alternatives. According to this perspective, the United States could have restored the unjust Spanish colonial regime against which the Filipinos had rebelled, or could have bestowed independence upon the “unprepared” Philippines, thereby setting the country adrift to become the target of international rivalries, the potential catalyst for a European war, and eventually the
subject of a new colonial overlord. This explanatory framework finds that American
leaders instead opted to annex the Philippines because the United States had inherited a
responsibility to protect the Filipinos and provide them with good government and
civilization until they might be ready to survive as an independent nation.  

Historians who emphasize considerations of national interest as the factor that
most animated U.S. officials follow two generally intertwined lines of argument. One of
these holds that the U.S. Navy wanted a western Pacific coaling station and military base
that would strengthen the country’s strategic presence in the region. This would give the
United States more political influence in Asia and make the U.S. Navy better able to
defend American shipping in the Pacific. The other line of reasoning asserts that
American politicians and businessmen saw the Philippines as a point of access into the
long sought-after China market, while many also believed that the Philippines themselves
represented a valuable market for trade and investment. These economic motivations
purportedly sprang from a desire to expand American commercial and capital exports,
particularly as an antidote for domestic economic crises.

---

5 For an account of the annexation debate that eloquently conveys American thinking along these lines, see
Row, 1961). Ephraim K. Smith makes a forceful case for this perspective based on a previously
undiscovered document in his essay, “‘A Question from Which We Could Not Escape’: William McKinley
and the Decision to Acquire the Philippine Islands,” *DH* 9 (Fall 1985): 363-75. See also, Louis J. Halle,
*The United States Acquires the Philippines: Consensus vs. Reality* (New York, NY: University Press of
America, 1985);

6 See, for example, Thomas J. McCormick, *China Market: America’s Quest for Informal Empire, 1893-
1901* (Chicago: Quadrangle Books, 1967); Walter LaFeber, *The New Empire: An Interpretation of
Paterson and Stephen G. Rabe, eds., *Imperial Surge: The United States Abroad, The 1890s-Early 1900s*
A third significant theme that Olney expressed encompassed the American reaction to the wave of European imperialism that engulfed Africa and Asia at the end of the 19th century. Indeed, many historians of U.S. foreign relations suggest that European colonialism constituted a key factor in the American debate over annexation on the Philippines. Certainly, many Americans concerned with the issues of strategic and economic national interests feared that the United States would be at a severe disadvantage if left behind in the competitive rush for colonial acquisitions. In addition, some historians argue that influential Americans identified with, and wanted to emulate, European liberal intellectuals and politicians who advocated the era’s “New Imperialism.”

A related interpretive framework suggests that American expansionists believed that an industrializing and modernizing United States should embrace the European powers as a positive reference group, particularly for the conduct of international affairs. Historians also make clear that opponents of American territorial expansion sometimes framed their arguments in reference to the perceived evils of European colonialism. Such opponents most often asserted that the United States would jeopardize its traditional republicanism by following an imperial path that they believed had corrupted European societies and politics. Eventually, in 1899, proponents of

---

annexation won out, and the United States joined the ranks of the world’s colonial powers.\textsuperscript{10}

As can be seen, historians have found that American engagement with the imperialism of other nations played a role in the decision to acquire colonies at the turn of the century. This theme, however, is largely absent in scholarly explorations of the subsequent American experience of possessing and administering colonies. In explaining the early development of the American-Philippine colonial enterprise, historians have emphasized American domestic influences or the interaction of Filipino and American agendas in the archipelago. These are undeniably important elements of the story, and are fundamental to understanding American-Philippine colonial history.\textsuperscript{11}

In studying the construction of U.S. Philippine policy, scholars who stress the importance of factors that emanated from the American domestic context often focus on the influence of American political pressures and ideology, national historical experiences, and Americans’ confidence in the transferability of their institutions. For example, Glenn May makes clear in his important book that Congress frequently acted in defense of domestic interest groups, like sugar producers, to thwart initiatives that could


have created Philippine competition. Some historians assert that the political principles enshrined in the U.S. Bill of Rights, and more broadly in the Constitution, provided the dominant paradigm for American legal and administrative policies in the Philippines. Others suggest that U.S. leaders’ turned to a “useable past” of national historical precedents, including relations with Native Americans and struggles with southern Reconstruction Era governments, to find lessons and parallels that applied to the situation in the Philippines. May and Stanley Karnow, meanwhile, contend in that the U.S. colonial program in the Philippines should be seen as a quest for self-replication. They find that policy makers emphasized the institutions they believed had fostered U.S. power and prosperity: preparatory experience in self-government, widespread education, and economic development.

Other historians have focused more on the dynamics of the colonial relationship “on the ground” in the islands. This approach highlights the agency of Filipinos and it grapples with the complex exchanges between colonizer and colonized that shaped the experience for both peoples. Peter Stanley’s influential A Nation in the Making demonstrates the influence of Philippine history on what transpired under the new

---

12 Glenn May, Social Engineering in the Philippines, 150-51, 156-57.
American regime, and makes clear the active role that Filipino political leaders played in charting the course of events during the new regime’s formative years. Some scholars of American-Filipino political relations point to the importance of a “clientelist” dynamic in which influential Filipinos mediated between the disparate goals of their American patrons and different segments of Philippine society. Paul Kramer’s *The Blood of Government*, meanwhile, isolates the key role that racial politics played as U.S. colonialists sought both to collaborate with Filipino elites and persuade a domestic American audience to support the American-Philippine project. Reynaldo Ileto, exploring the agency of common Filipino men and women, finds that millenarian notions among the lower classes animated popular radicalism that forced both American and Filipino elites to remain on the lookout for violent uprisings. And a prominent school of Filipino “nationalist” historiography argues that members of the Filipino upper class betrayed their homeland by collaborating to implement U.S. policies purposefully designed to exploit the Philippines for American economic gain.

This scholarship, without question, is indispensable for discerning how American colonialism developed in the Philippines. Indeed, any comprehensive historical analysis

---

of the U.S. colonial program in the islands must take account of forces that emanated from the American metropole as well as the conditions generated in the Philippine colonial setting. Such approaches have produced important insights into the development of governmental institutions, the formation of political parties, and efforts to implement educational and economic programs, as well as relationships among leading Americans and Filipinos.

This historiography, however, presents an incomplete picture. It does not take account of the fact that the American-Philippine colonial project emerged within historical and geographic contexts in which imperialism was a powerful phenomenon. As such, existing scholarship does not analyze how Americans’ conceptual and practical engagement with the imperialism of other powers contributed to the evolution of many aspects of the American-Philippine colonial experience. Overlooking the significance of such inter-imperial dynamics has left an important gap in our understanding of the United States’ history as a colonial power.

***

The historiographical neglect of American-Philippine engagement with a broader imperial context is surprising. There are a number of reasons for historians to expect that Americans would have examined and interacted with other colonial enterprises as the United States embarked on its own imperial undertaking. U.S. officials had no background in governing a place like the Philippines. The colony was a large, very distant, overseas, island territory that was home to around 8 million people who comprised an array of unfamiliar ethnic and linguistic groups as well as a sizable Muslim
population. European nations, meanwhile, had an extensive record of ruling over territories with at least some characteristics similar to the Philippines. For example, many Americans in the early 20th century viewed Filipinos as part of a “Malay” racial group and would have seen this as a link with nearby colonies that contained similar “Malay” populations.\(^{21}\) Indeed, one of the most noteworthy international aspects of the United States’ annexation of the Philippines was that the U.S. colony was in a region where almost all non-Chinese territory was under European or Japanese imperial sway.

The imperialist presence near the Philippines at the turn of the 20th century was in some cases hundreds of years old, while in others it had been established only recently. On the whole, the region experienced a significant amount of flux during the late 19th century, even within established colonial possessions. This was the case with the island colony of the Netherlands-Indies (modern Indonesia), located to the immediate south of the Philippines.\(^{22}\) Except for a few interruptions due to conflicts in Europe, the Dutch had exerted some degree of control in the islands since the early 1600s, when the Dutch East Indies Company entered into several treaties with Indonesian princes. For most of this time, the primary Dutch interest and influence was focused on the large island of Java, where they instituted a system of forced labor and mandated cultivation of export crops like coffee, tea, sugar, and indigo. The Netherlands ended this government-monopolized system in 1870 in favor of a plantation economy driven by private capital,


\(^{22}\) Here and throughout the dissertation, I have used for clarity place names that were most common at the time under examination. At the first introduction of a particular place, I have included in parentheses the names as they are in use today.
which added rubber, mining, and oil production to the colony’s list of major export products. At the same time, the Dutch launched a campaign to extend their control throughout the entire collection of large and small islands, a process that essentially was completed by 1903.23

France, a relative newcomer to the region by comparison with the Netherlands, also recently had solidified its colonial control in the Philippines’ western neighbor, French Indochina (modern Vietnam, Laos, and Cambodia). After establishing an initial presence in the southern Cochin China region in the 1860s, French authorities gradually extended their control to the north and west over the next 30 years using an assortment of arrangements for direct and indirect rule. From 1897-1902, France finally imposed more complete and direct overall authority with the creation of the Indochina Union. French colonialism there was characterized by a very strong administrative structure staffed by a large contingent of civil servants, a system that proved very expensive and placed a heavy tax burden on the native population. Despite its best efforts, the colonial government was unable to attract significant private investment, and consequently made large government expenditures on infrastructure to facilitate the production and export of rice, coal, and other products.24

Great Britain had a variety of colonies and protectorates throughout the region. In some strategic territories like Hong Kong and the Straits Settlements (Singapore,


Malacca, Penang), the British exerted strong direct control over small outposts valued for their locations along sea lanes or within trade networks. In other areas, like British North Borneo and the Federated Malay States (Malaysia), Great Britain exerted its imperial influence indirectly through protectorate relationships with native rulers. At the time, Britain was not particularly interested in controlling or exploiting the states, but wished to keep other powers from accumulating too much territory and influence in the region. Meanwhile, from 1824 to 1885, Great Britain extended direct colonial control over Burma, in part to buffer against French westward expansion toward the crown jewel of the British Empire, India. In 1886, Burma was incorporated into the complex administrative structures of British India, where the Empire invested its most extensive government, civil service, and military presence.²⁵

Coming to the field more recently was Japan, which acquired Formosa (Taiwan) from China in 1895 following the Sino-Japanese War (1894-1895). Japan viewed the island as a potentially valuable resource and, after quelling some significant initial anti-colonial resistance, quickly set about developing the island’s infrastructure and capacity to produce valuable commodities like rice and sugar. The treaty that concluded the Sino-Japanese War also ended Chinese suzerainty over Korea, which opened the way for

increased Japanese penetration in the peninsula. In 1905, Japan made Korea a protectorate, and in 1910 completely annexed it into the Japanese Empire.\textsuperscript{26}

In fact, China’s weakness at the turn of the century was a central part of the Asian context of imperialism at the time, particularly since so much of the imperialist game was being played out within its territory. With regard to the Philippines, the archipelago certainly was entangled with China through a web of connections that included, for example, a long-standing trade and immigration relationship. And, of course, part of the rationale for why the United States acquired the Philippines was idea that the islands could connect Americans to China.\textsuperscript{27} Such a state of affairs seems to cry out for scholarly examination of how this colonial context affected the American undertaking in the Philippines. Moreover, historians’ findings that American interest in European imperialism prompted the United States to acquire its own colonies offers a natural point of departure for investigating the significance of inter-imperial connections for subsequent U.S. efforts at colonial administration.

This dissertation’s approach to examining the early American-Philippine colonial experience is also influenced by the important historiographical trend that urges scholars to employ a more international or even transnational perspective in the study of United


States history. Advocates of this approach correctly point out that it prompts historians to identify and examine hitherto ignored aspects of the American past, to reinterpret familiar events and phenomena, and to situate United States history within an international historical context. Recent scholarship that embraces a more international or transnational perspective offers practical illustration of the insights such approaches can produce.

Daniel Rodgers, in *Atlantic Crossings*, identifies numerous examples of American Progressive era domestic policies that were influenced by international exchange among a network of progressive thinkers in Europe and the United States. Consequently, Rodgers concludes that the early 20th century was “a moment when American politics was peculiarly open to foreign models and imported ideas,” a finding that seems even more likely to have applied in the realm of international politics. Ian Tyrrell’s *Woman’s World/Woman’s Empire*, meanwhile, demonstrates the utility of a transnational perspective for studying turn of the century imperialism. Tyrrell examines the Woman’s Christian Temperance Union (WCTU) as a site of inter-imperial exchange that was not constrained by national boundaries. He finds that women’s temperance activism on four

---


continents shaped the empires in which it operated as well as the movement’s own place within American and British domestic contexts.  

Scholars also have begun to advocate a research agenda that specifically centers on examining U.S. history in relation to the broader historical context of colonialism. In an essay that constitutes the focus of a *Journal of American History* Forum, Ann Laura Stoler urges historians to undertake studies that compare European expansion with various “colonial moments in United States history.” Stoler’s call for the increased use of comparative history as an analytical tool for studying the American past is a sound proposal and by no means a new one for most historians. However, Stoler also provocatively suggests that scholars “might treat comparison, not as a methodological problem, but as a historical object.” In other words, historians should recognize “that selective comparison was itself part of colonial projects” and consequently explore what “agents of empire [thought] to compare and what political projects made them do so.”

Taking up this insight, the current study indeed finds that American “agents of empire” engaged in comparisons with other states’ imperial projects that helped shape U.S.-Philippine colonial history. And from the perspective of colonial populations subjected

---


32 Stoler, 894.
to those other states’ imperial control, Erez Manela in *The Wilsonian Moment* powerfully demonstrates the significance of U.S. entanglement in the world of imperialism during the early 20th century. According to Manela, the Afro-Asian anti-colonial nationalism that emerged in the years surrounding World War I was forged by “the international context of the experience of colonial peoples,” which he finds was directly centered on the rhetoric and actions of U.S. President Woodrow Wilson.33

A few historians of the early American-Philippine colonial experience have begun themselves to note the potential value of bringing a more international perspective to the subject. In an insightful introduction to the collection of essays, *The American Colonial State in the Philippines*, Julian Go emphasizes that American colonialism unfolded within a broad context of colonial empires.34 Go suggests that comparative studies and studies that situate U.S. colonial state building within an inter-imperial context can help us better discern the dynamics of power, control, and collaboration in the colonial Philippines; what tensions and complications confronted the American colonial state; and how Americans viewed their work as a colonial power.

Paul Kramer’s article, “Empires, Exceptions, and Anglo-Saxons,” also touches upon the colonial Philippines’ inter-imperial connections.35 Kramer explores the racially conditioned dialogue through which Americans initially identified their colonialism with, and then later differentiated it from, British imperialism. He expands upon a traditional

---

argument that emphasizes the self-conscious connections made between Britons and Americans in their appeals to “racial ‘Anglo-Saxonism’ in efforts to legitimate U.S. colonialism during and after 1898.”

Although most of Kramer’s article deals with the rhetorical and conceptual significance of Anglo-Saxonism, he effectively argues for the need to study many types of inter-colonial connections that existed at the turn of the century. As he notes, American exceptionalism “did not…prevent Americans from scouring the European colonies of Southeast Asia in search of practical models of colonial state building,” and there existed “a world of inter-imperial contacts, dialogues, and exchanges still largely unexplored by historians.”

In his recent book focused on the role that racial politics played in the American-Filipino encounter, Kramer reiterates this point and offers glimpses into some of the topics that might elicit further exploration, although he does not provide a sustained analysis of inter-imperial dynamics.

This dissertation accordingly derives a significant impetus from the conceptual framework sketched out by these and other scholars. However, the current study goes beyond the existing scholarship on early U.S.-Philippine colonial history by examining systematically a range of American-Philippine interactions with the empires of other

---


powers and placing this at the center of its analytic perspective. In so doing it demonstrates that previously unappreciated inter-imperial comparisons and connections played a profound role in how policy was formed, in shaping Americans’ perceptions of themselves as colonizers, and in making the U.S.-Philippine colonial experience influential on a larger foreign policy tableau.

***

The colonial state that emerged in the Philippines from 1898 to 1913 constituted the nexus of the American experience as a colonial power in the Pacific at the start of the 20th century. Consequently, this dissertation examines key issues, individuals, institutions, and policies that were associated with the evolution of the American-Philippine colonial state during this 15 year period that became known as the “Taft Era.” William H. Taft was the most influential American participant in the U.S.-Philippine relationship and towered over the Republican-led U.S. rule of the colony, first as Civil Governor (1900-1903), then as Secretary of War (1904-1908), and finally as President (1909-1913). The inauguration of Democrat Woodrow Wilson in 1913 ushered in a new direction for the American colonial policy and represented a distinct breakpoint in the U.S. experience as a colonial ruler of the islands. Although the American-Philippine colonial project remained enmeshed in the broader context of imperialism, U.S. policy sought different ends as the Democratic Party policy disavowed much of the Taft Era.

---

program, rapidly sought to “filipinize” the colonial administration by replacing American officials with Filipinos, and soon committed to Philippine independence as the ultimate goal of U.S. policy.

The following chapters present, in a roughly chronological progression, several episodes from the Taft Era of the U.S.-Philippine colonial relationship. These episodes were chosen because they were significant in the evolution of the American-Philippine colonial state and they vividly demonstrate the nature and impact of interactions with a broader imperial context. Of course, many extremely important facets of the American-Philippine colonial encounter were not greatly affected by inter-imperial connections. Other historians have done fine work examining issues like education policy, colonial government relations with the Catholic Church, and the emergence of Filipino political parties. But these are only part of the story, to which this dissertation adds a missing element. In so doing, it sheds new light on familiar American-Philippine issues like the creation of administrative structures and economic policies, while also introducing unexplored topics like inter-imperial exchanges on agricultural development in tropical colonies.

Chapter 2 opens in 1898 with President William McKinley’s decision to annex the Philippines and the United States’ subsequent efforts to fashion a colonial agenda, institutions, and administration for its new possession. The chapter follows these efforts through the congressional passage of the Philippines Organic Act in 1902 that formally sanctioned the colonial government that U.S. officials had by then created, as well as the policies that government had enacted. During this formative period, Americans within
and outside of government engaged with the broader context of imperialism on a variety of levels to shape their thinking, arguments, and policymaking. The chapter also introduces several of the key individuals, policymaking structures, and governmental institutions that characterized this period of American-Philippine history.

The next chapter explores the decision to create, and efforts to devise, an entirely new Philippine currency, which the United States eventually instituted in 1903. American officials in the Philippines considered this one of the most important early policy initiatives that they undertook because of its implications for the economic health of the new colonial government and Philippine society, and because it was intertwined with American and Philippine political considerations. Significantly, inter-imperial commercial and political connections heavily influenced both the decision to reform Philippine currency and the creative process that produced a new monetary system.

The debates and policymaking from 1903 to 1906 that surrounded plans to regulate opium in the Philippines constitute the subject of Chapter 4. The American-Philippine government’s initial plan, modeled to some degree upon the opium policies of imperial neighbors, engendered a vocal opposition in the United States among influential missionary and temperance organizations. As it turned out, these groups drew upon their own knowledge of and experiences in other imperial settings to mount arguments that compelled the Roosevelt Administration to dig deeper into the policies of the Philippines’ neighbors and ultimately to alter its course.

One of the most important economic development initiatives on American-Philippine officials’ agenda was the improvement of the archipelago’s agricultural
production and profitability. Chapter 5 explains how American-Philippine officials, wanting to make it easier and less expensive for Filipino peasants to borrow money for farming, modeled their plan for a Philippine Agricultural Bank on a bank that British authorities recently had created in Egypt for the same purposes. The process that culminated in 1908 with congressional legislation that authorized the agricultural bank even included a research trip to Egypt where the plan’s author received assistance and advice from a variety of officials, including Her Majesty’s highest representative there, Agent and Consul General Evelyn Baring, the Earl of Cromer.

All interactions among imperial powers were not cooperative, of course. From the moment the United States took possession of the Philippines, Americans were concerned about Japanese designs on the archipelago. Made especially clear in the diplomatic historiography on the Roosevelt and Taft Administrations, the implications of this imperialist tension have not been explored as they played out “on the ground” in the Philippines. Chapter 6 examines American-Philippine constabulary and secret police concerns, particularly after 1905, about the activities of possible Japanese agents in the islands and suspected Japanese links to Filipino conspiracies against American rule. Specifically, it follows these institutions’ campaigns to thwart apparent Japanese plots to incite Filipinos to rebellion, efforts to foil spying presumed to support Japanese invasion plans, and surveillance of anti-American Filipinos whose perceived links to Japan

---

suggested they were a danger to the stability of the colonial regime. This discussion of
imperialist competition leads into the concluding chapter that situates the early American
experience as a colonial power in the Philippines within the overall international context
of imperialism at the turn of the century. Competition among imperial powers during this
time is a familiar historiographical theme; however, it should not obscure the manifold
other ways in which imperialist nations encountered one another. Accordingly, this
chapter draws out the broader significance of the American-Philippine inter-imperial
connections discussed throughout the preceding chapters.

***

These chapters and the analysis within them consequently provide new details and
understandings about the early history of U.S. colonialism in the Philippines. In
particular, this study identifies specific modes of interaction between the American-
Philippine colonial project and the empires of other nations. Americans studiously
examined their imperialist counterparts’ ventures, and some U.S. citizens and officials
corresponded with foreign colonial officials or even conducted research in foreign
metropolitan or colonial states. In addition, formal and informal cooperative
arrangements, economic links, and competitive rivalries bound the American-Philippine
colonial state to other imperial powers and their colonies.

The imperial interactions described here involved a variety of actors and
institutions, and they unfolded on a worldwide stage. Among the most prominent of
those who engaged in such exchanges were government officials in the Philippines;
members of the U.S. executive branch, especially within the War Department; and the
U.S. Congress, led by members who sat on committees that dealt specifically with the country’s new colonial possessions. Beyond government institutions, private individuals including businessmen, academics, and opinion leaders in the Philippines and the United States also participated in the inter-imperial aspects of the early American-Philippine colonial experience. Additionally, members of groups like missionary and temperance organizations sometimes functioned as transnational actors operating across various imperial boundaries to influence the American project in the Philippines.

Geographically, American-Philippine engagement with the broader imperial context most commonly involved nearby Asian neighbors. French Indochina, the Dutch East Indies, and British possessions throughout the region frequently interacted with the Philippine colony or were objects of American policymaking interest. The imperialist jostling for influence and advantage in China, meanwhile, also played a role in American-Philippine developments. Significantly, the great powers of the “European family” were not the only participants in this dynamic. Japan’s ambitions in China and the Pacific, as well as her colonial regimes in Formosa and Korea, constituted an important part of the inter-imperial milieu. Finally, American-Philippine engagement with the imperialism of other powers at times extended around the globe to include Egypt and sub-Saharan Africa.

Most importantly, this dissertation shows that the inter-imperial dynamics under discussion here had profound consequences for the American experience as a colonial

---

41 The congressional committees were the House Committee on Insular Affairs, and the Senate Committee on the Philippines.
power in the Philippines during the early 20th century. Important Taft Era American-Philippine policies were shaped in part by a process in which Americas borrowed, adapted, critiqued, and rejected insights they drew from other imperial powers. The early evolution of the American-Philippine state also was influenced by Philippine links in the region that had formed prior to United States' rule or existed irrespective of American intentions. Moreover, engaging with the imperialism of others as part of administering the Philippines influenced American self-perceptions. Even as some Americans carried a certain sense of “exceptionalism” into the undertaking, many were ready to examine what other colonial rulers were doing. As a result, observation of and interaction with other imperialists alternately reinforced and undermined exceptionalist thinking among Americans involved in Philippine affairs. On another level, the inter-imperial aspects of the American-Philippine project helped shape some Americans' attitudes about various features of the international landscape. For example, some Americans who engaged the broader context of imperialism in conjunction with Philippine affairs gained a greater appreciation of the mounting interconnectedness of world political and economic forces. In a more direct example, some Americans decided that Japanese colonial policy revealed merits in their society and government that Westerners had ignored, while others determined that Japanese international ambitions and capabilities posed threats that were not to be dismissed lightly. These and other insights become clear throughout the course

of this study, but we must begin at the beginning, when Americans in large numbers first confronted the real prospect of acquiring the Philippines as a United States colony.
CHAPTER TWO

“A Precedent for Our Guidance:”

The International Context of Imperialism and the Establishment of an American Colonial Regime in the Philippines, 1898-1902

In April of 1898, the United States went to war with Spain. Tensions between the two countries had been mounting for months as Americans increasingly protested Spain’s policies in its rebellious colony Cuba, one of the last remnants of the formerly vast Spanish empire. American momentum towards hostilities increased after the U.S. battleship *Maine* exploded and sank in Havana harbor on February 15, 1898, and culminated in a formal declaration of war on April 25, after Spain failed to heed President William McKinley’s ultimatums with regard to Cuba. ⁴³

During the short conflict, U.S. land and naval forces quickly defeated Spanish units in and around Cuba and the Philippine Islands, another of Spain’s few remaining colonial possessions. ⁴⁴ Indeed, Manila Bay in the Philippines was the site of the first major engagement of the war when, on May 1, the American Asiatic squadron under the command of Commodore George Dewey sank the aging collection of Spanish warships

---

⁴³ On April 19, Congress passed a joint resolution that McKinley signed on the 20th authorizing U.S. intervention in Cuba. In response, Spain declared war on the United States on April 23. For a detailed account of the events and diplomacy that led up to the war, see David F. Trask, *The War with Spain in 1898* (New York: Macmillan Publishing Co., 1981), 1-59. See also, Louis Perez, *The War of 1898: The United States and Cuba in History and Historiography* (Chapel Hill, NC: University of North Carolina Press, 1998), for an important revisionist argument that contends the United States intervened in Cuba to forestall an imminent rebel victory that threatened to bring to power a Cuban government that would have challenged U.S. strategic and economic interests.

stationed there. According to U.S. Navy war plans, Dewey’s objectives in Philippine waters were to prevent the transfer of any Spanish forces to the Caribbean theater, and to cut off the Philippines from reinforcement and resupply. American naval strategists hoped that a successful operation would increase pressure on Spain to seek peace on American terms. Beyond this military rationale, some historians argue that the decision to send Dewey into Manila Bay was the first step in pursuing a broader vision to expand permanently American power and territorial holdings in Asia.

Whether Dewey’s mission to Manila Bay was simply the implementation of pragmatic military strategy to win the war against Spain or also part of a larger design for imperial aggrandizement in Asia, the commodore’s decisive victory and the subsequent dispatch of U.S. troops to occupy Manila fueled an upsurge of American popular sentiment for retention of at least some Philippine territory after the war. By the time Spain and the United States agreed to end hostilities on August 12, 1898, McKinley had declared publicly that the final peace accord should provide for American acquisition of Guam and Puerto Rico, while the United States would hold “the city, bay, and harbor of Manila” pending the conclusion of a permanent agreement. McKinley subsequently...

---


47 On the dispatch of U.S. ground forces, see Brian McAllister Linn, *The Philippine War, 1899-1902* (Lawrence, KS: University of Kansas Press, 2000), 3-25.

enlarged his annexationist requirements as negotiations progressed during the fall, and the Treaty of Paris signed on December 10, 1898, ultimately compelled Spain to give Cuba independence and to cede Puerto Rico, Guam, and the entire Philippine archipelago to the United States for $20,000,000.49

Having wrested Spain’s colonies away from her, U.S. leaders wasted little time in asserting American claims of control over the Philippine Islands. On December 21, 1898, President McKinley ordered Secretary of War Russell Alger to extend the authority of the U.S. military government then controlling Manila to the entire archipelago.50 The formal assumption of U.S. sovereignty did not occur until the Senate ratified the Treaty of Paris on February 6, 1899, and Democratic opposition to the treaty kept its approval in doubt until the final ballots were cast.51 Moreover, two days before the Senate vote, Philippine nationalist forces that sought independence began to clash with the U.S. troops occupying Manila. Despite the indeterminacy of the ratification question and the outbreak of violent Filipino resistance, the McKinley administration remained optimistic that it would be able to pursue its plans, and in late 1898 and early 1899 began the process of developing a colonial program for the territories to be acquired from Spain.

The current chapter examines these initial American efforts to conceptualize the nascent American-Philippine colonial relationship, as well as subsequent steps taken to

49 For a thoughtful analysis of how McKinley’s position on the Philippines evolved, see Smith, “‘A Question from Which We Could Not Escape.”
51 The Senate ratified the treaty with one vote to spare. On opposition to the acquisition of Spain’s former colonies, see especially: Beisner, Twelve Against Empire; Tomkins, Anti-Imperialism in the United States; and Schirmer, Republic or Empire.
formalize and inaugurate a plan of colonial administration for the archipelago.

Americans quickly recognized that, due to extremely limited prior contact with the Philippines, the United States needed to acquire information on the islands and its inhabitants in order to achieve a successful outcome there. Moreover, Americans had no previous experience with the colonial administration of a very distant, tropical, island territory that was home to a large population characterized by a multiplicity of unfamiliar cultures, languages, and ethnicities. As such, the United States needed not only information on its new colony, but also on the practice of colonial government itself.

This chapter demonstrates that the opening phase of the American experience as a colonial power in the Philippines was marked by a quest to remedy these deficiencies, and that the inter-imperial dynamic was central to this undertaking. Efforts of American government officials, opinion leaders, and academics to acquire knowledge about the Philippines and the general subject of colonial administration began immediately. Significantly, this process of investigation and analysis often focused on what other states had experienced in the administration of their colonial possessions, and recommendations for the United States’ course of action frequently were framed within the context of what other powers had done. A similar mode of inquiry characterized the work of the Schurman Philippine Commission, which McKinley created in 1899 to conduct a formal study and to recommend options for the Philippines.

Once the preliminary work had yielded some guidelines, the Taft Philippine Commission emerged as the first formal American colonial government for the Philippines in 1900. Here too, engagement with other empires played a profound role as
the new government strove to define priorities and implement an administrative program. Indeed, the very form of this government, as well as significant elements of its administrative agenda, all reflected the influence of American study of other nations’ colonialism.

**The Search for Knowledge Begins**

Once the Treaty of Paris was concluded in December 1898, the McKinley administration quickly began the work of devising long-term plans for the U.S.-Philippine colonial relationship. American officials promptly determined that they could benefit from learning more about both the general subject of colonial administration and about other states’ individual experiences. Accordingly, one of the McKinley administration’s first initiatives was to have the Department of the Treasury’s Bureau of Statistics investigate the policies and practices that other countries had employed in their colonial affairs.

The Bureau of Statistics issued a report of its findings in February 1899 under the title *The Colonial Systems of the World.* The Bureau conducted extensive research on contemporary colonial issues and provided U.S. officials information on all 125 identifiable “colonies, protectorates, and dependencies of the world,” which encompassed two-fifths of the land surface of the globe and one-third of the earth’s population. The report detailed the imperial systems of not only western European powers like France,

---

52 The report is found in: Records of the Bureau of Insular Affairs (Record Group 350), Entry 5, General Records of the Bureau of Insular Affairs, 1898-1945, File 1322, Enclosure 4, US National Archives, College Park, MD [cited hereafter as BIA, Entry #, File #/Enclosure #].

Great Britain and the Netherlands, but also those of states like China, Russia, and Turkey. Topics covered at length in the document included matters of great concern for Americans contemplating the future of their country’s colonial venture in the Philippines: methods of government, commercial strategies, and policies regarding revenues, expenditures, imports, exports, and the development of infrastructure.

Besides presenting factual and statistical details, the Bureau of Statistics also analyzed this material and, in turn, offered recommendations for the United States’ fledgling colonial project. For example, the report’s authors found the British approach to colonial government to be the most attractive, particularly because it seemed to be the most successful. They attributed this success to the fact that “the British colonial system, which has by far outgrown that of any other nation, gives, wherever practicable, a large degree of self-government to the colonies.” Thus, the report suggested that the British precedent should encourage the United States to accord Filipinos a significant amount of self-government. Another important matter for American decision makers was trade policy, and the report contended that “commerce between the successful colonies and their mother countries is nearly all placed on practically the same basis as that with other countries.” The authors argued that, especially in the French and British colonies, this policy of giving no advantage to imports from the home country had reduced the dependency and increased the prosperity of the colonial territories.

---

54 Colonial Systems of the World, 5.
55 Ibid.
This report consequently provided a welcome early source of statistical and analytical insight for American officials struggling with the imperatives of devising a broad colonial agenda and the specific policies that would define U.S.-Philippine relations. Apparently, the McKinley administration also believed that the dissemination of such information to the broader public might bolster popular support for colonial expansion. In January and May of 1899, the Chief of the Bureau of Statistics, O.P. Austin, published articles that used much of the report’s language and information in the widely-read journals *National Geographic Magazine* and *Forum.*\(^{56}\) In these articles, Austin asserted that other countries’ experiences demonstrated that significant benefits, particularly in the economic realm, accrued to colonizers and native inhabitants alike. Austin further argued that such examples of others’ successes meant that it was reasonable for Americans to anticipate similar results for their colonial undertaking. Later, an expanded version of the report issued in 1900 provided the foundation for yet another Austin article in *Forum*, in which he contended that additional details about French and British colonial successes validated his affirmative answer to the title question, “Does Colonization Pay?”\(^{57}\)

Members of Congress, meanwhile, also looked to the broad international and historical context of colonialism as they debated the ratification of the Treaty of Paris and grappled with the contingencies that might accompany the acquisition of overseas

---


In this context, some legislators invoked the specter of historical British colonial policies that Americans did not remember fondly. For example, Senator William Mason (R-Illinois) pithily told the Senate on January 10, 1899, that, although he favored ratifying the Treaty of Paris, if U.S. colonial policy in the Philippines came to resemble that of Great Britain in eighteenth century North America, it would be wise to “look out for tea parties.”

Other Senators focused more on the contemporary experiences of prominent European colonial powers to gain practical insight into what Americans might expect on the ground in the Philippines. Significantly, the challenges associated with administering a tropical colony were of particular interest. For example, several senators called their colleagues’ attention to French and British government reports that revealed frightening rates of disease suffered among their soldiers stationed in tropical possessions. Citing the British reports, George Hoar (R-MA) noted that “in India and in some of her other tropical colonies the number of soldiers committed to her hospitals annually...considerably exceeds the entire number of soldiers.” Senator Arthur Gorman (D-MD) went on to reference a U.S. government analysis of the British reports that estimated the high rate of sickness that American troops would suffer based on a comparison to the British experience in India. Consequently, he declared that if the

58 The Senate Committee on Printing welcomed the Bureau of Statistics report and authorized the publication of 10,500 copies. U.S. Congress, Senate, Congressional Record, February 18, 1899, 55th Congress, 3rd session, 32:2041.
59 U.S. Congress, Senate, Congressional Record, January 10, 1899, 55th Congress, 3rd session, 32:529.
60 U.S. Congress, Senate, Congressional Record, January 27, 1899, 55th Congress, 3rd session, 32:1158.
61 Ibid.
United States kept any substantial number of troops in the Philippines, because of the added cost in pension benefits for them, the United States would spend more for its soldiers than any country on earth. Instead, the U.S. government should be “warned by the experience of other nations which have attempted to keep their men in the Tropics,...and organize this force so as to be officered by our own men, but composed of natives who can endure the climate...”62

Senator William Stewart (Silver-NV), meanwhile, found the Philippines’ tropical locale to be a welcome buffer against the possibility that Filipinos would come into the United States to provide cheap labor. He argued that workers did not emigrate from tropical colonies to temperate metropoles, stating that “they do not go from India to England, nor from the tropical portions of Africa to England, although they are under the English government.”63 Thus, he believed the example of other states’ experiences with tropical colonies showed that American workers had nothing to fear on this count.

U.S. government officials were not the only Americans interested in what would be required for their nation to become a successful colonial power. At the same time that Executive branch agencies and the Congress were pursuing information to this end, some influential commentators on public affairs suggested that Americans could learn a great deal from the successes and failures of European colonial powers. Moreover, like-minded segments of the American academic community sought to act upon such

62Ibid., 1159. For a helpful introduction to colonial powers’ use of native forces, see Karl Hack and Tobias Rettig, eds., Colonial Armies in Southeast Asia (London: Routledge, 2006).
63 U.S. Congress, Senate, Congressional Record, February 11, 1899, 55th Congress, 3rd session, 32:1736.
sentiments by employing their professional talents in ways they hoped would aid their country’s government.

Most American opinion leaders who engaged in the conversation over how their country might govern its new possessions believed that the United States was ill-prepared for the task. Some, however, found reassurance in the belief that their country was starting down a path that already had been marked out by other Western powers. Rollo Ogden, a prominent journalist and member of the *New York Evening Post* editorial board, provided an articulate example of this attitude when he wrote in *The Nation*:

> We are facing administrative difficulties in our island possessions with which nothing in our experience fits us to cope. But there is a rich and instructive experience of other nations which it behooves us humbly to study. With the full records of colonial history before us for instruction, it would be criminal for us to go forward as if nothing of the kind had ever been done before, and write the blunders and the cruelties all over again." 

Other influential commentators like Stanford University president David Starr Jordan examined previous cases of American territorial expansion into the Louisiana Purchase territory, Texas, Alaska, and even Hawaii and determined that contemporary Dutch and British colonial situations were much better-suited as examples for the United States’ new Asian colony. Indeed, popular American journals soon were awash in articles advocating the study of British, Dutch, French, and even Spanish colonial successes and

---

64 R. Ogden, “Experience in Governing Colonies,” *The Nation* 67 (Sept. 1, 1898), 160-1.

At the same time, a number of American academics embarked upon scholarly investigations of colonialism. In 1899, for example, the American Historical Association created a Committee on the History of Colonies and Dependencies.\footnote{See, for example, E.L Godkin, “Conditions of Good Colonial Government,” \textit{Forum} 27 (April, 1899) 190-203; Charles Kendall Adams, “Colonies and Other Dependencies,” \textit{Forum} 27 (March, 1899) 33-46; Ogden, “Experience in Governing Colonies;” Jordan, “Colonial Lessons of Alaska;” and Clifford, “A Lesson from the Malay States.”} At the Association’s annual meeting at Boston in 1900, a number of historians working with the Committee presented research that explored how European colonizers had dealt with matters including racial issues, forms of government, overseas Chinese populations, the selection and training of colonial officials, and contract labor.\footnote{Charles M. Andrews, “Boston Meeting of the American Historical Association,” \textit{American Historical Review} 5 (April 1900): 423.} American economists also devoted themselves to the study of colonialism, focusing especially on contemporary theory and practice in their effort to contribute to the success of the American colonial
experiment. In 1898, the American Economic Association created a Committee on Colonies to “secure information regarding the fiscal methods and economic conditions of typical modern colonies…to suggest tentatively some general principles which might be applicable to the government of the new dependencies of the United States.”  

Committee members published their findings the next year in articles that examined the British, Dutch, French, German, Italian, and Spanish colonial systems. Political Science Quarterly also carried articles exploring how the United States could learn from European colonialism. Moreover, in the early days following annexation, schools like Harvard, Columbia, Yale, Pennsylvania, Chicago, and the Columbian (now George Washington) universities contemplated or even took steps toward creating programs of study or dedicated schools modeled on European precedents that would train young Americans for colonial service.  

---


many American academics admired Great Britain’s perceived colonial successes as a particularly positive example for the United States in the Philippines.

Despite the initial fervor of some academics toward the colonial enterprise, this early burst of energy soon faded. No specialized school of colonial service materialized, and diminishing excitement about colonial affairs among academics soon was paralleled among many opinion leaders.\(^{74}\) This was particularly true by 1902, as the grinding war against Filipino nationalists eroded American public interest in, and some support for, the Philippine colonial endeavor.

Irrespective of such later developments, during the early months following McKinley’s decision to annex the Philippines, many Americans were excited about establishing a U.S. colonial regime for the archipelago. They also recognized that this would be a formidable task. In launching their imperial project, Americans understandably relied to some extent on their perceptions of traditional U.S. political principles and national historical precedents as guides to policy. For instance, many government officials and opinion leaders cited U.S. government relations with Native Americans to justify ruling the Philippines as a colony and making the Filipinos subjects of a government that did not ask for their consent.\(^{75}\)

Nevertheless, the Philippine situation presented many challenges that did not seem easily met through simple reference to American examples. Filipinos were not...
Americans and few U.S. officials anticipated that American political and social institutions could simply be replicated in the islands. Some Americans did believe that domestic policies aimed at Native and African Americans, like reservation schools or vocational training, could be transferred to the Philippines and the colonial government in fact implemented some of these programs. But even in pursuing ideas conceived in this way, U.S. officials sometimes rejected them because of dissatisfaction with how a policy or institution had worked in the U.S. domestic setting or because something that superficially seemed to correspond to Philippine conditions did not actually prove analogous. Indeed, there were enough obviously unique aspects to the Philippine situation that American precedents could reasonably have been expected to provide the ideas and models for fashioning all the colonial policies for the islands.

Acknowledging this reality, a wide range of McKinley administration officials, congressmen, and American opinion and academic leaders actively examined the colonialism of other nations. In doing so, Americans sought practical information about colonial administration, reference points for analyzing what the United States should do in the Philippines, and evidence to support views and arguments they hoped to see prevail. This dynamic proved an important part of the milieu from which the American-

---

76 See Anne Paulet, “To Change the World,” 173-202; and Glenn A. May, Social Engineering in the Philippines, 97-127.
77 The McKinley administration rejected the Division of Indian Affairs as a model for the Division of Insular Affairs created to oversee the administration of the new island possessions because officials deemed the former corrupt and inefficient. See Williams, “United States Indian Policy,” 828-29. In 1901, the head of the Philippine Bureau of Non-Christian Tribes toured American Indian reservations to evaluate the feasibility of extending Indian policy to the Philippines and determined that he could not find “a model which can be generally followed in handling the wild tribes of the Philippines.” Kramer, Blood of Government, 212-214
Philippine colonial relationship sprang, and a force that continued to shape the opening stages of the American experience as a colonial power in the Philippines.

**The Schurman Commission**

Following the signing and ratification of the Treaty of Paris, Americans from all segments of society were engaged in the debate over what course the United States should take in establishing its new colonial relationship with the Philippines. Nevertheless, it was in the purview of McKinley administration officials to forge the initial colonial policies for the archipelago. Perhaps the most significant early step taken to accomplish this goal was McKinley’s appointment of an investigative commission headed by Cornell University president Jacob Gould Schurman to visit the islands, assess the situation, and formulate policy recommendations.

Schurman was a friend of McKinley’s; however, in 1898 he had been an open opponent of annexing the Philippines, arguing that their acquisition would impose a ruinous burden on the United States and that ruling “uncivilized” people would harm American traditions and institutions.\(^{78}\) Indeed, when McKinley called him to Washington in January 1899 to offer the job, Schurman reminded the President of his opposition to annexation. McKinley replied that he too had been opposed to taking the islands, but eventually decided there was no alternative given the severe international implications of U.S. abandonment of the archipelago.\(^{79}\) The President apparently convinced Schurman of the national importance of the undertaking. Consequently, the

---


\(^{79}\) Ibid., 407.
former professor of philosophy and English literature with no background in Philippine or colonial issues signed on to lead the body that would recommend how the United States should proceed in its new colony. Joining Schurman on the Commission was Dean Worcester, a zoologist from the University of Michigan who had visited the Philippines twice on research trips, and Charles Denby, a former U.S. Minister to China. The Commission was rounded out with Major General Elwell Otis and Commodore Dewey, the ranking Army and Navy officers in the Philippines, neither of whom were much involved in the group’s work.

Alternately known as the First Philippine Commission or the Schurman Commission, this group is familiar to scholars because of the key role it played in the formative process of establishing an American colonial regime for the Philippines. Far less well-known, however, is the significant degree to which inter-imperial considerations played a role in the Schurman Commission’s efforts to determine how the U.S. government would administer its new colony. The commissioners received their instructions on January 21, 1899, from Secretary of State John Hay, who directed them to recommend “the measures which should be instituted for the maintenance of order, peace, and public welfare, either as temporary steps to be taken immediately for the perfection of present administration, or as suggestions for future legislation.” The McKinley administration also hoped that the Commission could convince Filipinos of the

---

United States’ benevolent intent and thus forestall violent resistance to the imposition of
American authority. 82

The Schurman Commission reached the islands on March 4, 1899, but fighting
already had been underway for a month between U.S. troops and nationalist Philippine
forces led by Emilio Aguinaldo, who sought to establish the independence of the
Philippine Republic, which he and other Filipinos had constituted on January 21, 1899. 83
Despite the outbreak of fighting, the commissioners pressed on in executing their
instructions over the next several months. During the early stages of their work, the
commissioners met with some of Aguinaldo’s emissaries to discuss whether the sides
could reach some accommodation, but were unable to forge an agreement to end the
fighting. Throughout the remainder of 1899, the Commission focused on the information
gathering aspects of their assignment, working in Manila and visiting outlying provinces
to interview native Filipinos, as well as foreigners living or doing business in the islands.
It also collected an array of Philippine documents and consulted the local press to learn
about “government; political, social, and racial questions; law; currency; the Chinese
question; education; public lands; church property;” and other matters of concern in the
archipelago. 84

82 Ibid.
83 Aguinaldo’s group had declared Philippine independence in June 1898. For good accounts of the
military aspects of the U.S.-Philippine War (at that time Americans called it the Philippine Insurgency) see
Stuart Creighton Miller, Benevolent Assimilation: The American Conquest of the Philippines, 1899-1903
(New Haven: Yale Univ. Press, 1982); and Linn, The Philippine War, 1899-1902.
84 U.S. Congress, Senate, Report of the Philippine Commission to the President, S. Doc. 138, 56th Cong.,
1st sess., 1900:2 [Cited hereafter as: RPC (Schurman)].
The American commissioners were very critical about what they learned of the Spanish colonial legacy in the Philippines. Some of this reaction might be attributed to a predisposition against Spain’s colonialism that was common among most Americans at the time. The anti-Spanish fervor of the recent war, the decayed state of the Spanish empire, and the unhappiness of Spain’s former subject peoples all seemed to contribute to this widespread sentiment. When it came to describing Spanish policies and institutions in the Philippines, the Commission did not mince words. It found the provisions for primary education to be “wretchedly inadequate,” with the situation made worse by the Spanish emphasis on religious indoctrination. At the local level, the Spanish parish priest wielded tremendous influence within the municipal governments and in all aspects of Filipinos’ daily life. Meanwhile, the Commission found the overall colonial government to be “open to the gravest objections” as it “failed to accomplish even primary goals” while actually operating as an “engine of oppression and exploitation.” The Americans surmised that it was “little wonder that the system was unsatisfactory to Filipinos and they finally rose in arms against it.”

Although Schurman and his colleagues accumulated a mass of details on local Philippine conditions and how Spain had governed the colony, they also believed that information about other nations’ colonial experiences was invaluable for their task of assessing the Philippine situation and formulating colonial policy recommendations.

85 See, for example, Ogden, “Experience in Governing Colonies,” 160-1; and Godkin, “Conditions of Good Colonial Government,” 190-203.
86 RPC (Schurman), 17, 31.
87 Ibid., 57-63, 81.
88 Ibid., 82. See also Stanley, A Nation in the Making, 59.
Indeed, when Secretary of State Hay, in April 1899, forwarded the Commission a letter by an American judge who drew on his experience in British India to explain and recommend some colonial policies employed there, Commissioner Denby replied that the group already had been collecting similar information that proved “interesting and instructive” for their assigned mission.89

As the commissioners studied the material they were compiling, they soon determined that nearby British colonies were especially likely to offer valuable insight into the issues the United States confronted in its new possession. Consequently, the Commission not only itself collected information on these territories, it also directed “an eminent authority, Mr. Montague Kirkwood” to provide it with a report on the “Administration of British Colonies in the Orient.”90 Kirkwood, a British subject and attorney who lived in Japan and had advised that country’s government on colonial issues, submitted his study to the Schurman Commission in October of 1899. It explained the British approach to civil administration and the employment of military forces in India, Burma, Ceylon (Sri Lanka), the Federated Malay States, and the Straits Settlements (Singapore, Malacca, Penang). Of particular value for the Schurman Commission, considering its task at hand, were Kirkwood’s descriptions of the various forms of colonial government, along with statistics on each colony’s civil service staffing...

89 General Records of the Department of State (RG 59), Records of the US Commission to the Philippine Islands, Entry # 1031 “Instructions from the Secretary of State,” Hay to Schurman, April 25, 1899; and Entry #1030 “Despatches Received by the Secretary of State,” Denby to Hay, June 14, 1899, US National Archives, College Park, MD [Cited hereafter as: RG 59, Title, Entry #].
90 RPC (Schurman), 115 and Exhibit VIII, “Kirkwood’s Memorandum on the Administration of British Dependencies in the Orient,” 229-251.
and salary structures. Similarly useful was detailed information on the organization and expenditures associated with the colonies’ police and military forces, as well as their judicial systems, all of which constituted the means by which the British maintained their control over subject populations.  

Throughout the summer and fall of 1899, the commissioners worked to digest this wealth of information they were gathering about conditions in the Philippines and other colonial settings, particularly in British-controlled territories. In turn, they used their acquired knowledge to formulate recommendations for U.S. policies in the Philippines that became the centerpiece of the Report of the Philippine Commission to the President, which they submitted on January 21, 1900. The Commission’s report addressed the most pressing issues that U.S. officials soon would have to confront in the Philippines. These included the establishment of a colonial government; organization of police, constabulary, and military forces; and implementation of fiscal and commercial policies. The report’s four volumes also presented a significant amount of the statistical data, interview transcripts, maps, and photographs collected by the Commission, as well as the full text of Kirkwood’s study on British colonies in Asia. In fact, the Commission drew heavily on the information it garnered about British colonial possessions and practices in making some of its most important recommendations for future U.S. policies for the Philippines.

As a central tenet for achieving success in the Philippines, the Commission argued that it was imperative to establish an efficient, merit-based civil service staffed

almost entirely by Filipinos.\textsuperscript{92} Doing so would contribute to the contentment of the native population and would minimize the number of Americans serving in the islands’ civil administration. The Commission noted that “the experience of the British will...afford the safest indications” of the feasibility of this approach, and pointed to Kirkwood’s report for statistical support.\textsuperscript{93} From the Commission’s perspective, particularly enviable results had been achieved in India, where the British averaged one European official to every 1,000 square miles and 230,000 inhabitants, while “similar work in Ceylon, with 25,000 square miles and 3,500,000 population, is discharged by 71 British officials.”\textsuperscript{94}

The Commission further argued that an efficient civil service, by averting misgovernment, would help alleviate the need for a large military force that otherwise might be required to impose quiet on a colonial population dissatisfied with the governing regime. The commissioners again pointed to the British administration of Ceylon, where the military force only numbered around 3,000 (approximately 60% British) and the police force consisted of about 1,600 men (of whom 42 were European).\textsuperscript{95} According to the Commission, “the experience of Ceylon indicates what, with good government, may be anticipated in the Philippines in the course of a decade or two.”\textsuperscript{96}

\textsuperscript{92} RPC (Schurman), 112-114.  
\textsuperscript{93} Ibid., 115-16.  
\textsuperscript{94} Ibid., 232-233.  
\textsuperscript{95} Ibid., 241-246.  
\textsuperscript{96} Ibid., 115.
When the Commission turned to colonial financial affairs, it also framed its recommendations against the backdrop of what other colonizing powers had experienced. In particular, the Commission argued that a fundamental principle for the successful administration of a dependent territory was that its fiscal policy had to be managed in the interest of the colony, and not for the naked profit of the sovereign power. Echoing a judgment similar to that presented in the Bureau of Statistics report and in O.P. Austin’s articles on colonies of the world, the Commission asserted that “there is no instance in the history of the successful government of a colony where profit to the parent state or its citizens has been a leading consideration.” To buttress their point, the commissioners cited Great Britain’s decision during the 19th century to abandon an approach that treated colonies as “estates to be farmed for the benefit of their European proprietors.” They also asserted that Spain’s attempt to retain such a faulty colonial policy had contributed to the fate her empire recently had met.

In making recommendations for Philippine policy, the Schurman Commission devoted its greatest attention to what form of colonial government the United States should employ. The commissioners considered this to be the key initial question for American officials, and it is significant that in this section they spent a considerable amount of time discussing British systems of colonial administration. According to them, it made sense to consider the example of Great Britain because she had “been so

---

97 Ibid., 118.
98 Ibid.
99 Ibid., 97-111.
brilliantly successful in governing dependent peoples....”\textsuperscript{100} Consequently, for both local and island-wide government, the commissioners cited British experiences extensively as they framed their recommendations for how the United States should govern the Philippines.

For the islands’ provinces, the Schurman Commission recommended their subdivision into counties that functioned similarly to those in the American Territorial form of government. Affairs of government on this level would be managed by Filipinos; however, the system required a small number of American officials placed throughout the islands to “advise” the county and town councils in the “discharge of their duties.”\textsuperscript{101} The commissioners explained that this system of “advisers” was patterned directly after that employed in the British-controlled Federated Malay States. According to them, the British system of “residents, ‘whose advice (it was stipulated) must be asked and acted upon,’” had proved to be the “most potent instrumentality for the political education of [the Filipinos’] brother Malayans in the Federated Malay States.”\textsuperscript{102}

In recommending an overall government for the Philippines, the Commission devoted even more attention to British examples, reviewing at length each of the three forms of overall colonial administration that Great Britain had used in its empire.\textsuperscript{103} In this case, however, the commissioners sought to use the British models as foils for their

\textsuperscript{100} Ibid., 103.
\textsuperscript{101} Ibid., 98.
\textsuperscript{102} Ibid.
\textsuperscript{103} Ibid., 103-111. The report identified these as the independent colony (e.g. Canada, Australia), the crown colony (e.g. India, Hong Kong), and the colony “having representative institutions but not responsible government” (e.g. British Guiana).
favored option, the American Territorial system of government that the United States had employed during its process of westward expansion in North America. The Commission quickly dismissed the British “independent colony” as too liberal for a Filipino population that it deemed ill-prepared for extensive self-rule. Conversely, it rejected the “crown colony” for its excessive concentration of central authority in the hands of a colonial governor and a few advisors, which they argued would not help prepare the Filipinos for greater eventual self-government.

The Commission noted, however, that the third British system, the colony “having representative institutions but not responsible government,” held “the promise and potency of genuine home rule.”¹⁰⁴ The commissioners praised the balance it struck between the control retained by the sovereign power and the amount of self-government offered to the native population through participation in a colonial legislative body. Nevertheless, the Commission identified some flaws in this system that, it argued, would require modifications to fit the context in, and American goals for, the Philippines. According to the Commission, implementing such modifications practically would transform this British system of colonial government “into the American scheme of Territorial government,” which allowed local inhabitants to participate in the territory’s legislative bodies.¹⁰⁵ As such, the commissioners deemed it unnecessary to adopt a foreign country’s system of colonial government because the United States already had a system they believed was well-adapted to its needs.

¹⁰⁴ Ibid., 105.
¹⁰⁵ Ibid., 106.
The Schurman Commission’s analyses and proposals undeniably were shaped by the commissioners’ evaluation of local conditions and, in part, their sense that “American” answers could be applied to Philippine questions. Nevertheless, it also is clear that information about the colonial experiences of other powers figured prominently in the Commission’s process of evaluation and in its formal recommendations. When they launched into their undertaking, the commissioners quickly found that knowledge about other states’ colonialism was a valuable source of general information on colonial administration. This was helpful especially as they sought to contextualize and make sense of the colonial situation in the Philippines. Moreover, as the commissioners turned their focus to making specific policy recommendations, they pointed to other states’ colonial experiences as supporting evidence for their proposals, and sometimes as explicit models for American-Philippine colonial policies.

Even when the commissioners asserted that another power’s colonial practices were not appropriate for the Philippines, as was the case regarding British systems of colony-wide government, they framed their argument almost entirely in reference to that foreign power’s practices. This is particularly revealing about the role that inter-imperial dynamics played during the early stage of the American experience as a colonial power in the Philippines. The Schurman Commission clearly recognized that the audience for their report, both in government and the public, had itself become very engaged with the broad international context of colonialism as a source of knowledge for what course the United States might follow in the Philippines. Many Americans were coming to the conclusion that the perceived success of Great Britain as a colonial power commended its
practices as examples for American colonial policy. Indeed, the Schurman Commission had arrived at the same conclusion on several issues. Thus, it perhaps is not surprising that in recommending the American Territorial form of government for the Philippines the commissioners pointed out its affinity with successful British practices. Doing so lent credence in the eyes of their audience to the argument that their proposal was sound, even if it never had been employed in such a colonial setting.

**Elihu Root and a Plan of Government for the Philippines**

In the summer of 1899, even as the Schurman Commission continued its work, President McKinley took an important step down the path of defining the American-Philippine colonial relationship when he appointed New York corporate attorney Elihu Root to be Secretary of War. Responding to Root’s protests that he knew nothing about the Army or war, McKinley explained that he did not want someone who knew of such things, but instead needed a man with an incisive legal mind “to direct the government of these Spanish islands.”106 Such was the case because the War Department would continue to administer the Philippines until Congress legislated otherwise. Fighting in the islands likely would subside; however, fashioning a colonial administration would be a daunting and unprecedented task for the head of the War Department. Indeed, Root’s primary assignment as the new Secretary of War was to design the initial legal and administrative framework of government for the United States’ colonial possessions.

Before joining the McKinley administration, Root had enjoyed a very successful legal career in New York City that focused on organizing and representing trusts and

holding companies. As might be suspected, given his choice of clients and political associations, Root held fundamentally conservative views on social, economic, and political questions. He admired American institutions and approved of the nation’s economic system as it then existed, and as a general principle did not favor rapid change.\(^{107}\)

When Root first confronted Philippine questions as the new Secretary of War, his core values seemed to be on display. Root declared that the Filipinos had “a moral right” to be treated “in accordance with the underlying principles of justice and freedom…in our Constitution,” and at the same time he expressed deep skepticism in Filipinos’ capacity for self-government.\(^{108}\)

Root also seemed very reluctant to attempt any abrupt transformation of Philippine society.\(^{109}\)

When Root took office in August 1899, the Schurman Commission had not yet submitted its report, and he was unwilling to move forward on Philippine policy until he was better informed. Having no background in colonial matters in general, Root promptly cast about for information that would help prepare him for his new responsibilities. Like many other Americans, he found another state’s colonial experiences to be a welcome point of reference. Writing to a friend in December of 1899, Root explained:

The first thing I did after my appointment was to make out a list of a great number of books which cover in detail both the practice and the principles


\(^{108}\) Jessup, 345-348.

\(^{109}\) Ibid., 347-348.
of many forms of colonial government under the English law, and I am giving them all the time I can take from my active duties.\footnote{Elihu Root to Samuel L Parrish, December 1, 1899. See also, Root to Parrish, December 9, 1899; and Cephas Brainerd to Root, July 29 and August 10, 1899, Elihu Root Papers (Manuscripts Division, Library of Congress, Washington, DC) [cited hereafter as ERP].}

By the turn of the New Year, the Schurman Commission had finished its work and submitted its report to Washington, which Root added to his collection of decision-making resources. Considering the Schurman report’s emphasis on investigating colonial practices employed by other states, especially Great Britain, as well as the nature of Root’s own inquiries, it is not surprising that his plan of government for the Philippines resembled an example found therein.

In April of 1900, Root formalized the initial American-Philippine colonial relationship when he established the Philippine Commission plan of government under which the United States administered the islands until 1907. Despite the Schurman Commission’s recommendation to institute a government based upon the American Territorial system, Root’s plan most closely resembled that of a British crown colony as described in the Commission’s report and elsewhere.\footnote{“In the crown colonies the British Government has the entire control of legislation and the administration is carried on by officers under the control of that Government. The governor of a crown colony, who is, of course, appointed by the British Government, is assisted by a body called the executive council, consisting generally of heads of departments, who are appointed by the colonial office or by the governor. The governor is not bound by their advice, though he generally acts upon it”: \textit{RPC} (Schurman), 105. See also, Austin, “The Colonies of the World,” 303-319.} The United States, as the sovereign power, retained complete authority over the islands and made no provision for Filipino participation in the legislative process. A new Philippine Commission, appointed by the President of the United States, would provide government for the full
archipelago through the decisions of its president (subsequently titled Civil Governor, then Governor-General) and four other American members who would serve as department heads.\footnote{Elihu Root, “Instructions to the Philippine Commission,” in Robert Bacon and James Brown Scott, eds., \textit{The Military and Colonial Policy of the United States: Addresses and Reports by Elihu Root} (Cambridge: Harvard University Press, 1916), 287-8. In 1901, three Filipino appointees were added to the commission. There was no popularly elected legislative body until 1907.} Although Root eschewed a system of government based on American precedent, he did introduce certain American political principles by practically inserting the U.S. Bill of Rights into his instructions to the new Commission.\footnote{Thompson, \textit{Introduction of American Law in the Philippines and Puerto Rico}.}

Three fundamental concerns seem to have led Root to institute the commission form of colonial government instead of the more participatory system that Schurman and his colleagues recommended. First, most U.S. officials deemed the Filipinos unprepared for involvement in the overall government of the archipelago; instead, they would need to gain practical experience at self-rule in the municipal and provincial governments. The Schurman Commission itself likened the Filipinos to the colonized peoples of India and Hong Kong, whom the British considered unfit for a role in the larger colonial government.\footnote{In fact, the Schurman Report, even while advocating a more liberal form of government, reinforced such negative evaluations of the Filipinos by consistently justifying American sovereignty on the grounds that anarchy would ensue if the Filipinos were left to their own devices. \textit{RPC} (Schurman), 7-8.} Second, the exigencies of continued fighting in parts of the islands militated against diffusing too much U.S. power into the hands of popularly-elected Filipino officials, who might be unwilling to take firm measures against their anti-American countrymen.\footnote{Root’s plan acknowledged this reality in that it called for the military governor in the Philippines to retain executive authority until the Commission determined it appropriate for that power to be transferred to }
of administration that England used in territories similarly deemed “unruly” or “uncivilized” appeared quite successful to American observers.\textsuperscript{116} Finally, once the islands were pacified, Congress could alter radically any system that the McKinley administration had established under the President’s power as Commander-in-Chief to govern regions subject to U.S. military operations. Consequently, the commission format seemed to present an efficient and uncomplicated initial method for promoting peace and order, encouraging economic development, and asserting American sovereignty over the islands.

It is worth noting that this was a significant departure from the administrative approach taken for the United States’ other recently acquired former Spanish colony, Puerto Rico. In that Caribbean island, the United States established a colonial regime modeled on the U.S. Territorial form of government that even included an elected body of Puerto Rican legislators.\textsuperscript{117} The Philippine and Puerto Rican situations, however, were quite distinct and these differences helped shape the American approach to handling each colony’s affairs.\textsuperscript{118} In Puerto Rico, there was no violent opposition to U.S. rule, American sovereignty was largely welcomed, and many Puerto Ricans even expressed a

\textsuperscript{116} RPC (Schurman), 105.
\textsuperscript{117} On the form of government established in Puerto Rico, see Jessup, \textit{Elihu Root}, 372-380.
desire for statehood. From the American perspective, compared to Filipinos, the Puerto Ricans seemed much better prepared to participate in self-government, their territory and population were much smaller, and the overall situation appeared significantly less complex. Moreover, Puerto Rico was close by in a region that Americans knew well and the island already had significant economic ties to the United States. All this made Americans feel relatively comfortable in dealing with Puerto Rico, while the Philippines seemed to be a much more alien and challenging colonial undertaking.

Although Secretary of War Root was the primary architect of a formalized plan for governing the Philippines, his instructions to the Philippine Commission dictated that the Commission would construct most of the specific policies that the United States would implement. Indeed, from the time of their arrival in the Philippines in June of 1900, until July 1902, when Congress passed the Philippine Organic Act, these commissioners instituted an array of policies that dealt with all manner of affairs in the islands. Significantly, scrutinizing the practices and policies of other colonial powers proved to be an important factor as the Philippine Commission executed its mandate.

To lead Root’s five-man governing body, McKinley appointed federal judge and future U.S. President William Howard Taft to be the president of the new Philippine Commission. Over the next 13 years, Taft would become the preeminent force in

---

shaping American colonial rule in the Philippines through his service as Civil-Governor and Governor-General, Secretary of War, and President of the United States.\textsuperscript{121} When McKinley suddenly called Taft to Washington in January 1900, however, the latter was surprised that the President offered him a role in governing the Philippines. Taft was then serving on the 6\textsuperscript{th} U.S. Court of Appeals, where he had gained a reputation as a friend of big business, and he aspired to become a Supreme Court Justice. Taft, like Schurman, had opposed annexation of the Philippine because of the burden he expected it would place on the United States. Nevertheless, he believed that once the United States had acquired the islands, Americans were “under the most sacred duty to give them a good form of government.”\textsuperscript{122} Viewing Taft as a like-minded conservative with the outstanding legal skills and tact that would be required to institute a colonial government in the Philippines, McKinley and Root pressed Taft to take the position. The President reassured him that rendering this service would only enhance his future prospects for appointment to the Supreme Court, and after fretting over the decision for several days, Taft finally decided to take the job.\textsuperscript{123}

When Taft and his fellow commissioners took up their positions in 1900, their prior practical knowledge of colonial administration and of the Philippines was only

\textsuperscript{121} Taft served as Civil-Governor/Governor-General of the Philippines, 1900-1903; as Secretary of War, 1904-1908; and as President, 1909-1913.

\textsuperscript{122} Quoted in Pringle, \textit{Life and Times of William Howard Taft}, 160.

slightly less limited than that of other Americans of the period. In an effort to ameliorate this situation, Taft and his colleagues read extensively in the weeks before their arrival in the islands. Their obvious starting point was the analysis and recommendations found in the Schurman Report, which also offered an encyclopedic amount of information on the archipelago’s political, social, economic, agricultural, and other conditions. As noted above, the Schurman Commission’s recommendations also were based in part upon investigation of the colonialism of other nations, especially Great Britain. Beyond the Schurman Report, the Taft Commission turned to additional literature on colonialism as a valuable resource for their undertaking. Upon its formation, the Commission promptly compiled a $3000 library that included a significant number of works on European colonial subjects, especially in the region near the Philippines. Titles that Taft ordered from a Boston bookseller included Some Notes on Java, and its Administration by the Dutch; Tonquin or France in the Far East; and History of the Civil Service in the English Colonies. Indeed, Taft’s brief shipboard cable to Fred Atkinson notifying him of his appointment as Superintendent of Instruction illustrated the value Taft placed on such information. It indicated three things: Atkinson’s salary, his proposed date of departure, and the merit of the book Education in India by Sir Charles

124 Commissioner Bernard Moses, as a historian of Spanish America, was familiar with some aspects of earlier Spanish colonialism and Dean Worcester had visited the Philippines on zoological expeditions twice before joining the Schurman Commission. Meanwhile, Taft and the other two lawyers, Luke Wright and Henry Ide, possessed no background in these subjects. See Karnow, In Our Image, 169.
125 Taft to Root, April 17, 1900, William H. Taft Papers, series 3 (Manuscripts Division, Library of Congress, Washington, DC) [cited hereafter as TP, series #]; Taft to Atkinson, May 8, 1900 (TP, series 3).
126 Taft to Charles C. Soule, April 23, 1900 (TP, series 3).
Trevelyan as a suggestive guide to British methods of language instruction in colonial
India.\textsuperscript{127}

With Root’s appointment and the creation of the Taft Commission, the U.S. government had shifted its emphasis from investigation to decision making with regard to its new Philippine colony. During this period, information about the colonial experiences of other nations continued to play a significant role. Although Root certainly drew on American legal principles and history in crafting his plan for U.S. colonial administration, he also looked to the broader landscape of colonialism as he formulated a system of government for the Philippines. Writing to his biographer over thirty years later, Root recalled that American leaders who were engaged in the task of creating a colonial program decided,

To take the lessons we could get from the colonial policy of other countries, especially Great Britain, and to apply it to the peculiar situation arising from the fundamental principles of our own government, which lead to certain necessary conclusions which don’t exist in Great Britain or Holland, notwithstanding the spirit of liberty and freedom in both those countries.\textsuperscript{128}

Ultimately, Root’s plan for administering the Philippines embodied the sentiment expressed in his recollection to his biographer by exhibiting the influence of lessons from the broader colonial context as well as American traditions and values.

\textsuperscript{127} Taft to Atkinson, April 24, 1900. In a subsequent cable, Taft again urged Atkinson, who would join them belatedly in the islands, to procure books on the British approach to education in India as a guide for establishing a new education system in the Philippines. Taft to Atkinson, May 8, 1900 (TP, series 3).

\textsuperscript{128} Jessup, \textit{Elihu Root}, 345.
Secretary Root formulated the commission plan for overall colonial government; however, the Taft Philippine Commission had the responsibility for devising the specific policies that would give substance to the American-Philippine colonial relationship.\textsuperscript{129} Significantly, just as the Schurman Commission and Root had done, Taft and his fellow commissioners turned to the colonial experiences of others to prepare for the task ahead of them. Once it arrived in the Philippines, the Taft Commission laid the foundation for the first decade and a half of U.S. colonial rule in the islands, a foundation that rested in part upon the influence of the broader context of colonialism.

**The Taft Philippine Commission**

Taft and his colleagues landed in Manila on June 3, 1900, and promptly set to work familiarizing themselves with the local situation. Root’s instructions did not direct them to assume their duties until September 1, at which time the military governor, Major General Arthur MacArthur, would surrender the legislative portion of his authority.\textsuperscript{130} In the interim, Taft focused on his initial agenda of priority items, and he soon began dictating detailed personal letters to Root to offer his evaluation of current conditions and recommendations for future initiatives. The letters from the summer of 1900 indicated that a variety of issues would receive the immediate attention of the Taft Commission. These included the establishment of municipal governments, the extension of public

\textsuperscript{129} Root, “Instructions to the Philippine Commission,” 287-294.

\textsuperscript{130} MacArthur, father of General Douglas MacArthur of later Philippine fame, had replaced General Otis as ranking Army officer and military governor in the Philippines in May 1900.
education throughout the archipelago, legislation for internal revenue taxation, and the institution of a new system of courts.\footnote{Ibid.; see also Taft to Root July 14, 1900; July 26, 1900; August 11, 1900; August 18, 1900 (TP, series 21).}

Many of these priority issues emerged as the Taft Commission quickly came to similar conclusions as the Schurman Commission about the Spanish colonial legacy. Shortly after the Taft Commission arrived, its secretary, Daniel Williams, explained to a family member,

…the whole administrative machinery is so antiquated and disorganized as not to admit of patching or repair. Questions of municipal and provincial law, of revenue and currency, or courts, sanitation and police, of education and transportation, of land titles, forestry and mining—of everything in fact essential to organized society—are clamoring for attention and must needs be solved.\footnote{Quoted in Stanley, \textit{A Nation in the Making}, 81.}

Americans involved in establishing the new colonial regime in the Philippines saw themselves as needing to rectify the wholesale failings and abuses of Spanish rule instead of building upon an existing foundation. And on many issues, U.S. officials did promptly embark in new policy directions from what had existed under Spanish rule.\footnote{For an excellent examination of how Americans involved in Philippine affairs viewed themselves as breaking with the Philippines’ past and “engaged in building the foundations of a modern nation,” see Stanley, \textit{A Nation in the Making}, 81-113.} Despite Americans’ clear disdain for how Spain had governed the Philippines, however, it is important to note that U.S. policies sometime ended up resembling Spanish ones in significant ways. Such was the case with the Taft Commission’s rush to establish municipal governments to help demonstrate U.S. willingness to allow Filipino self-
government. Although the American plan took the important step of removing church influence in the municipal government, the conservative provisions for voting, office-holding, and governing were very similar to ones Spain had introduced in the 1890s. Since this helped entrench the power and wealth of traditional Filipino elites, it proved to be an important obstacle to American reforms aimed at other parts of Philippine life.

Issues of concern that American officials had identified through reference to other nations’ colonial experiences also figured prominently on the initial agenda of the Taft Commission. For instance, Taft was an early and insistent proponent of creating Filipino-manned militia and constabulary forces. In making his case to Root, Taft repeated the rationale that the Schurman Commission had drawn from studying the British experience, arguing that a native militia force officered by a small number of Americans would reduce dramatically the need for U.S. soldiers in the islands and could be financed with the income of the Philippines. Moreover, in the Taft Commission’s first official report to the President and to Congress in November 1900, Taft explicitly invoked British practices to elicit additional support for his plan, calling Britain’s experience “a precedent for our guidance which should not be overlooked.”

---


135 On the initial fortunes of the Filipino elite during the first decade of American rule, see Cullinane, *Ilustrado Politics*.

136 See for example: Taft to Root, July 26, 1900; August 11, 1900; September 13, 1900; October 16, 1900; November 30, 1900 (TP, series 21).

Despite the Commission’s reasoning, its plans initially were impeded by the civilian-military power sharing arrangement in place at the time. The military governor, General MacArthur, was not yet confident enough to organize and arm Filipinos while anti-American resistance was still underway, and Secretary of War Root deferred to MacArthur’s judgment. Taft nonetheless remained eager to implement the plan, and once the Commission assumed full legislative and executive powers on July 4, 1901, it wasted little time in passing legislation to create the a native-manned police force called the Philippine Constabulary.138

In purely civil matters, however, McArthur presented little opposition, and the Taft Commission enacted a flurry of laws in the months following its September 1, 1900, assumption of legislative power. The first piece of legislation was a $500,000 appropriation for major harbor improvements that were intended to have a positive impact both for Filipinos and Americans. The second act passed, meanwhile, constituted an interesting example of the Philippine Commission’s reading of other nations’ colonial experiences, and provided a telling indication the Americans were planning to stay (and stay in charge) in the Philippines for many years. Philippine Commission Act No. 2 appropriated $2,500 for making a survey for a railroad route into the mountains of Benguet province on Luzon.139 Inspired by reading about the British summer capital at Simla in India, the Taft commissioners embraced the vision of a high-altitude, cool weather retreat where Americans and Europeans might convalesce when afflicted by

---

138 For a fuller discussion of this episode, see Chapter Six.
139 RTPC, Act #2, 245.
tropical diseases.\textsuperscript{140} They were convinced that European powers’ experiences in their tropical colonies had demonstrated that this type of “hill station” was required to maintain and repair the health of foreigners from more temperate climates.\textsuperscript{141} As early as August 11, Taft had sent Commissioners Wright and Worcester on an eleven day visit to Benguet to assess the area’s viability for such a project.\textsuperscript{142} Their subsequent report and other positive evaluations constituted a substantial portion of the exhibits in the first report of the Taft Commission, and work began in 1901 on road access to the town of Baguio where the resort soon was constructed.

Other legislation promptly followed. Lessons taught by other nations’ endeavors emerged as particularly influential in the commission’s rapid move to fashion a colonial civil service. As noted above, Americans uniformly admired the success of the British merit-based system in her eastern colonies and Taft believed that an effective civil service could bring stability and efficiency to U.S. colonial administration. Additionally, as the Schurman Commission had argued, it would allow more Filipinos to participate in the colonial administration and thereby assist in American pacification efforts. Consequently, in its fifth Act, the Commission provided for a stringently meritocratic system “which it believes goes further than any civil-service law of any State or of the United States in carrying out the theory of the merit system.”\textsuperscript{143} In fact, many civil service reformers back in the United States hoped that the example of a successful merit-

\textsuperscript{140} Karnow, \textit{In Our Image}, 215.
\textsuperscript{141} Robert Reed, \textit{The Origins of Baguio as a Colonial Hill Station and Regional Capital} (Baguio City, Philippines: A-Seven Publishing, 1999).
\textsuperscript{142} Taft to Root, August 11, 1900 (TP, series 8).
\textsuperscript{143} \textit{RTPC}. Act 5, 247-252; ibid., 21.
based colonial civil service would hasten the demise of patronage practices in the
domestic civil service; something they believed had been the experience of Britain
through its administration of India.\textsuperscript{144}

Although the Philippine Commission constituted the dominant actor in forging the early American-Philippine colonial relationship, the Commission did not simply exercise a free hand as only it saw fit. Even while the Executive branch administered the Philippines under the president’s authority as Commander-in-Chief, the U.S. Congress had a voice in Philippine affairs. Specifically, Congress weighed in on domestically sensitive issues like agricultural imports from the new colony and exerted its oversight prerogatives on the conduct of American military forces in the archipelago. Moreover, Congress eventually would have a large say in how the Philippines would be governed after the fighting subsided. As did other players in the American-Philippine drama, congressmen drew on the wider context of imperialism as they grappled with Philippine issues. Moreover, hearings conducted by the Senate and House committees charged with handling Philippine affairs often provided a forum where non-government actors brought their own inter-imperial connections to bear on the American-Philippines colonial experience.\textsuperscript{145}

One of the first examples of this intersection of Congress and the broader colonial context occurred in March and April of 1900, when the House Committee on Insular Affairs conducted hearings on a bill to ban the sale of intoxicating liquors in the

\textsuperscript{144}See Ng, “Governance of American Empire,” 139.
\textsuperscript{145}These committees were the Senate Committee on the Philippines and the House Committee on Insular Affairs.
Many temperance activists favored such legislation in response to reports of widespread alcohol abuse among American troops and among Filipinos exposed to the U.S. presence in the islands. To substantiate their arguments in favor of the ban, witnesses before the committee pointed to a multinational agreement of African colonizers that prohibited the sale of alcohol to natives. They also noted the success of abstinence experiments among British colonial troops in the Sudan and India. While no legislation came of this bill, in December 1900 the Committee held hearings on a new bill introduced by Representative Frederick Gillett (R-MA) that banned sales of intoxicants to “aboriginal tribes and native races.” Rev. Wilbur Crafts of the International Reform Bureau, who authored the bill, stated that he based the law on a British statute for New Guinea, and other supporters of the bill offered several British laws as examples of how enlightened colonialism should operate.

Taft and Root, who decried these agitators as “yellow journal hypocrites, posing as fanatics,” became increasingly concerned about this growing congressional scrutiny. Their agitation was particularly acute because they viewed the liquor question as a distraction from other matters of greater importance for administering Philippine

---

146 House Committee on Insular Affairs, *Intoxicating Liquors in the Philippine Islands*, 56th Cong., 1st sess., 1900: 1, HR 9151.
147 Ibid., 2-10.
149 Ibid., 116-143.
150 Root to Taft, January 21, 1901 (TP, series 21).
affairs. Consequently, Taft decided to be proactive in the hope that he could forestall excessive congressional involvement. The Philippine Commission promptly passed a comprehensive liquor license law for Manila in December 1900 and followed up in January 1901 by sending to Washington a favorable report on the liquor traffic that Taft anticipated would “refute a great many slanders” uttered about conditions in Manila. As it turned out, Congress again declined to pass Philippine temperance legislation; nonetheless, lobbying that drew in part on the colonial policies and practices of other countries made an impact on this area of early U.S. colonial policy in the Philippines.

Beyond Congress’ involvement in narrowly-defined policy issues, its most important role was to decide on how American colonialism in the Philippines would proceed once the President’s wartime powers ceased to be operative. From the time of his arrival in the Philippines, Taft had pressed for a complete transfer of governmental authority to the civil commission so that it could more effectively perform its duties. Particularly after the defeat of the anti-imperialist Democratic candidate William Jennings Bryan in the presidential election of 1900, Taft argued that the insurrection had diminished to the point that the situation no longer required military executive authority in most of the archipelago. The capture of Aguinaldo in March of 1901 and the further isolation of Filipino resistance forces reinforced this opinion. However, transferring all governing power to a presidentially-appointed civilian commission might move

---

151 Taft to Root, November 30, 1900 (TP, series 8); Root to Taft, January 15, 1901 (TP, series 8); Taft to Root January 17, 1900 (TP, series 8).
152 Ibid.; and Taft to Root, November 30, 1900 (TP, series 8). See also: RTPC, 7-9.
153 See for example: Taft to Root, July 26, 1900; August 11, 1900; September 13, 1900; October 16, 1900; November 30, 1900 (TP, series 21).
McKinley beyond his constitutional authority to govern as military commander. Meanwhile, Congress was not ready to enact broad, lasting measures on Philippine colonial government. To remedy this situation, Root successfully lobbied Congress to pass an Army appropriations bill that included an article called the Spooner Amendment. This piece of legislation officially sanctioned continued presidential government of the islands even in the absence of large-scale conflict. Thus, on July 4, 1901, Taft assumed executive power as the Civil Governor of the Philippines and U.S. military forces there became subject to the authority of the civilian Philippine Commission. By this act, the Congress allowed Root’s original plan of colonial government and the Taft Commission’s enactments to stand until U.S. legislators might decide on a new form of colonial government.

Once Taft assumed full executive power as the Civil Governor and as the Commission became more secure in its long-term role, its members started looking toward the future economic development of the Philippines as a colonial possession. One prospective venture that seemed especially promising was promoting the production of rubber and gutta percha, a natural latex similar to rubber. Americans recognized that these products had proven especially profitable for nearby British and Dutch colonies, which possessed agricultural conditions analogous to parts of the Philippines. Instead of merely reading available literature on the subject, however, the Commission sent in June 1901 an official from the Philippine Forestry Bureau to the British Straits Settlements and to Dutch Java and Sumatra to obtain samples and investigate methods of cultivation,
extraction, and refinement. The official, Dr. P.L. Sherman, returned from these colonies in September with a collection of specimens, samples, and photographs that accompanied a report in which he explained the stages and methods of rubber and gutta percha production. Encouraged about the prospects for the industry in the Philippines, the Commission promptly dispatched Sherman on another expedition in January 1902, this time to the southern portion of the Philippines to examine conditions there in light of what had been learned by studying the British and Dutch operations.

Based upon all this research, the Commission concluded in its 1901 and 1902 reports to the President that methods and plant strains could be imported successfully from the British and Dutch possessions into the southern Philippines. The Commission asserted that, although British and Dutch interests dominated the trade, American capitalists should launch plantations in the Philippines, just as the Germans and French were attempting in their tropical possessions. To the Commission’s disappointment, despite continued trumpeting of the potential for success over a number of years and the boom in rubber demand caused by World War I, very few American capitalists ever tried to launch plantations in the Philippines and large-scale production never materialized. Nonetheless, the Commission’s dispatch of Sherman to neighboring colonies is a pointed

---

155 War Department, Annual Report, 1901, Part II, Appendix J, 335-353.
156 BIA, Entry 5, 200/3.
158 For evidence of continued government efforts over many years to promote rubber production in the Philippines, see BIA, Entry 5, 200/11, 11(B), 17, 18, 19, 21, 22, 27, 31, 35, 37, 47, 51, 59, 64, 67, 69, 75, 76, and 78.
example of the practical inter-imperial connections that emerged as the American-
Philippine colonial state evolved, and the initiative foreshadows subsequent
policymaking efforts that produced more concrete results.

The first half of 1902 brought the final phase of the early construction of the U.S.
colonial regime for the Philippines. From January to June, the Senate held extensive
hearings on the “Affairs in the Philippine Islands.” A significant objective of these
hearings was to deliberate on legislation that would provide the colony with a
congressionally authorized, long-term plan of government. Finally passed on July 1,
1902, the Philippine Organic Act formally ratified the Commission structure of
government and all the previous Acts of the Philippine Commission, while also setting
out provisions for a more representative government to be instituted some time in the
future. As such, the Organic Act essentially legitimated the framework of colonial
administration that Root and Taft had devised and implemented after the United States
joined the international community of colonial powers in 1899. Although the Organic
Act provided for the future possibility of change, it enshrined the existing system of
government that lasted, with some modifications, for the first seven years of U.S. rule.
In important ways, this system of colonial administration resulted from U.S. officials’
willingness to look to colonial practices of other nations as a resource for their
unprecedented task of creating an American program of colonial administration for an
unfamiliar, highly populated, and far off land.

159 U.S. Congress, Senate, Affairs in the Philippines, Hearings before the Committee on the Philippines of
the United States Senate, S. Doc. 331, 57th Cong., 1st sess., 1902.
160 Stanley, A Nation in the Making, 95-6.
Conclusion

During the initial years of the American colonial undertaking in the Philippines, government officials, the intellectual community, and the broader public all increased their interest in and exploration of other states’ colonial histories and practices. This phenomenon resulted from Americans’ understanding that many of the challenges the United States expected to face in the Philippines would be new for their country, while other powers had been administering territorial possessions and subject populations in Asia for many years. As a consequence, many Americans broadened their knowledge about the experiences, practices, and policies of other, especially European, colonial powers. They realized that familiarity with this international context of colonialism could provide the United States with useful reference points, examples to be followed or rejected, and sources of justification for certain policy initiatives. Ultimately, American officials involved in Philippine affairs drew on this knowledge as they developed practical plans for how the United States would deal with her new overseas dependencies.

From 1898 to 1902, information about the colonial experiences of other nations frequently entered into the deliberations of Americans who wanted to shape, or participate in, the construction of colonial policies for the Philippines. As the foregoing chapter reveals, this inter-imperial dynamic manifested both in official circles and in the public sphere, and it emerged as a significant element in the American-Philippine policymaking milieu. The Schurman Commission vividly exemplified this through its process of research and recommendation on a variety of issues, and by its strategy for framing proposals for the overall colonial government against the reference point of...
British colonial systems. Moreover, when Secretary of War Root ultimately created the initial plan of Philippine colonial government, British colonial examples provided an important context for his decision to designate the Second Philippine Commission as the supreme governing body for the islands.

Indeed, it is very apparent that the British example quickly became the touchstone for Americans who contemplated, and participated in fashioning, the American-Philippine colonial relationship. There are a number of likely reasons why this was so. Foremost, Americans believed Great Britain had proved to be far and away the most successful colonial power engaged in the late 19th century’s “New Imperialism.” Government officials and private citizens alike repeatedly expressed admiration for what they perceived to be British administrative efficiency and the commercial and strategic advantages the Empire generated for Britain. Certainly, the language and political heritage shared between the United States and Great Britain made the latter’s experience as a colonial power more accessible for Americans who wanted to delve into the details of another state’s colonialism. Along these lines, historians have found that many Americans at this time embraced the idea that the United States shared an “Anglo-Saxon” racial identity with Great Britain, which included a civilizing mission to be carried out in the world’s “backward” places.161

This also was a period of burgeoning rapprochement between the United States and Great Britain, when more Americans were willing to look positively on British

---

actions than had been the case previously. Perhaps related to this was a growing self-confidence as the United States ascended on the world stage and Americans believed they could compete successfully with Great Britain on a variety of fronts. Nevertheless, despite a preponderant interest in the British colonial experience, Americans did not dwell on it to the exclusion of all others. This was particularly true once the U.S. colonial regime, in the form of the Taft Commission, began to take hold in the islands and experience greater contact with the Philippines’ neighboring colonial states like the Dutch East Indies and Japanese Formosa.

Indeed, Taft and his colleagues were the key actors who initially defined the American-Philippine colonial relationship, and familiarity with other nations’ colonial experiences shaped several of the Commission’s early initiatives. The glimpses of their early work presented in this chapter are revealing on several levels about how this process played out, and introduce themes that subsequent chapters will illuminate further. Most obviously, putting into motion the plan to build a “hill station” at Baguio, creating a meritocratic civil service, and establishing native police and militia forces were important parts of the Commission’s early agenda that reflected the influence of lessons drawn from other powers’ colonial experiences. The attention Taft had to devote to the liquor traffic question, meanwhile, shows how Congress and especially non-governmental actors brought their own inter-imperial knowledge and experiences to bear on the American experience as a colonial power in the Philippines. And the expedition to investigate other

---

colonies’ rubber and gutta percha industries illustrates how, as the United States physically took its place alongside the colonial powers in Asia, inter-imperial connections soon progressed beyond American efforts to observe and study others from a distance.

A variety of factors combined to shape U.S. colonial policy for the Philippines. American political ideals and historical precedents certainly played a role, as did the realities of grappling with the legacy of Spanish rule in the islands. As this chapter has shown, American engagement with the colonialism of other powers also clearly proved an influential force in creating the early American-Philippine colonial program. During the opening stages of U.S. rule, much of this engagement took the form of examining from afar what other powers had done in their colonies. The following chapters will show that once the American-Philippine project became more of a reality on the ground, other nations’ imperialism began to have a more a direct influence on specific U.S. colonial policies. This was because Americans no longer could choose to limit their interaction with other empires to simply studying them, although that continued. Once the United States annexed an Asian-Pacific colony and began to govern it, Americans quickly learned that the imperial context could impose itself on the American-Philippine state through the practical connections that existed in the region, as will be seen in the next chapter.
CHAPTER THREE

Exchanging Silver for Gold:

Currency Reform in the American-Philippine Colonial State, 1898-1903

During the pre-Taft Commission period when Americans were contemplating annexation of the Philippines and exploring how to administer the archipelago, they often engaged with the broader international context of imperialism on a conceptual level. Once U.S. officials actually began trying to govern their new colony, they soon had to deal with the American-Philippine state’s functional entanglement in a web of inter-imperial connections. These practical connections influenced a variety of important policy issues, and one of the most consequential and perhaps the most complex was the currency question.

American colonial administrators recognized that currency policy had the potential to affect profoundly government finances, Philippine trade relations, and the livelihoods of workers, producers, and merchants in the islands. Moreover, many U.S. officials believed that incorrect decisions with regard to currency could inflame Filipino popular opinion against American authority and propel forward the nationalist resistance that erupted at the time the Senate approved annexation of the archipelago.

At the heart of the matter were the complications associated with the United States’ efforts, as a gold standard country, to administer a colonial state that had been using silver currency for centuries. Philippine revenue collection, day-to-day commercial relations, and a large share of international trade operated on the silver standard. Meanwhile, the U.S. government made appropriations for military forces and
administrative authorities in the islands in its own gold-based dollar currency. Consequently, the advent of American rule rapidly introduced large quantities of U.S. currency into the Philippine money supply and produced a de facto system of bimetallism. Americans and Filipinos both found this problematic because the relative value of silver and gold currencies fluctuated frequently during the early years of U.S. rule. Having two unconnected currencies circulating in this way consequently generated confusion in pricing, government revenue collection, and international trade transactions, which in turn produced financial losses for the government, merchants, and individuals.

A major factor that complicated the Philippine currency question was the web of inter-imperial connections that existed among the American-Philippine colonial state and other colonial states and imperial powers. Indeed, many U.S. officials believed that institutions or economic forces associated with the imperialism that pervaded the Asia/Pacific region were responsible for the worst of their colony’s currency problems. Accordingly, this chapter explores how currency markets in British-controlled Hong Kong and Singapore, imperialism-generated turmoil in China, British imperial banks operating in the archipelago, Dutch and British currency reforms in their Asian colonies, and Philippine trade relations had a significant influence on the archipelago’s currency conditions and on U.S. efforts to alter those conditions from 1898 to 1903.

Over the course of these years, U.S. officials who pursued Philippine currency reform considered several approaches and engaged in debates carried out in explicit reference to inter-imperial dynamics. American officials became particularly attuned to the regional influences on, and the consequences of, any significant alteration to the
currency of the islands. Moreover, these policymakers also scrutinized the currency systems that other imperial powers employed in their eastern possessions to assess what course reforms in the Philippines might take or avoid. Ultimately, the United States created a hybrid “gold-exchange standard,” using token silver coins that were pegged to the U.S. gold dollar and circulated only within the Philippines. The system effectively placed the islands on the gold standard, while retaining a silver circulating medium very similar in appearance to coins long in use among Filipinos. It was through this reform that American colonial policy makers sought to free their new territory’s monetary affairs from the influence of regional conditions and potential manipulation by the banks of other powers, yet avoid the disruption to internal Philippine affairs that a radically new currency might cause.

**American Gold Arrives in the Philippines**

When U.S. military forces began to arrive in large numbers in the Philippines during the summer of 1898, they found a country that relied upon the Mexican silver dollar as the standard of currency. Having been under Spanish colonial rule for over 300 years, Filipinos had a long-established familiarity with these coins that Spain had minted in its silver-producing colony in America. Indeed, Spain’s attempt in the 1860s through 1880s to force the Philippines onto the gold standard failed in large part because Filipinos were so accustomed to using the silver currency.\(^{163}\) Moreover, the Mexican silver dollar

---

\(^{163}\) The Filipinos’ preference for the silver coins, along with some poorly conceived Spanish monetary policies, caused the less intrinsically valuable Mexican silver dollars to circulate at par with the new gold pesos introduced by Spanish colonial authorities. As silver began its worldwide depreciation in the 1870s, however, Filipinos found they could use increasingly overvalued silver coins to buy gold coins that could
was the most commonly used currency of the region, circulating in Hong Kong, Singapore, the Straits Settlements, Borneo, and China, as well as the Philippines. This fact made commercial transactions in these areas a fairly simple proposition, and lent further weight to Filipinos’ preference for the coin as their medium of exchange.

The United States in 1898, on the contrary, was firmly committed to the gold standard after more than a decade of intense debate had focused the nation’s political attention onto currency questions. President McKinley won the 1896 election in part because he embraced the gold standard and opposed Democratic candidate William Jennings Bryan’s call for a bimetallic currency system that allowed the free coinage of silver. U.S. forces arriving in the Philippines in mid-1898 thus brought with them U.S. gold-based currency with which to pay American soldiers’ and government officials’ salaries, execute contracts for supplies and services, and fund any projects they would undertake in the islands. At the same time, the elimination of Spanish authority required U.S. officials to assume responsibility for collecting existing customs duties and taxes in the local silver currency while Spain and the United States continued to negotiate a final peace treaty throughout the remainder of the year.

This situation promptly caused significant anxiety among U.S. military officials charged with administering affairs in the islands. Unanticipated accounting complexities,
the constant need for currency conversions at varying rates, and general American and Filipino unfamiliarity with each other’s money had the potential to produce serious confusion. On a substantive fiscal level, the circulation of both currencies held the real possibility of considerable financial losses for the government, businesses, and individuals if exchange rates fluctuated dramatically. American officials were particularly eager to establish the credibility of the U.S. dollar in the islands so that Filipinos would not devalue it due to their preference for the familiar Mexican coins. If, for example, the U.S. dollar depreciated in the Philippines, local merchants either would refuse to accept it because of its uncertain value, would charge a significant premium for purchases made with U.S. currency, or would take losses upon themselves if they did not hedge properly against potential future declines in the local value of the gold dollar.\footnote{For the concerns of U.S. military authorities, see Memorandum for the Secretary of War on Currency and Exchange in the Philippines, by Clarence R. Edwards, BIA, Entry 5, 808.}

American military authorities hoped to maintain an exchange ratio of at least two Mexican dollars to one U.S. dollar, the approximate rate when U.S. forces began to arrive in the archipelago.

As the inherent instability of this situation became clear, the three banks that had operated in the islands under the Spanish regime promptly approached American military authorities with proposals for stabilizing the Philippine currency. These banks were the Spanish colonial government’s Spanish-Filipino Bank, and two British banks anchored in Asian outposts of the Empire, the Hong Kong and Shanghai Bank (the largest bank in the East) and the Chartered Bank of India, Australia, and China. The Spanish-Filipino Bank
was in generally unsound financial condition and consequently never developed a substantial relationship with the American-Philippine colonial government. Meanwhile, the two British houses became the depositories for the new government’s funds in the Philippines and handled exchange transactions for both the government and individuals. They also quickly became the object of distrust among Americans who came to believe that the banks took advantage of the unsettled currency conditions brought on by the archipelago’s transitional colonial status.

On August 19, 1898, the managers of the three banks wrote to the U.S. military government, then under the command of Major General Wesley Merritt, to suggest how they wanted to handle the currency situation. The bankers explained that they were being presented very large sums of U.S. gold currency and substantial gold letters of credit for exchange into Mexican dollars. Since there was a limited supply of Mexican dollars in the Philippines, the increasing demand for them would raise their exchange cost and consequently reduce the relative value of U.S. dollars in the islands. According to the banks, they wished to help maintain the Americans’ desired 2:1 ratio, but would be “quite unable to preserve this basis of exchange should there be any scarcity [of Mexican coins].” To avoid this circumstance and defend the local value of American currency, the banks requested permission to obtain additional Mexican dollars in the regional currency markets and import them into the Philippines duty free. In return, they would

166 U.S. Philippine Commission, Report of United States Philippine Commission to the Secretary of War for the Period from December 1, 1900 to October 15, 1901 (Washington, DC, 1901), 85 [cited hereafter as RPC, date].
167 Ibid.
agree to pay out no less than two Mexican dollars for every one U.S. dollar they took in. General Merritt approved the banks’ request on the same day.\textsuperscript{168}

Thus, fears about currency instability during the opening stages of U.S. colonial administration helped draw the emerging American-Philippine colonial state into the web of Asian inter-imperial connections. American military officials, unsure at that point whether their country would retain possession of the Philippines, found they had to rely on cooperation from British imperial banks for a fundamental aspect of Philippine public administration. More broadly, the understanding forged between the banks and U.S. authorities increased the exposure of the archipelago’s money supply to fluctuations in the region’s market for Mexican silver dollars. Although results of the arrangement initially seemed acceptable, U.S. officials soon grew concerned about the motives of these banks whose loyalties lay elsewhere and whose agents were experts in conducting financial transactions in the region, particularly as they intersected with the Hong Kong and Singapore currency markets. Eventually, these concerns motivated calls for a new approach to Philippine currency affairs, even as American officials sought advice from the British banks on how to proceed with long-term revisions of the islands’ currency system.

\textbf{British Banks, Bimetallism, and the Call for Currency Reform}

From the summer of 1898 until the summer of 1900, the currency arrangement established between the banks and the U.S. military government worked reasonably well in alleviating the government’s primary concern about a severe depreciation of U.S. gold

\textsuperscript{168} Memorandum for the Secretary of War on Currency and Exchange, BIA, Entry 5, 808.
currency in the Philippines. During that time, the banks honored their commitment and never went below the agreed minimum exchange ratio of at least two Mexican dollars for each one U.S. dollar. On the other side of the equation, the Mexican silver dollar also held its value, as silver bullion halted its nearly 30 year downward price trend and held fairly stable for two years.\textsuperscript{169} Consequently, the fundamentals of the currency situation in the Philippines experienced an extended period of stability.

Despite this absence of major currency problems in their new colony, American authorities began in 1899 to consider changes for its currency system. In part, this was a natural occurrence once the United States formally annexed the entire archipelago in February of that year. The primary impetus, however, came in mid-1899 from U.S. military officials in the Philippines who engaged daily in transactions involving both American and local currency.

On April 25, 1899, Major General Elwell Otis, who had replaced Merritt at the head of the U.S. military government in the Philippines, directed several of his subordinates who dealt with fiscal matters to report to him on the potential “savings in expense and convenience” of a change in the arrangements “under which exchanges in money are now made here.”\textsuperscript{170} On June 3, Otis forwarded the reports he received to the War Department along with a comprehensive letter in which he summarized them and offered his own recommendations. According to General Otis, his government had

\textsuperscript{169} Kemmerer, \textit{Modern Currency Reforms}, 275-276.
\textsuperscript{170} In response to Otis’s directive, the Chief Paymaster, Chief Quartermaster, Chief Commissary, and Treasurer of Public Funds each provided an evaluation of their experiences involving currency matters and suggestions on what changes might be most beneficial. Memorandum for the Secretary of War on Currency and Exchange, BIA, Entry 5, 808.
experienced no difficulties in purchasing supplies from neighboring gold currency countries like Australia, where U.S. or British currency (which American authorities maintained on account in London) was accepted readily. Government purchases made in the Philippine market, meanwhile, often could be made using local silver currency that was drawn from the tax and customs revenues collected in Mexican silver dollars. What Otis and his officers found problematic were the financial dealings that American servicemen and officials in the islands had with the British banks handling deposits and exchange.\textsuperscript{171}

The Chief Paymaster, Major Charles McClure, provided the most detailed and critical account of American frustrations with the Hong Kong and Shanghai Bank and the Chartered Bank of India, Australia, and China. Although these banks held to their commitment to maintain at least a 2:1 ratio of Mexican to American dollars, they made no other promise as to how they would handle U.S. currency. As McClure explained, Americans were paid in U.S. currency, a significant amount of which they sent back to the United States. They also retained some of their funds for personal use in the Philippines, which meant they often needed to deposit their money in the British banks. The banks would not, however, allow them to maintain balances in gold currency. Instead, the banks required the deposited funds to be converted into Mexican silver dollars at the current exchange rate, which the banks set. McClure and other Americans claimed that the banks lowered the price paid for gold around payday in order to maximize their profits from the forced conversion deposits. Additionally, a depositor

\textsuperscript{171} Otis to War Department, June 3, 1899, BIA, Entry 5, 808/49.
was required to take his withdrawals in Mexican dollars. If he wanted gold currency, it had to be exchanged at the bank’s rate, which was always less favorable than the rate at which the depositor initially had sold his gold currency.\footnote{172 McClure to Maj. C.H. Murray, Inspector General of Military Government, May 9, 1899, BIA, Entry 5, 808/49. For example, the banks might pay a rate of 2.05 silver for every gold dollar received, but would charge 2.10 silver for every gold dollar paid out.} Although Americans recognized that it was reasonable for the banks to take some profit for performing currency exchange, they objected to being forced into making such exchanges because the banks would not allow individuals to maintain gold currency accounts. As Otis summarized the situation, the banks’ policy seemed designed to enable them to “buy up all the gold which it is possible to obtain at the lowest exchange rates, which in fact they fix, and ship it out of the country.”\footnote{173 Otis to War Department, June 3, 1899, BIA, Entry 5, 808/49.}

At the same time that frustration with the currency situation was mounted among the military authorities in the islands, local voices also expressed dissatisfaction with the existing state of affairs. According to the \textit{Manila Times}, an English language newspaper founded in 1898, the archipelago’s currency was an “extremely mixed up affair” under the Spanish, but had become even more problematic with the arrival of the Americans.\footnote{174 \textit{Manila Times Editorial}, in Memorandum for the Secretary of War on Currency and Exchange, BIA, Entry 5, 808.} The paper was most upset with the fact that U.S. officials had not passed a currency law that officially established what standing American currency had or even what money could be presented as legal tender under U.S. rule. Up to that point, the military government merely had continued the Spanish colonial regime’s policy of accepting Mexican silver for payment of taxes and custom duties. Without such legislation, the
*Times* contended, financial transactions were subject to a “mysterious system of calculation known only to bankers and bimetallic experts,” and left the Philippines “at the mercy of exchange fluctuations in Hong Kong and Singapore.”  

To these complaints, military officials added their concerns about confusion in accounting and payments caused by the fluctuation of local market rates, which rarely corresponded to the multiple currency conversion rates used by different parts of the colonial government. Some began to urge that U.S. currency be made the Philippines’ single standard to eliminate the general confusion of de facto bimetallism, to take power away from the banks, and simply to reinforce American colonial authority by having the currency “follow the flag.”  

In his annual report submitted on August 31, 1899, Otis reaffirmed that currency conditions were unsatisfactory, but cautioned that imposing the U.S. gold standard at that time would cause worse problems than it solved. He expected many Filipinos to respond with indignation and resistance to what they would perceive as a “tyrannical act of the United States” meant to benefit American commercial interests. Instead, Otis suggested that the government either purchase Mexican dollars on the open market to bypass the banks and thereby enforce “fair” and stable exchange rates, or establish by decree a uniform fixed rate of exchange in the islands. Ultimately, he believed that the “entire question of the currency requires the mature deliberation of our most eminent monetary authorities.”

---

175 Ibid.  
177 Memorandum for the Secretary of War on Currency and Exchange, BIA, Entry 5, 808.
Secretary of War Root took the growing disquiet about currency in the Philippines seriously, and agreeing with Otis’s call for expert opinion, consulted frequently with Secretary of the Treasury Lyman Gage on Philippine currency matters. Despite the eagerness of many Americans in the islands to take steps similar to those Otis proposed, Gage counseled that as conditions stood it was “a very doubtful experiment to try to avoid the bank rates in Manila—either by independent purchases of Mexicans, or by fixing a uniform rate of exchange.”  

Although concerned about the problems that existed, Root relied on Gage’s analysis and cabled the Treasury Secretary’s opinion verbatim to Otis on January 17, 1900, as the expression of the War Department’s stance for the near future.

As can be seen, during the latter half of 1899 and early 1900, officials charged with administering the United States’ new Asian colony grew increasingly persuaded that the Philippine currency system needed changes. They found particularly unsettling the fact that the financial condition of the emerging American-Philippine colonial state and those residing in it was dependent upon the actions of another imperial nation’s banks with regard to exchange rates and the regional currency markets. American authorities were most concerned about the economic vulnerabilities created by the continued use of two distinct currencies whose relative values were in constant flux. Nevertheless, they did not perceive a crisis situation at that time. Moreover, during these months, Secretary Root and other officials charged with overseeing U.S. colonial policy were occupied with

---

178 Gage to Root, January 15, 1900, BIA, Entry 5, 808/34.
179 Root to Otis, January 17, 1900, BIA, Entry 5, 808/36.
laying the broad foundations for long-term American administration of the Philippines. As such, they were focused on evaluating the Schurman Commission Report, devising plans for a colonial civil government, and then creating and preparing the Taft Philippine Commission to implement those plans. With regard to currency policy, Root determined that although some reforms likely would be needed, they could and should wait until the civil government arrived and considered the matter thoroughly. The Taft Commission reached the islands in June 1900 with instructions to assume its duties in September and begin addressing a long list of administrative priorities. The unanticipated impact of the Philippines’ entanglement in the region’s inter-imperial dynamics, however, quickly pushed currency questions to the fore.

**Conflict in China, Currency Crisis in the Philippines**

In the first half of 1900, rising Chinese resentment toward the influence of foreign imperial powers in the Middle Kingdom finally burst forth into a wave of anti-foreign and anti-Christian violence known in the West as the Boxer Rebellion. Initially escalating in the provinces, the violence came to a head in the summer in the capital Peking (Beijing) when Boxer and Chinese Imperial Army forces besieged the foreign powers’ legations there in June. To protect the lives of American citizens residing in China and to ensure that the other powers did not displace the United States’ own interests there, President McKinley sent U.S. troops from the large contingent then operating in the Philippines to join in the suppression of the uprising. These Army and Marine units arrived on the Chinese mainland to join British, French, German, Japanese, and Russian forces in the campaign to relieve the besieged Legation Quarter. Thus, in a
very overt and significant way, the American-Philippine colonial project became entangled in the inter-imperial dynamics at work in Asia at the time.\textsuperscript{180}

Of course, prior to the arrival of U.S. troops in the two countries, the Philippines and China had developed a relationship that stretched back for centuries.\textsuperscript{181} Particularly important economic and immigration links were forged after Spain laid claim to the Philippines in 1571 and promptly made Manila the Spanish entrepôt for trade with China. For most of the following 250 years, a galleon arrived annually in Manila loaded with silver from Spanish colonies like Mexico and Peru to exchange for silk and porcelain brought to the Philippines by Chinese traders.\textsuperscript{182} As a result of this commercial interaction, many Chinese from the southeastern coast, especially Fujian province, eventually made their way to the Philippines to become merchants, craftsmen, laborers, and professionals. Meanwhile, the massive quantities of silver that the galleon trade brought to China helped commercialize and monetize parts of the Chinese economy. Moreover, the spread of the Mexican silver dollar fastened a monetary connection between the Philippines and China and other Asian states that persisted even after the annual visit of the Manila galleon ended in 1815.

The outbreak of the Boxer Rebellion in 1900 not only precipitated the arrival of American troops on the Asian mainland. It also injected a new inter-imperial factor into the American-Philippine colonial state’s currency situation via the Asia-Philippine silver

\textsuperscript{180} For a discussion of American involvement during the Boxer Rebellion, see McCormick, \textit{China Market}, 156-175.  
\textsuperscript{181} Insightful analysis of the pre-20\textsuperscript{th} century China-Philippines relationship can be found in Wilson, \textit{Ambition and Identity}; and Wickberg, \textit{The Chinese in Philippine Life}.  
\textsuperscript{182} For a concise discussion of the galleon trade, see Karnow, \textit{In Our Image}, 55-61.
link established during the Spanish colonial era. The substantial body of foreign
warships and ground forces that arrived in East Asia needed silver currency to purchase
supplies and provide troops with currency to use in the local silver standard market.
Consequently, the regional demand for the Mexican silver dollar increased substantially.
Abandoning their August 1898 agreement with U.S. military authorities to maintain at
minimum a 2:1 exchange ratio, the banks in the Philippines on July 31, 1900, reduced
their purchase price for one U.S. gold dollar to 1.98 Mexican dollars.\footnote{Kemmerer, Modern Currency Reforms, 270.}
The \textit{Manila Times} observed that merchants immediately began to reject payment in U.S. currency
except at a discount, and the Philippine Commission later reported that some traders
would accept the American dollar only at rates as low as 1.50 in Mexican dollars.\footnote{Manila Times, August 6, 1900; and RPC, 1900, 87.} According to the Commission, “the people reasoned that if American money could go
down to 1.98 it could go very much lower” and this all caused “much disturbance in
business circles.”\footnote{RPC, 1900, 87.}

The U.S. military government, now under the command of Major General Arthur
McArthur, reacted with familiar suspicion toward the banks in Manila. He cabled to the
War Department on August 3 his complaint that, in reducing the exchange value of the
American dollar, the situation in China was “made pretext by local banks for profitable
speculation in United States currency.”\footnote{McArthur to War Department, August 3, 1900, BIA, Entry 5, 808/36.} McArthur reported that, as a temporary
measure, he had made customs duties receivable in U.S. currency at the rate of 2:1 in the

\begin{183} Kemmerer, Modern Currency Reforms, 270.
\begin{184} Manila Times, August 6, 1900; and RPC, 1900, 87.
\begin{185} RPC, 1900, 87.
\begin{186} McArthur to War Department, August 3, 1900, BIA, Entry 5, 808/36.
\end{document}
hope that this would bolster confidence in, and the value of, the American dollar. Secretary of War Root promptly forwarded McArthur’s cable to Treasury Secretary Gage and requested his recommendation on the matter, adding an observation that the banks appeared to be in “combination” to lower the value of U.S. currency in the Philippines.\textsuperscript{187} Gage responded to Root with his opinion that the banks were not being exploitative and were themselves “victims of the unfavorable influences occasioned by the Chinese war.”\textsuperscript{188} As a result, Gage found himself unable to recommend any action that would alter the currency conditions. According to him, the pressure on the U.S. dollar in the Philippines could be relieved only by purchasing less expensive Mexican coins elsewhere and shipping them to the islands at a cost lower than what the Manila banks were charging, an eventuality that he considered very unlikely given the current demand for the coins.\textsuperscript{189}

Because much of the responsibility for such matters would devolve onto the Philippine Commission after September 1, 1900, when it was to take over civil affairs, Taft and his colleagues launched their own investigation into currency questions upon their June arrival in the islands.\textsuperscript{190} After meeting with representatives of the banks and studying the matter, the Commission concluded that the increased demand for Mexican dollars created by the Boxer Rebellion was the legitimate cause of recent currency fluctuations. Although Treasury Secretary Gage despaired of finding a remedy, the

\textsuperscript{187} Root to Gage, August 6, 1900, BIA, Entry 5, 808/37.
\textsuperscript{188} Gage to Root, August 10, 1900, BIA, Entry 5, 808/38.
\textsuperscript{189} Ibid.
\textsuperscript{190} Taft to Root, August 11, 1900, BIA, Entry 5, 808/70.
Commission looked to one of the Philippines’ imperial neighbors for answers to the problem.

In 1894, British colonial authorities began minting a silver dollar at Bombay, India that contained the same silver composition as the Mexican dollar. They initially introduced this new “British dollar” for use in Hong Kong and the Straits Settlements to augment the supply of silver currency there and consequently free the colonies from exclusive dependence on Mexican coins. Taft wrote to Root on August 11 that, when the Commission took power in September, it proposed to order that the British dollar be receivable in payment of all government dues. They expected this would lower the price of Mexican coins in the Philippines by increasing the local money supply and the supply of Mexicans available to meet the demand in China. Moreover, the British allowed unlimited coinage of their dollar at Bombay, so the American-Philippine government always could import as much of the currency as needed to defend the relative value of U.S. gold currency.

The British banks operating in the islands, meanwhile, recognized that serious complaints were being leveled against them and that American authorities were considering significant Philippine currency reforms. Accordingly, the banks corresponded with U.S. officials at the highest levels in order to influence American decisions. Contacting Root through Alex Laird of the Canadian Bank of Commerce on August 20, the Chartered Bank of India, Australia, and China defended its actions with

---

191 Kemmerer, Modern Currency Reforms, 274.
192 Taft to Root, August 11, 1900, BIA, Entry 5, 808/70.
regard to currency exchange in the Philippines as a legitimate response to changes in the regional marketplace. Significantly, the bank also echoed Taft’s suggestion to allow the British silver dollar to circulate as legal currency in the Philippines, unless the United States was willing to coin its own special silver dollar (of equivalent weight and fineness as the Mexican) for use in the Philippines to increase the silver money supply. The banks’ primary concern apparently was to keep the archipelago on the silver standard because it facilitated their Asian currency trading operations and preserved their gold currency exchange services as another profit stream. Whether the Americans adopted the British silver dollar or created a new Philippine silver dollar, the banks’ interest would be served as long as the new colonial government did not introduce the gold standard.

The latter proposal, that the United States create a special silver “Philippine dollar” for use in the archipelago, captured the attention of Gage when Root forwarded Laird’s letter to the Treasury Secretary for comment. Gage said that the idea was “worthy of most careful consideration” because it was quite reasonable to believe such a coin “might be successfully introduced into the Orient.” G. Bruce-Webster, an agent of the Chartered Bank, also lobbied heavily for creating a Philippine dollar when the Chief of the War Department’s Bureau of Insular Affairs, Colonel Clarence Edwards, asked for his views on the subject. Bruce-Webster contended that this reform would cause the least disruption for Philippine commercial conditions, and a Philippine coin of equal value to

193 Alex Laird to Secretary of War, August 20, 1900, BIA, Entry 5, 808/40.
194 For indication of these motivations, see, ibid.; G. Bruce-Webster to Clarence Edwards, October 24, 1900, BIA, Entry 5, 808/45; and Memorandum for the Secretary of War, by A.M. Townsend, Oct. 31, 1900, BIA, Entry 5, 808/47.
195 Gage to Root, August 25, 1900, BIA, Entry 5, 808/41.
the Mexican would “have the added advantage of finding a market in China,” where the
British dollar had itself begun circulating.\footnote{Bruce-Webster to Edwards, October 24, 1900, BIA, Entry 5, 808/45.} A.M. Townsend of the Hong Kong and
Shanghai Bank also argued to Root in favor of a Philippine dollar as the most suitable
method for stabilizing the islands on the silver standard, which he believed was in the
best interests of the Filipinos.\footnote{Memo for the Secretary of War, by A.M. Townsend, October 31, 1900, BIA, Entry 5, 808/47; and
Hopkins and Co. to Edwards, November 3, 1900, BIA, Entry 5, 808/46.} After considering the mass of correspondence
surrounding currency matters in the Philippines, the Paymaster General of the Army,
General A.E. Bates, recommended to Secretaries Root and Gage that the United States
move forward with the suggested new Philippine dollar.\footnote{A.E. Bates to Root, October 17, 1900, BIA, Entry 5, 808/49; and A.E. Bates to Gage, November 1,
1900, BIA, Entry 5, 808/61.}

Even as support grew for creating a special American-Philippine silver dollar
patterned after the British dollar, the Boxer-related currency problems stimulated a
different idea for improving the American-Philippine state’s currency arrangements.
Indeed, by late September 1900, Taft and his fellow commissioners already had
reconsidered their initial plan to introduce the British dollar as legal tender in the
Philippines. Instead of trying to stabilize the exchange rate between silver and gold
currency through an infusion of silver dollars (be they Bombay dollars or new Philippine
silver dollars), the Commission decided that effectively moving the Philippines onto the
gold standard would achieve the best long-term results for the American-Philippine
colonial relationship.
In a cable to Root on September 22, 1900, Taft explained that the Commission now thought that the United States should establish the U.S. gold dollar as the theoretical standard of value for the Philippines. This would be done by creating a new token Philippine peso coin made of silver but permanently pegged to the U.S. dollar at a ratio of 2:1. The Commission believed they could encourage Filipinos to accept the new peso by making it similar in size and appearance to the Mexican dollar and by fixing the peso’s value close to that of the Mexican dollar at the time, so that price and wage levels would not be disturbed. Taft asserted that the greatest benefit would derive from the fixed relationship between the new coin and the U.S. dollar that would end the relative fluctuation of value for U.S. currency (and other gold standard currencies) in the Philippines. The token peso would circulate only in the islands, and could be exchanged easily for U.S. gold to accommodate external currency movements.

Around the same time, Charles Conant, an American banking and currency expert, made a similar proposal for what he termed a “gold-exchange standard” when Secretary Gage asked for his thoughts on how to end the United States’ currency difficulties in the Philippines. Conant laid out for Gage a detailed explanation of how such a system could be made to work and why it would resolve the problems associated with the Philippines’ reliance on silver currency. Significantly, Conant buttressed his

---

199 Cable, Commission to Root, September 22, 1900, BIA, Entry 5, 808.
argument by noting that such a plan “is in force in British India and appears to be working without difficulty,” and “in Java no difficulty is experienced in maintaining silver at par with the Dutch gold standard.”

Conant found especially valuable the example of the Government of India’s effort since 1893 to establish a fixed gold value for £120,000,000 worth of silver coins then used as local currency. Although conditions in India were markedly different from those in the Philippines, especially due to territorial and population size, Conant considered the Indian plan “an experiment of great importance to the financial world” that “taught many lessons in monetary science.”

By the end of 1900, then, inter-imperial connections were proving to be catalytic for Philippine currency reform. An imperialist crisis in China disturbed the islands’ monetary affairs so much that currency reform became a priority issue for U.S. officials in the archipelago. Meanwhile, many Americans blamed British imperial banks for the Philippines’ problems but nevertheless allowed, even invited, these banks to make suggestions for reform. And the main proposals that emerged relied on the currency experiences of other colonial states as models or support for what should be done in the Philippines. Consequently, as a civil administrative structure began to replace the military government in the American-Philippine colonial state, two approaches to reforming the currency system had gained adherents among those most concerned with the matter. One approach sought to stabilize the Philippines’ existing silver standard, while the other would introduce a gold standard that employed a token silver coin as the

---

201 Conant to Gage, October 16, 1900, BIA, Entry 5, 80/60.
circulating medium. Advocates for both hoped to eliminate the uncertainty in the exchange value between Philippine and U.S. currency, which caused problems for American-Philippine government finances, made gold currency capitalists hesitant to invest in the islands, and added expense to trade relations with gold standard countries.

Thus, U.S. officials had become convinced that some permanent Philippine currency reform was needed. Nevertheless, they also believed that such a complex undertaking with potentially far-reaching consequences deserved thorough examination, and would require congressional authorization. Fortunately, the sense of crisis regarding currency that existed in the summer of 1900 subsided as the year ended. In November, the Philippine Commission imposed a restrictive 10% tax on the export of Mexican coins, a move that helped stem the outflow of the archipelago’s silver money supply. The turmoil in China also diminished in the fall and by the end of 1900 worldwide prices for silver began to decline, all of which helped return the exchange ratio between local and U.S. currency to a minimum of 2 to 1. Consequently, American authorities during 1901 were able to study the matter to determine what course of action would provide the greatest long-term benefit.

**Charles Conant and the Gold-Exchange Standard**

The inauguration of the civil government under the Taft Commission launched a new stage in the American-Philippine colonial experience. U.S. officials became more focused on shaping the long-term colonial relationship than had been the case under the

---

204 Ibid.
temporary military government whose primary concern was to end anti-American resistance in the islands. After the Boxer Rebellion-inflamed currency turmoil of mid/late-1900, the Americans most responsible for the development of the new American-Philippine colonial state resolved to make changes that would prevent a recurrence of such a situation. Governor Taft and Secretary Root, in particular, wanted to free Philippine monetary affairs from the grip of potentially volatile economic forces in the region, and from possible exploitation by foreign banks that dominated currency markets there. American officials believed, however, that congressional authorization was necessary for currency reform, both because of the issue’s potential for causing domestic controversy and to provide international confidence that any reforms would be long-term and backed by the full commitment of the U.S. government.

In the opening months of 1901, Taft and Root saw an opportunity to get congressional authorization for Philippine currency reform because Congress was then considering the “Spooner amendment” to that year’s Army appropriations bill. The primary purpose of the amendment was to reaffirm President McKinley’s authority as Commander-in-Chief to continue governing the Philippines through his appointed Commission until Congress legislated otherwise. The amendment also promised to set parameters for the Commission’s ability to grant corporate charters and sell public lands, so the McKinley administration pressed to have currency addressed in the same piece of

---

205 This 1901 “Spooner Amendment” was distinct from the 1902 “Spooner Act” or “Spooner Amendment” that authorized President Roosevelt to purchase rights and properties for the construction of a canal in Panama.
legislation. During the months after the Commission first suggested moving the Philippines to a “gold-exchange” standard, Taft and his colleagues further developed their arguments for instituting this reform and included them in the first *Annual Report of the Philippine Commission*, which they submitted to the War Department on January 24, 1901. Root employed the report to urge Congress to include currency reform in the Spooner amendment, but when finally passed in March the legislation did not contain anything on currency. Because the Spooner amendment was essentially a stop-gap measure with regard to how the United States would rule its new colonial possession, Congress seemed inclined to wait for more definitive legislation in which to decide on currency reform. Root also detected some congressional skepticism about the Commission’s reform plan.

Aware that currency reform was a complex and potentially controversial issue, the Secretary of War decided to send an expert to the region to become familiar with local conditions and to make recommendations in a formal report. At the suggestion of Treasury Secretary Gage, in July 1901 Root sent Charles Conant, whose opinion Gage had solicited in October of 1900. Conant previously had indicated his preference for a gold-exchange standard and thus could be expected to cooperate with the Commission in forging a persuasive case based upon evidence on the ground. Root believed that this tactic comprised the best way to elicit the desired currency reform legislation from

---

206 Root to Taft, January 21, 1901, Clarence R. Edwards Papers, Box 1, Folder: January 1901 (Massachusetts Historical Society, Boston, MA) [cited hereafter as CRE, Box #, Folder].
207 *RPC, 1901*, 90-93.
208 Root to Taft, January 21, 1901, CRE, Box 1, Folder: January 1901. For a discussion of the provisions of the Spooner amendment, see Stanley, *A Nation in the Making*, 87-89.
209 Ibid.
Congress, particularly because Conant also could expertly answer questions and meet objections in subsequent congressional committee hearings.210

Conant sailed for Asia in August 1901 and returned to the United States in November of that year. During his time in the East, Conant consulted with the Commission, met with bankers and businessmen in the Philippines and in Hong Kong, and generally examined conditions as they related to currency and banking. He completed his report to the Secretary of War during his return voyage and immediately traveled to Washington upon his arrival in the United States to begin the campaign to secure congressional action on Philippine currency reform.211 In his report, which Conant formally submitted on November 25, 1901, he fully endorsed the Commission’s gold-exchange standard plan as the basis for a new Philippine currency system.212 Conant also used his own expertise to add many details for the actual implementation and operation of the new system, and to provide a strong defense of the gold-exchange standard versus silver standard plans. He emphasized that only the Commission’s approach guaranteed the currency stability (in gold value) that would attract investment capital and completely free the archipelago’s monetary fortunes from foreign-dominated currency standards.213

With regard to the banks of imperial powers in the region, Conant called attention in his report to the substantial influence that they wielded. British capital had long

210 Root to Taft, July 23, 1901, BIA, Entry 5, 3197/2.
211 See the correspondence between Conant and the War Department in BIA, Entry 5, 3197/13, 17, 18, 19.
212 Charles Conant, A Special Report on Coinage and Banking in the Philippine Islands Made to the Secretary of War, November 25, 1901 (Washington, DC, 1901).
213 Ibid., 11-16.
dominated colonial and foreign banking in the East, he noted, but French, German, Belgian, Russian, and Japanese institutions had begun to play an important role there as well. In the Philippines, Conant believed that the British imperial banks were operating ethically, and he argued that any effort to expel them would be detrimental to the economic interests of the archipelago. Nevertheless, he expected them to resist the gold-exchange standard plan because the fixed rate of exchange would deny them profits they derived from transactions involving fluctuating currencies. Meetings Conant held in Hong Kong with the Chief Managers of the Hong Kong and Shanghai Bank and the Chartered Bank of India, Australia, and China confirmed that they preferred the continuance of the silver-based currency system. They acknowledged, however, that the gold-exchange system should work and Conant believed they would not try to put obstacles in its way.

With Conant’s special report on currency in hand at the end of 1901, the War Department was eager to persuade Congress to authorize the reforms called for by Conant and the Commission. The administration believed his research that included an examination of regional conditions and direct discussions with the heads of the British banks would provide convincing support for the Commission and Conant’s plan. Beginning in January 1902, the Congress initiated extensive series of hearings on a wide range of issues regarding the Philippines, the most important of which was the Organic Act legislation defining the basic laws by which the United States would govern the

---

214 Conant to Edwards, July 9, 1901, BIA, Entry 5, 3197/1.
215 Conant to Edwards, October 7, 1901, BIA, Entry 5, 3197/5.
islands. The question of currency reform figured prominently in these proceedings, and not surprisingly, the inter-imperial aspects of Philippine currency matters played a central role in congressional deliberation on the subject.

**Congressional Debate and Deadlock**

As the Congress embarked on its Philippine agenda at the beginning of 1902, the archipelago’s currency situation that had remained fairly stable during 1901 entered a new phase of volatility. The worldwide price of silver began to decline rapidly and produced effects that were opposite those generated by the Boxer Rebellion. The gold value of the silver-based Mexican currency accounts that the American-Philippine government had accumulated through receipt of taxes and duties began to depreciate dramatically. This constituted a serious problem for the colonial government because many of its disbursements had to be made in gold currency. And it was especially problematic at a time when the American-Philippine government increasingly was trying to rely on its own locally-generated revenues instead of U.S. government appropriations. The rapid silver depreciation also produced difficulties in setting rates at which the government would receive or pay out silver, and it created uncertainty and expense for trade with gold countries. Consequently, the Commission was eager to have its plan instituted and thereby eliminate the problems associated with a bimetallic currency system.

---

216 RPC, 1903, Part III, 399-405.
217 Cable, Wright to Root, May 6, 1902, BIA, Entry 5, 808/87.
The administration entered the congressional debate committed to having the Philippine Commission’s currency plan enacted. Conant lobbied heavily in financial circles and in preliminary meetings with members of relevant committees in both the House and the Senate. Although the House easily passed a bill reported out by its Committee on Insular Affairs that embodied the Commission’s currency plan, the administration encountered a different climate in the Senate. Over the course of February and March 1902, Senate hearings revealed that the silver standard plan for creating a Philippine dollar based upon the example of the British dollar remained as an attractive alternative for some American leaders.

A currency subcommittee of the Senate Committee on the Philippines composed of William Allison (R-IA) (Chair), Albert Beveridge (R-IN), and Fred Dubois (D-ID), conducted the Senate’s primary investigation of the issue. Senators Henry Cabot Lodge (R-MA) (Chair-Philippine Committee), Nelson Aldrich (R-RI), and Henry Teller (D-CO) usually joined their colleagues to hear testimony and examine witnesses. Throughout the extensive committee hearings, the Senators evinced clear preference for creating an American-Philippine silver dollar modeled on the British silver dollar. To be sure, this plan’s free coinage made it attractive to pro-silver Senators Dubois and Teller, who saw a chance to “do something for silver.” The voices of gold Republicans Beveridge, Allison, and Lodge nevertheless predominated, and their support for the silver dollar stemmed from a belief that it could help make the United States and the Philippines stronger commercial competitors against other imperial powers and colonial states in Asia.

218 See BIA, Entry 5, 3197/13, 17, 18, 19.
Beveridge and Lodge were particularly hopeful that an American-Philippine silver dollar, with silver content equal to the British dollar, would quickly circulate throughout the region and consequently facilitate the growth of American and Philippine trade. According to Lodge, such a dollar would “benefit our trade, just as the British dollar has benefited the British trade in silver-using countries.” Conversely, they worried that a gold-based currency would “segregate the islands from the East, of which they are a part.”

Holding such opinions, the Senators warmly welcomed the testimony of witnesses like A.M. Townsend, the agent of the Hong Kong and Shanghai Bank who had written to Secretary of War Root in October 1900 urging the emulation of the British dollar in the Philippines. Townsend assured the Senators that the Hong Kong government immediately would declare the proposed Philippine dollar legal tender there, which then “would naturally circulate in Canton and the Straits…then naturally it spreads up the [China] coast.” Townsend warned, meanwhile, that any gold standard in the Philippines would “check her exports all around … and you especially check it with China and the other silver countries” that he assumed to be the islands’ greatest trade partners. Francis Forbes, a prominent American merchant who had spent many years

---

219 U.S. Congress, Senate, Committee on the Philippines, Hearings, “In Relation to a System of Currency for the Philippine Islands,” 57th Cong., 1st and 2nd sess., 1901-1903, March 24, 1902, 49. For further examples of this sentiment, see also, ibid., 40; idem, February 13, 1902, 5-6, 9, 13-14, 24; idem, March 3, 1902, 4-6, 18, 22-24; and idem, March 27, 1902, 10-11.
220 Committee on the Philippines, Hearings, “In Relation to a System of Currency,” February 13, 1902, 24. For additional examples, see also idem, March 3, 1902, 4-6.
221 Committee on the Philippines, Hearings, “In Relation to a System of Currency,” February 13, 1902, 13-14. See also, ibid., 5.
222 Ibid., 24.
in East Asia, echoed Townsend’s sentiments. He argued that the proposed silver dollar would simplify trade “because then it would not matter, in Hong Kong, or Singapore, or the Philippines, whether in payment of trade balances they exported the British or the American[-Philippine] dollar.”

Conant worked hard to counter these arguments and to persuade the Senators to support the administration’s gold-exchange standard plan. Although he acknowledged that taking the Philippines off the silver standard might cause some disruption of trade with silver-using countries, Conant asserted that a majority of the Philippines’ trade in fact was carried on with gold-using countries. Moreover, adopting a gold standard would “greatly promote our trade with Japan, Siberia, British India, and Australia,” gold-using areas that he believed would be increasingly important for Philippine and American commerce. Conant also argued that leaving the Philippines on the silver standard undoubtedly would “keep trade in the hands of the British merchants in Shanghai and Hong Kong, and exchange in the hands of the British banks” that had long dominated the Eastern markets.

As they probed Conant and their other witnesses, the subcommittee members revealed a surprising awareness of regional monetary conditions, particularly in India and

---

223 Idem, March 3, 1902, 18. Forbes also had access to President Roosevelt, to whom he wrote a letter accompanied by his testimony urging that Roosevelt support his position. Forbes to the President, March 5, 1902, BIA 808/81.
224 Committee on the Philippines, Hearings, “In Relation to a System of Currency,” March 24, 1902, 58-60. According to statistics Conant presented, in 1901 Philippine imports totaled $14,000,000 from gold countries and $6,000,000 from silver countries, while exports totaled $14,000,000 to gold countries and $3,000,000 to silver countries. Much of this trade was with European countries. See also Kemmerer, Modern Currency Reforms, 290-292.
226 Ibid., 16.
China. With Conant, they debated extensively the experiences of India and also Java, which Conant introduced as examples of governments successfully pegging a silver coin to gold currency values. Based upon their own reading of the situation, the Senators tended instead to believe that India’s “experiment” was only succeeding because of special circumstances, or to accept Townsend’s counterclaim that India’s experience had not been successful at all. Ultimately, the subcommittee was much more eager to embrace the example of the British silver dollar than the example of India or Java’s gold-exchange plans as a potential guide to Philippine currency reform. It reported out, and the Senate passed, a bill to authorize a freely coined Philippine dollar with silver content equal to the British and Mexican dollar. To the administration’s dismay, the conference committee could not resolve the wide differences between the House and Senate bills, so currency reform was not incorporated into the Organic Act legislation that Congress passed on July 1, 1902.

The half-year congressional effort in 1902 to legislate for Philippine currency reform involved the most intense U.S. examination of the issue to date. Significantly, the congressional debate explicitly referenced the Asian imperial context in which the Philippines was so intertwined. Advocates for competing reform plans each referenced examples of what had been done in other colonial states and debated the potential consequences for Philippine interactions in the region. Moreover, representatives of the

---

227 Ibid., 18, 20, 39-41, 54-55.
228 Committee on the Philippines, Hearings, “In Relation to a System of Currency,” February 13, 1902, 7. See also idem, March 3, 1902, 4; and idem, March 24-25, 18, 60, 73-6. On disputation of Java, see especially, Committee on the Philippines, Hearings, “In Relation to a System of Currency,” March 24-25, 73.
British imperial banks operating in the Philippines testified in support of specific reforms under consideration. Ultimately, the Senate remained committed to creating a Philippine silver dollar modeled on the British dollar, convinced of its capacity to promote Philippine and U.S. trade in the silver-using areas of Asia, especially China.  

The House, meanwhile, loyaly backed the administration, acknowledging that the Commission’s plan was the recommendation of officials best informed on the needs of the archipelago and its government. As such, they accepted the arguments that the gold-exchange standard plan would eliminate the islands’ vulnerability to regional market disturbances and potential exploitation by banks, would promote gold country trade and investment, and was shown by the example of other colonial states to be feasible.

Despite the firm convictions of the two houses during the summer of 1902, events in subsequent months soon tipped the balance in favor of the Commission plan for Philippine currency reform.

A Mounting Crisis and the Passage of Currency Reform

Congress’ failure to include currency reform in the Organic Act legislation distressed Taft and the Philippine Commission greatly. They believed that the Senate had neglected the wisdom of those closest to the matter, and thus imprudently prolonged the confusion and expense attributable to the Philippines’ de facto bimetallism. As 1902 wore on, the value of the Mexican dollar continued its precipitous decline. According to

\[229\] Some Senators also were worried about maintaining the gold reserve fund that a gold-exchange standard would need to redeem token coins when required for foreign transactions. Lodge to Taft, July 7, 1902, Henry Cabot Lodge Papers, Reel 18 (Massachusetts Historical Society, Boston, MA) [cited hereafter as HCL].

\[230\] Stanley, A Nation in the Making, 95-96.
the Commission’s calculations, the falling exchange rate produced a loss to the Philippine Treasury of $957,000 from January 1, 1902 to October 25, 1902, this on a beginning balance of approximately $5,000,000. Commissioner Luke Wright also reported that rents and commodity prices were advancing rapidly.

Although the House and Senate had been unable to agree on currency reform during the summer, the Philippine Commission remained hopeful that the gold-exchange standard plan would be authorized during the next congressional session. Writing to Conant on September 1, 1902, Taft believed that already “evidence is accumulating” that would convince opponents that the archipelago had to be rid of the silver standard. Returning to the Philippines after a trip to Europe, Taft said he “found at Singapore and wherever I stopped on the way East” that merchants charged very high prices to protect against fluctuation in the silver dollar, and “they are all anxious to have the gold standard in Singapore.”

Taft also cited as evidence in support of the Commission a recently completed report to the Secretary of War by economics Professor Jeremiah Jenks of Cornell University. Root had asked Jenks to visit British and Dutch colonies in Asia to examine economic conditions, and the report he submitted in August 1902 bolstered the Commission’s position on currency reforms.

---

231 RPC, 1902, 701.
232 Cable, Wright to Root, May 6, 1902, BIA, Entry 5, 808/87.
233 Taft to Conant, September 1, 1902, BIA, Entry 5, 3197/38.
234 Ibid.
235 Ibid.

108
Commission to apply Jenks’ findings to Philippine affairs, he nevertheless told the War Department and Bureau of Insular Affairs (BIA) what he thought should be learned from the experience of the British and Dutch colonies. Foremost, he explained that although the use of silver currency in the British Federated Malay States and Dutch East Sumatra was appropriate for them, “the experiences of the other colonies emphasizes [Conant’s] conclusions” on the need for a gold-based Philippine currency. Colonel Clarence R. Edwards, Chief of the BIA, found Jenks’ firm support of the gold-exchange standard especially significant since the professor actually had favored the Senate’s silver standard plan before undertaking his investigation. Accordingly, Edwards forwarded Jenks’ correspondence to President Roosevelt, and the Philippine Commission’s Annual Report for 1902 cited Jenks’s report and opinions prominently in its section calling for the gold-exchange standard reform.

The course of events increasingly suggested that Taft’s optimism about congressional action was well founded. In early November 1902, Conant informed the Commission that, due to the continued fall in the price of silver, there were “few who are not ready to acknowledge that a mistake was made in refusing to enact the gold standard at the last session.” In light of the evidence that was coming before them, Conant believed “there would be little difficulty in convincing the Senators who favored the

---

237 Ibid., 30-31; and Jenks to Colonel William Cary Sanger, Assistant Secretary of War, July 10, 1902, CRE, Box 2, Folder: 1902, July 1-19.
238 Jenks to Sanger, July 10, 1902, CRE Box 2, Folder: 1902, July 1-19.
241 Conant to Judge Henry Ide, Philippine Commissioner for Finance and Justice, November 7, 1902, BIA, Entry 5, 3197/40.
silver standard…that legislation in favor of the gold standard is now desirable.” Taft, nonetheless, kept the pressure on Chairman of the Senate Philippine Committee Lodge. Writing just before Congress convened in December, Taft informed him that the islands’ government had lost “more than a million dollars gold in our surplus due to the fall in silver,” and they needed “immediate action in the matter of currency” to eliminate the hardships that silver fluctuation “inflicts on the wage-earners and those having permanent investments measured in silver.”

Congress responded to the situation at the outset of its new session. The House promptly reintroduced legislation to authorize the Commission’s gold-exchange standard, and the Senate soon followed suit. Although some House members favored the more drastic measure of directly extending the U.S. currency system to the Philippines, neither house seriously considered the silver standard plan that had been so attractive to the Senate during the previous session. As Senator Lodge explained, the Senate Philippine Committee “was now satisfied by the change of circumstances and in the rates of silver in the East that that legislation is no longer possible.” Since the matter had been debated so thoroughly in early 1902, the legislators knew the arguments and now took little time to decide that the Philippines would be best served by a single, stable gold-based currency. Apparently, the immediate benefits to be gained by removing the Philippines from the vagaries of the silver standard outweighed the potential benefits that Senators had hoped a Philippine silver dollar would produce for regional trade. Consequently, the

---

242 Ibid.
243 Taft to Lodge, November 27, 1902, HCL, Reel 18.
244 U.S. Congress, Senate, Congressional Record, 57th Cong. 2nd sess., 2251.
Philippine Coinage Act authorizing the gold-exchange standard passed relatively easily and President Roosevelt signed it into law by on March 2, 1903.\textsuperscript{245}

The congressional legislation prescribed the broad parameters for Philippine currency reform, but left the final details to be settled by the Commission. These were established in October 1903, in the Philippine Gold Standard Act, which created the new Philippine peso that soon became known as the “Conant.” Although the Commission experienced some difficulties in expunging Mexican dollars from the islands’ money supply, the new gold-exchange standard functioned well for a number of years.\textsuperscript{246} During this time, the system did what its creators had intended. It stabilized the American-Philippine colonial state’s currency with a monometallic system that was managed by the government instead of foreign banks, was much less vulnerable to regional disturbances, and eased commercial relations with gold-using countries.\textsuperscript{247} The system avoided any serious difficulties until 1920, when dangerous mismanagement of the Philippine National Bank (established in 1916) nearly caused a breakdown in the archipelago’s currency system.\textsuperscript{248}

**Conclusion**

The effort to reform the currency of the Philippine Islands was among the most important American undertakings during the early stages of the United States’ experience as a colonial power. Significantly, the connections that existed among the American-

\textsuperscript{245} Kemmerer, *Modern Currency Reforms*, 312-313.
\textsuperscript{248} See Stanley, *A Nation in the Making*, 239-248

111
Philippine colonial state and other imperial powers and colonial states comprised a fundamental element of this undertaking. Events, decisions, and institutions in other imperial locales profoundly influenced currency conditions in the Philippines from 1898 to 1903. Moreover, U.S. colonial administrators, businessmen, and national government officials were fully cognizant of this reality, which figured significantly in their deliberations and decision-making.

Although scholars have recognized that currency reform in the Philippines was an important episode in the early years of U.S. administration, they have not appreciated the significance of the many inter-imperial connections that are in fact central to understanding this issue. For example, Emily Rosenberg describes Philippine currency reform as a prelude to subsequent U.S. efforts to convert other silver-using nations to the gold standard in order to create an expansive gold-based dollar bloc.249 Carl Parrini, meanwhile, explains this aspect of American-Philippine colonial history as an effort to alleviate the “capital over-accumulation” or “glut” crisis that many American businessman and politicians believed was responsible for recent domestic economic problems.250 The current examination, however, reveals the limitations inherent in accounts that do not appreciate the inter-imperial context in which the American-

---

249 Rosenberg, Financial Missionaries to the World, 12-30. Rosenberg focuses on the fact that the United States government supported international efforts to convert China and Mexico from silver to gold standards soon after Congress authorized Philippine currency reform.

250 The principle American theorist of “over-accumulation,” Charles Conant, played a key role in devising new currency for the Philippines and Parrini emphasizes this element of the currency reform story in his discussion of Conant. And Conant’s ideas for a new Philippine currency system certainly were informed by a desire to create conditions that would attract American capital to the archipelago. Parrini, “Charles A. Conant,” 35-66. See also, Stanley, A Nation in the Making, 92-96, 239-248; and Healy, U.S. Expansionism, 194-209.
Philippine colonial project evolved. Currency reform in the Philippines was not intended by its American proponents as the first stage in worldwide implementation of the gold standard, and the potential attractiveness of the gold standard to investors was not the only, or even most important, impetus for the changes U.S. officials made in their colony’s currency system.

The movement for Philippine currency reform came from Americans in the islands who grappled with a de facto bimetallic system that produced instability and created anxiety about the influence of another imperial power’s banks. The reverberations of imperialist conflict in China reached the Philippines to generate a crisis atmosphere about currency, and propelled forward serious suggestions for long-term changes. Instead of simply imposing a gold-based standard, powerful voices in the United States wanted to implement a new Philippine silver standard based largely on the example of what British authorities had done with silver currency in Hong Kong and the Straits Settlements. American officials who urged this course were particularly eager to facilitate Philippine trade with silver-using neighbors and to help American merchants and bankers better compete in the region with the commercial representatives of other imperial powers. When the United States finally opted for the “gold-exchange standard,” the decision largely came in response to the pressures that regional currency conditions were placing upon commercial interests and government finances in the Philippines. Significantly, this option also drew upon, and was framed in reference to, regional examples including currency reforms in India and the Dutch East Indies. Indeed, the primary architect of Philippine currency reform, Charles Conant, believed that India’s
reforms “blazed a new path in the principles of money,” and “led to other devices, which, imitated or improved upon in Mexico, the Philippines, and the Straits Settlements…have created a new type of monetary system.”

Understanding the inter-imperial connections involved in the United States’ initial Philippine currency reform efforts clearly provides insights for a richer, more comprehensive American-Philippine colonial history. Most obviously, it demonstrates that Americans appreciated that the inter-imperial dynamic was an important factor influencing the United States’ new colonial enterprise. Indeed, many believed that the causes of, and some solutions for, the American-Philippine state’s currency problems were to be found in the regional colonial context. Moreover, the multifaceted role of the British banks, the regional perspective of U.S. investigations, and the pursuit of commercial advantage expose the complex relations of cooperation and competition that existed among imperial powers, and especially their representatives on the ground. Additionally, the details of the evolution of alternative reform plans and the way advocates of various plans engaged the inter-imperial context demonstrate that U.S. colonialism in the Philippines was not simply an exceptionalist project. As the following chapters will illustrate, currency reform was only one of many sites of complex interaction among the American-Philippine colonial state and other colonial states and imperial powers.

---

CHAPTER FOUR

“For the Protection of a People Against a Vice:”

Opium & the Philippines, 1898-1908

“As there can be no judicious use of opium save as administered by a physician, a great responsibility is placed upon the Government in reference to the sale of this poison to a semi-civilized people.” So wrote Reverend H.C. DuBose, an American missionary in Soo Chow (Suzhou), China, to President McKinley in 1899 soon after the U.S. Senate approved the annexation of the Philippine Islands. Indeed, the decision to acquire an Asian colony placed many new “great responsibilities” upon the U.S. government, and most Americans focused on the administrative, economic, and military imperatives of becoming a colonial power. However, some promptly identified opium control as a significant moral and social responsibility, and DuBose expressed to McKinley an opinion held by many concerned citizens who hoped that the nascent American regime in the Philippines would severely restrict opium use there.

As it turned out, DuBose’s correspondence prompted U.S. officials at the highest levels to consider the opium question in late 1899 and early 1900. More pressing priorities as well as legislative complications, however, pushed the opium issue off the American-Philippine agenda at that time. Almost 3 years later, U.S. authorities in the islands revisited the subject of regulating opium commerce, this time with an eye toward generating government revenue through taxation and licensing fees. Non-governmental

252 Rev. H.C. Dubose to President William McKinley, in Frederic Emory, Chief, Bureau of Foreign Commerce, U.S. Department of State, Sept. 22, 1899, BIA, Entry 5, 1023/2.
actors like DuBose adamantly opposed such a policy, and forcefully inserted themselves into the opium policy discussion. Consequently, from 1903 to 1905, there ensued an intense period of examination and debate that ultimately produced legislation for controlling the opium trade in the Philippines.

This effort to establish a lasting American-Philippine opium policy was influenced to a remarkable degree by the inter-imperial dynamic. Indeed, a multi-faceted and explicit engagement with the experiences of other states throughout the region significantly shaped this aspect of the American-Philippine colonial experience. Missionaries who, like Dubose, had spent time in China, India, Burma, and elsewhere referenced personal experiences in Asia as they lobbied for the strict control of the opium trade in the Philippines. Meanwhile, Americans on all sides of the issue drew on the opium control practices of the Philippines’ neighboring colonial governments to shape and defend their policy proposals for the United States’ colony. The American-Philippine government itself dispatched a committee to investigate regional opium policies. And the opium control regime that U.S. officials finally inaugurated in the archipelago was modeled after a system the committee had observed in Japan’s colony of Formosa (Taiwan). Beyond the clear implications for practical policy-making, the inter-imperial aspects of this debate also provided sharp points of reference for how Americans understood their overall colonial project. Consequently, the history of opium policy-making lays bare some of the significant ways in which interaction with the imperialism of other states shaped the American experience as a colonial power in the Philippines.
Americans Confront the Opium Question

When the United States annexed the Philippines in 1899, American officials found that opium use had been prevalent in the islands for about one hundred years. Under Spain’s rule, the industry and habit were essentially unregulated until 1843, when colonial authorities implemented an “opium farm” system whereby the government “farmed out” monopolies for the import and sale of the drug to the highest bidders. The monopoly system was intended to provide a new source of government revenue, while also halting the spread of the opium habit among the native Filipino population by permitting sales only to Chinese residents of the islands. Spanish authorities believed the Chinese population would defy any attempt at complete prohibition and would continue to obtain the drug from illegal (and thus nontaxable) sources. Americans who subsequently investigated this policy found that the Spanish system had achieved some success in preventing widespread opium use among Filipinos. It also had been successful in generating revenue, as Spanish-Philippine government income from opium more than tripled between 1863 and 1897.

After American forces defeated the Spanish in the Philippines in 1898, U.S. military authorities became responsible for administering the trade of the islands, which they did according to the provisions of the United States’ tariff laws. With regard to

opium commerce, this brought about the immediate abolition of the Spanish era monopoly system. Under the Dingley Tariff of 1897, opium imported into the United States was treated simply as an agricultural commodity that required a modest duty be paid based upon weight. Although some states had passed laws in the 1890s to curb the abuse of morphine, which was derived from opium, there were no federal restrictions that targeted the importation, sale, or use of opium. By the end of the 19th century, many Americans were advocating at the state level for severe restrictions on the marketing and prescription of habit-forming narcotics, primarily cocaine and morphine. Although they achieved some successes, manufacturers of patent medicines who used such narcotics in their products were particularly effective opponents of such measures. Meanwhile, at the national level there remained numerous doubts about the constitutionality of federal legislation on an issue of “morals.” Consequently, aside from the slight economic deterrence imposed by the tariff, there were no national measures aimed at limiting the sale or use of opium in the United States.  

It was the application of this domestic American policy to the Philippines that created such consternation among anti-opium campaigners like H.C. DuBose, who anticipated a major increase in opium use among Chinese residents and a rapid spread of the habit among Filipinos. Anxiety about this situation consequently prompted DuBose

---

and like-minded Americans to lobby their government to institute a prohibition policy that would turn the opium vice away at the borders of its new colony.\textsuperscript{257}

DuBose’s appeal to President McKinley in late 1899 elicited a reaction at the highest levels of the U.S. government. At the turn of the century, missionary organizations, temperance groups, and other citizens eager for government-sponsored moral reform were emerging as a potent constituency in American politics. The architect of McKinley’s 1896 presidential campaign, Mark Hannah, himself was wary of these issue activists, observing, “If these church people get busy, they’ll knock the devil out of politics.”\textsuperscript{258} With regard to the Philippines, it had been only a few months since the Senate ratified the Treaty of Paris by a mere two votes, and McKinley’s decision to annex the islands continued to stir controversy as the anti-imperialist movement rallied opposition to administration policy.\textsuperscript{259} McKinley, a careful politician who also was quite religious, apparently decided it was prudent to give at least a hearing to concerns voiced by proponents of a moral agenda for the United States’ new colonial venture.\textsuperscript{260}

DuBose’s letter and proposals, consequently, were reviewed by top officials in the Department of State’s Bureau of Foreign Commerce, by Secretary of War Elihu Root, and by occupation officials in the Philippines.\textsuperscript{261} Among the latter, the reformers’

\footnotesize
\textsuperscript{257} Rev. H.C. Dubose to President William McKinley, in Frederic Emory, Chief, Bureau of Foreign Commerce to John C. Scofield, War Department, Sept. 22, 1899, BIA, Entry 5, 1023/2; and Sec. Treasury Gage to Sec War Root, April 2, 1900, BIA, Entry 5, 1023/3.
\textsuperscript{259} On the anti-imperialist campaign, see Beisner, \textit{Twelve Against Empire}.
\textsuperscript{260} On McKinley’s religious convictions, see H. Wayne Morgan, \textit{William McKinley and His America} (Kent State University Press, Revised editions, 2004), 8-12, 29-30, 243.
\textsuperscript{261} Emory to Scofield, Sept. 22, 1899, BIA, Entry 5, 1023/2.

\large
119
argument for complete prohibition met a skeptical response. Lieutenant Colonel W.M. Spurgin, Collector of Customs in the Philippines, opined that such a policy was unrealistic since the Chinese in the islands were “expert smugglers” and the archipelago’s coastline was too vast for customs officials to prevent opium from entering. In fact, Spurgin proposed reinstituting contract monopolies so that “more net revenue would accrue to the Government.”  

When U.S. Secretary of the Treasury Lyman Gage joined the deliberations in April 1900, he recommended against prohibition because the Dingley tariff recognized opium as a legitimate commercial item. He also rejected Spurgin’s approach because “the contract or farming system … is foreign to our administration of the revenue.” The War Department ultimately accepted Gage’s reasoning on both proposals and decided against making any changes at that time. Significantly, the military regime then administering the Philippines was a temporary expedient, and any attempt to institute a novel opium policy seemed better set aside until a lasting colonial government was in place.

The establishment of such a lasting colonial government began when the Taft Commission assumed its legislative duties in September 1900, and the transition was completed in July 1901 when the Commission took over executive functions as well. Because Taft and his colleagues’ most pressing task was to institutionalize a more permanent administrative program for U.S. colonial control while a nationalist rebellion continued, they focused their initial efforts on policies that contributed to this goal.

---

262 Ibid.
263 Sec. Treasury Gage to Sec. War Root, April 2, 1900, BIA, Entry 5, 1023/3.
Throughout 1900-02, the Taft Commission produced a flurry of legislation and initiatives directed toward establishing municipal self-government; attracting Filipino elites toward cooperating with American authorities; devising a new currency system; developing transportation and trade infrastructure; and organizing a colonial civil service.  

During this period, circumstances began to favor those who wanted to remake opium policy in the Philippines. In the “Insular Cases” in 1901, the U.S. Supreme Court ruled that the interstate commerce clauses of the U.S. Constitution, which required uniform tariff rates among the states, did not apply to American colonial possessions. It was this ruling that elicited Secretary of War Root’s famously pithy observation, “The Constitution follows the flag, but it does not quite catch up.” In practical terms, the Court’s decision meant the U.S. government could enact commercial legislation for the Philippines that was distinct from laws applicable to the states; for example, Congress could impose a tariff on imports from the Philippines to the mainland. As such, the ruling also clarified the parameters for Philippine opium legislation, since the islands clearly could have a discrete policy to regulate opium imports.

Concurrent to these developments, the Philippine Commissioners themselves increasingly became interested in modifying opium trade regulations. On one level, the commissioners consistently viewed opium commerce as a “legitimate and lucrative subject of taxation,” and were troubled that the tariff was an ineffective tool for

---

264 See for example Taft to Root, July 14; July 26; August 11; August 18; September 13; October 16; November 30, 1900 (TP, series 21).
265 Jessup, Elihu Root, 363.
regulating or generating revenue from the opium traffic. Meanwhile, the Commissioners also grew concerned about the potential for increased opium use among Filipinos under the existing policy. Although still at minimal levels, the Commission believed that expanding Filipino use posed a threat to the “well-being of the community” because the “moral, mental, and physical degeneration” that accompanied opium addiction would increase crime and decrease economic productivity in the islands.

In 1902, then, the commissioners began considering alternative methods of opium regulation, and they immediately looked to the regional colonial context for insight. The United States had no domestic precedent for regulating opium trade and use that seemed appropriate for the Philippine colonial context; meanwhile, British, French, and Dutch colonial authorities had many years of experience making opium policy in Asian settings. Accordingly, Taft and his colleagues reviewed how the Spanish had handled opium use in the islands, and they investigated how neighboring states dealt with the matter. Through contacts with colonial officials and opium traders in the region, and a study of information provided by U.S. consular officers in Asia, the Philippine Commission decided to reestablish a contract or farm system. This decision was predicated in part upon cultural assumptions that led American officials to believe, like the Spanish before

267 U.S. Philippine Commission, Reports of the Philippine Commission, the Civil Governor and the Heads of the Executive Departments of the Civil Government of the Philippine Islands (1900-1903) (Washington, DC: GPO, 1904), p. 120 [Cited hereafter as RPC, 1900-1903]; Round, “The Opium Problem in the Philippine Islands.”

268 RPC, 1900-1903, 120; RPC, 1900-1903, 521; OIC Report, 43-45.

269 Memorandum by Commissioner Henry Ide, May 15, 1903, BIA, Entry 5, 1023/5; British North Borneo farmer to Commissioner Bernard Moses, November 20, 1902, BIA, Entry 5, 1023/72; and Edward Bragg, Consul General in Hong Kong to Francis Loomis, Asst. Secretary of State, April 14, 1903, BIA, Entry 5, 1023/9
them, that complete prohibition might work among Filipinos, but Chinese users would refuse to give up the habit and instead would acquire the drug through illicit means.\textsuperscript{270} The Commission’s opium farm system thus would allow opium use only among the Chinese (thereby limiting the spread of the habit) and would provide the government with greater administrative control over the traffic (thereby procuring higher revenues from contract fees and from closer regulation of customs duties). By May of 1903, when the Commission completed a draft law, authorities in the Philippines had received several solicitations for concessions from opium growers and traders around Southeast Asia who either had been consulted about proposals for the Philippines or had heard about the impending legislation through the trade and information networks that linked the colonies.\textsuperscript{271}

In drafting the “Act to Suppress the Sale of Opium to the Filipino People, to Confine its use to People of the Chinese Race…,” the Philippine Commissioners saw themselves adopting the general practices that other colonial powers in the region had used effectively. As Commissioner Henry Ide, Secretary of Finance in the Philippines, explained in a memorandum to Secretary of War Root,

> The method of dealing with [the] subject today in nearly all of these countries has been the granting of a concession to some person or corporation under the name of ‘farming the opium traffic’…. It has been


\textsuperscript{271} British North Borneo farmer to Commissioner Bernard Moses, November 20, 1902, BIA, Entry 5, 1023/72; Edward Bragg, Consul General in Hong Kong to Francis Loomis, Asst. Secretary of State, April 14, 1903, BIA, Entry 5, 1023/9; O.F. Williams, Consul general at Singapore to Commissioner James F. Smith, May 9, 1903, BIA, Entry 5, 1023/88; and Williams, Consul General at Hong Kong to Governor Taft, May 26, 1903, BIA, Entry 5, 1023/76.
the opinion of the Commission – after giving the subject very careful study – that this is the best method of dealing with the traffic.272

Indeed, the commissioners were confident that their new law based upon others’ experiences would prove satisfactory. Noting the “precision” and “safeguards” that characterized “the laws in force regulating that Subject in Hong Kong, Shanghai, and other regions,” Ide reiterated that their “experience has demonstrated that this is the most effective means of dealing with the vice.”273 And despite a title that emphasized the restrictive aspects of the legislation, Ide’s explanation made clear that the ultimate goal of the proposed policy was,

Not to increase or diminish the sale of opium but to regulate it in such a manner that the whole operations of the system can be known to the Government and to secure a large revenue from a source not now available.274

Although the Commission did not hope to emulate what they saw as Dutch and British encouragement of increased sales, U.S. officials in the Philippines, like the European colonial powers, saw the opium traffic as a valuable source of colonial income.

American efforts to formulate a more permanent opium policy for the Philippines thus were shaped by inter-imperial connections from the earliest stages. Once American-Philippine colonial officials decided to revise their approach to regulating opium traffic, they consulted with individuals from other states in the area and incorporated specific practices employed by regional governments into the framework for Philippine

272 Memorandum by Commissioner Henry Ide, May 15, 1903, BIA, Entry 5, 1023/5.
273 Ibid.
274 Ibid.
legislation. Evidence of other governments’ apparent successes, moreover, gave American officials confidence that they were making the right moves. Nevertheless, even as the Philippine Commission drew on the regional colonial context to devise their policy for opium regulation, voices of opposition arose to challenge a plan that they decried as “bad morals and worse politics” because it did not seek to abolish opium use completely.275 Significantly, in the ensuing debate carried on in the Philippines and in the United States throughout 1903-04, both sides drew their arguments from, and presented them in reference to, the colonialism of other states.

Missionaries, Reformers, and the Push for Prohibition

On May 2, 1903, Rev. Homer C. Stuntz, the head of the Methodist Episcopal Mission in Manila, dashed off an urgent letter to Rev. Wilbur Crafts, Ph.D., who was Superintendent of the well-connected International Reform Bureau (IRB) in Washington, D.C. Crafts had founded the IRB in 1896 to lobby the federal government on moral issues like restricting alcohol use and gambling, and had at times coordinated efforts with other reform organizations like the Women’s Christian Temperance Union and the Anti-Saloon League.276 Stuntz explained to Crafts that he was “in the midst of a hard fight over the licensing of the Opium traffic in these Islands.”277 According to Stuntz, who had served as a missionary in India for several years, although the proposed system was a bit of “an improvement upon the system obtaining in the British possessions of the East,” the

275 Stuntz to Crafts, in Crafts to President Theodore Roosevelt, June 9, 1903, BIA, Entry 5, 1023/.
277 Stuntz to Crafts, May 2, 1903, BIA, Entry 5, 1023/17.
opium traffic in the Philippines could and should be prohibited completely. Instead of emulating other colonial states, Stuntz argued that “America ought to set an example to the nations about us here,” and certainly the United States had to avoid the “infamy” of the government monopoly system as it existed in India and Malaysia. Fearing that the law would be enacted before his letter reached Crafts, Stuntz nonetheless asked that the IRB mobilize an effort to pressure the administration in Washington to halt action on the bill, since he was having no success with the Commissioners in the islands.

Crafts wasted little time in building a campaign against the proposed policy, and drew on his own previous experiences as he undertook the project. In 1900, Crafts already had engaged in the struggle against the imperialist opium trade, having urged the British Colonial Office to supplant policies that encouraged the opium traffic in its Asian sphere with policies aimed at prohibition. He also had successfully lobbied the U.S. government for moral reform in its new colony, when the IRB pressured the Philippine Commission to take measures in 1901 against liquor traffic in the islands. Responding to Stuntz’s plea, in early June of 1903, Crafts wrote to President Theodore Roosevelt, who had assumed the office in September 1901 after McKinley’s assassination. Crafts forcefully argued that the United States must not copy “British legislation, which…has disgraced England and cursed India and China.” The United States should prohibit opium

---

278 Ibid.; and RPC, 1900-1903, 521.
279 Stuntz to Crafts, May 2, 1903, BIA, Entry 5, 1023/17.
280 U.S. Congress, Senate, Protection of Native Races against Intoxicants, 57th Cong., 1st sess., 1902, S. Doc. 200, 5-7. Although British authorities replied to Crafts’ appeals, his efforts did not produce any tangible results.
281 See Chapter 2 for a discussion of this episode. See also, Clarence Edwards to Senator J.R. Burton, June 20, 1903, BIA, Entry 5, 1023/41.
use in the Philippines entirely, because to keep it alive in the interest of augmenting revenue was “morally indefensible,” as even the British Parliament had declared in 1891 despite a lack of further action.\textsuperscript{282} To reinforce his arguments, Crafts sent Roosevelt clippings of published testimonies by missionaries and other individuals who had traveled and worked in India, Burma, and other areas of Southeast Asia.\textsuperscript{283}

Other Americans soon learned of the opium law under consideration in the Philippines and also wrote to Roosevelt and Root. The exchanges often centered on how other imperial powers in Asia dealt with opium, and the “perfidious British” again drew criticism, especially because of their record in China.\textsuperscript{284} Writing back to one of his correspondents, Root explained that he was unfamiliar with the specifics of the proposed legislation, but was confident that the Philippine Commission saw opium as an “evil.” He asserted, moreover, that the Commissioners had formed the policy based upon their knowledge of local conditions and through study of measures “adopted to reduce the evil in other Oriental communities.”\textsuperscript{285} Despite Root’s instinct to defend the Commission’s approach to the issue, the Secretary of War and Roosevelt grew apprehensive as they continued to hear broader and more vocal domestic opposition. On June 5, Root cabled to Taft, cautioning him to take “no course which either in substance or appearance will promote such traffic,” noting that public opinion, which had “always been strong against

\textsuperscript{282} Crafts to Roosevelt, June 9, 1903, BIA, Entry 5, 1023/.
\textsuperscript{283} W. Loeb, Secretary to the President to Root, June 8, 1903, BIA, Entry 5, 1023/18.
\textsuperscript{284} William Dix to Root, June 1, 1903, BIA, Entry 5, 1023/11; and Senator J.R. Burton to Roosevelt, June 5, 1903, BIA, Entry 5, 1023/41.
\textsuperscript{285} Root to Dix, June 5, 1903, BIA, Entry 5, 1023/10.
England’s course in China,” would condemn any regulation that did not seem plainly intended to reduce opium use.286

Before Taft could reply to Root’s concerns, Roosevelt heard additional opposition to the Philippine Commission’s proposal from a source with extensive first-hand experience dealing with “moral” issues in the East. Bishop J.M. Thoburn of the Methodist Episcopal Church was an American missionary who had served for over 40 years in India, and had held the post of Missionary Bishop for India and Malaysia since 1888.287 On June 8, Thoburn wrote to Roosevelt to oppose the Philippine opium legislation that he had heard was based upon the policy in place in the British Straits Settlements.288 Thoburn explained that he had “been in most parts of the Straits Settlements” and testified that “the policy adopted there is barely tolerated,” even by those British officials who supported it as the best among a number of bad options. He remonstrated that to introduce such a policy in territory under Roosevelt’s authority “would be a burning shame to the American name.”289 When Taft finally cabled on June 9 to get Root’s input on the specifics of the proposed opium bill, Roosevelt had decided that he would have to review personally any opium law for the Philippines before its approval. Root directed Taft to send a copy of the law along with a full account of

286 Root to Taft, June 5, 1903, BIA, Entry 5, 1023/10.
288 J.M. Thoburn to Roosevelt, June 8, 1903, BIA, Entry 5, 1023/27.
289 Ibid.
“treatment of subject in Japan and Burmah,” the two areas where anti-opium activists believed successful steps had been taken toward prohibition.²⁹⁰

As the Roosevelt administration pondered a course of action, Crafts and the anti-opium forces increased their pressure on the U.S. government. The IRB organized a petition and letter writing campaign that targeted the White House mailroom throughout June, July, and August. This effort generated thousands of signatures on petition slips and hundreds of pieces of individual correspondence from across the country, which subsequently was forwarded to the Bureau of Insular Affairs.²⁹¹ Interestingly, many of these writers not only criticized European colonial practices with regard to opium, they urged American officials to look to Japan as a guide for policy.²⁹² More restrictive than any in Asia, Japan’s policy completely prohibited opium in the home islands except for medicinal purposes, and stipulated gradual prohibition in her recently acquired colony Formosa.²⁹³

Indeed, it was Japan’s restrictive policy that emerged as the preferred model among the leading anti-opium campaigners who closely examined potential options for American-Philippine policy. Crafts went so far as to contact the Japanese Legation in Washington in early June to acquire translated copies of opium laws, and he promptly

²⁹⁰ Taft to Root, June 9, 1903, BIA, Entry 5, 1023/10; Roosevelt to Root, June 6, 1903, BIA, Entry 5, 1023/14; Col. Clarence Edwards, Chief of BIA to Taft, June 9, 1903, BIA, Entry 5, 1023/10; W. Loeb, Secretary to the President to Root, June 8, 1903, BIA, Entry 5, 1023/18; and Clarence Edwards to Senator J.R. Burton, June 7, 1903, BIA, Entry 5, 1023/41.
²⁹¹ See BIA, Entry 5, 1023/39. This enclosure number encompasses all of the material received from the campaign of opposition to the opium law and fills an archive box in the BIA records.
²⁹² Ibid.
²⁹³ For a detailed analysis of Japanese opium policies, especially in its colonial possessions, see John M. Jennings, The Opium Empire: Japanese Drug Trafficking in Asia, 1895-1945 (Westport, CT: Praeger, 1997).
forwarded these to President Roosevelt on June 12. In his covering letter, Crafts lodged the first of several requests to Roosevelt and Root for an interview in which he might present expert witnesses who could testify as to why Japanese policy “should be followed in the Philippines, rather than the British policy.” Crafts was particularly eager to have them hear directly from Bishop Thoburn, who was familiar with “opium revenue laws all over Asia” and could explain “the great superiority of Japan’s wise and effective prohibition” policy. Root finally assented and on July 9, Crafts and Thoburn met with him to make their case.

Thoburn, whose years of experience in Asia burnished his credibility, led the way in arguing why the United States should adopt a different policy than that recommended by the Philippine Commission. He explained to Root that the example of other countries had clearly demonstrated that the opium farm approach was fatally flawed because the farmer always would do whatever he could to increase sales, while the government would be reluctant to deprive itself of the taxes and fees those sales generated. In other words, the farmer’s profit motive, and ultimately the government’s drive for revenue, would override any professed intentions to reduce the opium traffic. Thoburn also argued that, despite the Commission’s stated goal, its policy would not prevent the opium habit from spreading beyond the Chinese population to the Filipinos, noting that “in the opium dens of Calcutta, I used to find as many Indians as Chinamen.”

---

294 Crafts to Roosevelt, June 12, 1903, BIA, Entry 5, 1023/32; and Law Regarding the Sale and Manufacture of Opium, BIA, Entry 5, 1023/34.
295 Crafts to Roosevelt, June 12, 1903, BIA, Entry 5, 1023/32. See also Crafts to Roosevelt, June 17, 1903, BIA, Entry 5, 1023/32; and Crafts to Root, June 18, 1903, BIA, Entry 5, 1023/42.
296 Crafts to Root, June 18, 1903, BIA, Entry 5, 1023/42.
297 Memo of Meeting, July 9, 1903, BIA, Entry 5, 1023/44.
Turning to the question of Japan’s policies, Thoburn allowed that complete prohibition in
the Philippines might be too ambitious a goal at the moment. Nevertheless, the United
States “should not attempt less than the Japanese are now doing in Formosa,” where a
plan for gradual prohibition had been instituted under “worse conditions than those which
confront us in the Philippines.” Thoburn capped off his argument by asserting that the
United States should take note in governing “Asiatics [that] the only Asiatic people who
have ever had a chance to legislate for themselves are the Japanese, and all the world can
see how they deal with the opium question.” 298

Thoburn and Crafts’ arguments, presented to Root while the broader public outcry
intensified, apparently had a profound effect on the Roosevelt administration. The day
after this meeting, Root cabled Taft to explain that “the more I study the opium question,
the more reluctant I become” about instituting the farm system as law in the Philippines.
Indeed, Root echoed some of Thoburn’s language as he warned that the farmer and the
government’s respective desires for profit and revenue “would be a continual barrier
against government efforts to decrease the business as it had been in India.” 299 Root went
on to suggest that prohibition might be the best course after all, and he proposed that Taft
consider a policy that would limit opium commerce in the Philippines to medicinal uses
only. Further indicating the impact of Thoburn’s presentation, Root’s proposal included
provisions for import restrictions, seller and buyer licensing, and government accounting

298 Ibid.
299 Root to Taft, July 10, 1903, BIA, Entry 5, 1023/25.
that were all strikingly similar to those employed by Japan in controlling the opium traffic in the home islands.

Engagement with the colonialism of other states thus not only played a role in the policy formulations of American colonial officials, it provided the material with which critics could forcefully frame their opposition. Anti-opium activists, drawing on their own inter-imperial connections and information, seized upon Japan’s policies in order to construct an alternative plan for the Philippines and an alternative representation of European practices they opposed. For such advocates, the Japanese approach offered examples of practical methods for pursuing explicitly prohibitionist goals, and it represented a functioning prohibitionist opium policy against which they could portray European policies as “immoral.”

Significant in all this is the fact that some Americans so readily embraced the example of Japanese policy at a time when racism and anti-immigrant politics were prominent features of American society.\(^{300}\) As noted above, there clearly was a pragmatic aspect to American anti-opium activists’ thinking, in that Japanese policy on this specific issue matched the goals they wanted to achieve in the Philippines. Beyond this, some Americans, although certainly not immune from racist attitudes toward the Japanese and their society, acknowledged and even admired the rapid economic and military advancements Japan had achieved since the Meiji Restoration of 1868. Indeed, Roosevelt himself commented, “In art, in many forms of science, in military matters and

industrial matters they have a position which entitles them to the hearty respect of every other nation.” Consequently, Americans who were determined to stamp out the opium traffic in their new colony were quite willing to depict Japan’s approach as a minimal standard of “progressive” policy to which the United States should aspire, and in turn warn that imitating European policies would open the whole American colonial project to derision.

Tellingly, as these arguments against the Philippine Commission’s proposed legislation became more vocal and influential, Taft acknowledged that the political tide was moving against him. In response, he tried to deflect this criticism by reframing the Commission’s intent in drafting the original bill. Nevertheless, even as Taft engaged in this tactical retreat, he resolved to make a final effort to frustrate the aims of the prohibitionists, and he relied on the experiences of other states in the region as the centerpiece of his maneuver.

The Opium Investigation Committee

The anti-opium campaign clearly was effective in gaining the attention of Roosevelt and Root with its prohibitionist arguments. Despite this fact, Taft was not yet ready to beat a full surrender, and on July 13, he responded in a confidential cable to Root’s suggestion to consider opium prohibition for the Philippines. Taft initially defended the Commission’s proposed opium law, and even promoted it as the wisest

---

course for reducing opium use in the islands. As had become the pattern in this debate, Taft framed his arguments in reference to other nations’ practical colonial experiences. However, perhaps recognizing that his defense ultimately was futile, Taft included in his cable a counterproposal designed to forestall the rush toward a highly restrictive (and non-revenue producing) policy. Taft suggested that, before adopting prohibition, the Commission send investigators to neighboring colonies and Japan to make first-hand evaluations of the success of various regional opium policies. Roosevelt and Root promptly embraced this inter-imperial initiative, which laid the foundation for the opium policy that the United States eventually instituted in the Philippines.

Taft began his cable by explaining why the Commission had viewed the opium farm or contract system as the best method of regulation for the Philippines. According to him, the most significant effect of the plan would be to increase the price of opium. Such price increases might generate more revenue for the government initially; however, they eventually would reduce consumption, and the experiences of Hong Kong and other British colonies had shown that high prices were the only real restraint on opium use. Indeed, in contradiction with earlier statements he and other commissioners had made, Taft now argued that the “motives, purpose and effects” of the Philippine bill were “solely restrictive.” As such, he asserted that there existed a marked “distinction between the bill and the Anglo-Indian system” because the “motive and purpose of latter [was] solely revenue.” Taft went on to explain that complete prohibition was unrealistic because smuggling opium into the Philippines was so easy, a practical fact that

---

302 Taft to Root, July 13, 1903, BIA, Entry 5, 1023/25.
clergymen who were “prohibitionists on principle” did not appreciate. He also reminded Root that the Commission’s proposed legislation was prohibitionist toward all Filipinos, and would allow opium use only among the Chinese population. As such, if the administration desired any additional deterrent to opium use among the Chinese, Taft preferred amending the current bill to force even greater price increases, instead of experimenting with a complete prohibition plan that he deemed unworkable.\textsuperscript{303}

Despite Taft’s vigorous defense, he expressed to Root his recognition of the political pressure being visited upon the administration. As Taft put it, he was fully aware that the American-Philippine colonial project’s success required that it “retain [the] confidence of the large body of right minded people in America.” Consequently, in a final attempt to avert “experiments…of doubtful utility,” Taft suggested that the Commission send a committee of inquiry “to investigate and report upon prohibition in Japan and upper Burmah, reported failure of it in Formosa, and experience of changing system in Java.” Upon receipt of Taft’s cable, Root conferred with Roosevelt and promptly informed the Governor that they believed sending an investigative committee was a good suggestion.\textsuperscript{304} Doing so offered the opportunity to collect more information on which to base policy, while it also would provide a cooling off period for public opinion at home.\textsuperscript{305}

On July 23, 1903, the Philippine Commission passed Act 800, which provided for “the Appointment of a Committee of Three to Visit Japan, Formosa, Upper Burmah, and

\textsuperscript{303} Ibid. \\
\textsuperscript{304} Root to Taft, July 14, 1903, BIA, Entry 5, 1023/25. \\
\textsuperscript{305} Ibid.; and Root to Taft, August 10, 1903, BIA, Entry 5, 1023/53.
Java, and Such Other Countries as the Civil-Governor may designate…. The Opium Investigation Committee (OIC) was to examine the use and traffic of opium in these countries, as well as the “rules, ordinances, and laws regulating such use and traffic,” and report its findings and recommendations to the Philippine Commission. Faced with domestic opposition that prevented authorities in the Philippines from legislating on opium as they thought best, Taft hoped the OIC could help him avoid being pushed into a policy that he believed was out of touch with colonial realities. The OIC, consequently, was to travel throughout the region to ascertain what methods achieved practical results under real conditions. In turn, the Committee would produce a definitive, “scientific” analysis upon which U.S. officials could build a well-reasoned policy that met the demands of domestic opinion while also meeting the needs of specific colonial circumstances.

Taft appointed to the OIC Dr. José Albert, a Filipino physician; Bishop Charles H. Brent, head of the Episcopal mission in the islands; and Major Edward C. Carter, Philippine Commissioner of Public Health. Although none of these men apparently had a background with drug regulation, as a group Taft probably deemed them well-suited to take account of the opinions of the principal interested parties, while he also had confidence that their understanding of local Philippine realities would lead to thoughtful and reasoned recommendations. Sailing for Hong Kong on August 17, 1903, the OIC spent the next five months traveling throughout Asia diligently executing its instructions.

306 BIA, Entry 5, 1023/100.
307 Ibid.
308 Musto, The American Disease, 26.
The Committee members not only visited Japan, Formosa, Burma, and Java, they also spent time in French Indochina, the British Straits Settlements, Hong Kong, and Shanghai. Upon their return to the Philippines at the end of January 1904, the OIC members continued their investigation by interviewing Filipinos and gathering data about local conditions.\(^{309}\)

The material that the OIC collected was the fruit of an intense, conscientiously conducted investigation. At each step, the Committee members met with a variety of individuals including officials of the highest rank, and conducted interviews on opium use and control. At their various stops, members of the Committee were received by the Governor of the Straits Settlements in Singapore, the Acting Governor of French Indochina, the Governor-General of Java, and the Governor-General of Formosa in Japan. The OIC also spent time with local customs officials and other government functionaries, physicians, church ministers, and merchants. Aside from personal interviews, the OIC solicited from these individuals statistical information on opium use and traffic, copies of local legislation, and demographic data.\(^{310}\) Moreover, Committee members often toured beyond their city of arrival to examine personally the influence of opium use in the colony or state, and to inspect opium production and sales facilities.\(^{311}\) Indeed, the OIC members interacted with an expansive network of colonial officials,

---

\(^{309}\) OIC Report, v-8.
\(^{310}\) Voluminous amounts of this material are available in, BIA, Entry 5 1023/111.
\(^{311}\) OIC Report, 11-42.
After returning to the Philippines and investigating conditions within the islands, the OIC worked throughout the spring and summer of 1904 to digest what it had collected, and to prepare its official report and recommendations for opium regulation in the U.S. colony. By December 1904, the Committee had completed enough analysis and writing to submit a draft report to local and Bureau of Insular Affairs officials for their consideration of its findings and suggestions. Although the Philippine Commission submitted a formal version of the report to the War Department in August 1905, the recommendations within it were unchanged from those in the draft version, which in fact served as the primary basis for policy considerations within the U.S. government during the early months of 1905.

Taft’s proposal of the Opium Investigation Committee and its creation provide a vivid example of the inter-imperial dynamic at work in American-Philippine policymaking. Critics who opposed the Philippine Commission’s opium policy had marshaled arguments against it based upon their interpretation of how other imperial powers handled the issue. Taft, forestalled from pursuing his favored course (based in part on the Commission’s own analysis of other imperial powers’ experiences), nonetheless was determined to prevent outsiders from simply overriding the Commission’s perspective when it came to deciding Philippine policy. Taft consequently

312 OIC Report, 11.
313 Taft to Wright, Jan. 8, 1905, BIA, Entry 5, 1023/110.
314 U.S. Congress, Senate, Use of Opium and Traffic Therin, S. Doc. 265, 59th Cong., 1st sess., 1906: 3-4
countered the prohibitionists by proposing the OIC, a move that also adroitly
incorporated the appeals to the broader context of colonialism that both sides’ used to
buttress their positions. Moreover, the OIC’s travels and investigation demonstrate the
very real web of connections among imperial powers and colonial states that existed in
the region. Given this inter-imperial starting point, it is hardly surprising that the
Committee’s subsequent recommendations, and the policies derived from them, reflected
lessons that the Committee believed it had learned through its examination of opium
policies in other Asian colonies.

**Establishing an American-Philippine Opium Control Regime**

When the Roosevelt administration decided to create the OIC in the summer of
1903, public pressure had mounted to the point that any U.S. opium policy for the
Philippines clearly would have to be aimed at reducing opium use in the islands.
Considering these circumstances, and despite Taft’s attempt to characterize the policy as
a failure, it is not surprising that the OIC determined Japan’s approach to opium
regulation in Formosa offered the best potential template for the Philippines. The system
in Formosa had a good reputation among anti-opium activists in the United States, and
although it was designed explicitly to reduce opium use, the system made allowances for
dealing with realities “on the ground” as colonial officials perceived them. Specifically,
Japan governed opium use in its colony with an approach described as “progressive
prohibition” that looked toward “gradual suppression” over a period of perhaps 30
years.\textsuperscript{315} This regulatory regime consisted of a government monopoly over importation and distribution, the registration and licensing of all existing addicted users, and the refusal to issue user licenses to any new applicants. American officials admired this as a reasoned approach to eliminating opium use because it allowed addicts to continue the habit until death, while it prevented new potential addicts from taking up the drug.\textsuperscript{316} The OIC acknowledged that the system was in its early stages and “not an unqualified success,” but noted that it was “more effective in decreasing the use of opium than any other system” they knew of.\textsuperscript{317}

The OIC members, in fact, did not find much to admire among the other regional opium policies they examined. For example, the Committee’s report offered backhanded compliments in evaluating opium regulations in most British colonies, noting that “as carefully drawn laws protecting trade interests, they are above criticism,” however “they do not pretend to be laws for the protection of a people against a vice.”\textsuperscript{318} The OIC supported its assertion with British statistics that showed a significant part of Hong Kong and the Straits Settlements’ income was derived from the opium trade, as was also the case in French Indochina.\textsuperscript{319} The Committee acknowledged some earnest but unsuccessful British efforts to reduce opium use amongst the native Burmese population.

\begin{flushright}
\textsuperscript{315} OIC Report, 18-20. See also, Jennings, Opium Empire, 20-26. \\
\textsuperscript{316} Jennings, Opium Empire, 20-26. The OIC also praised Japanese policy for authorizing the provision of hospital services for addicts who chose to break the habit. See OIC Report, 19. \\
\textsuperscript{317} OIC Report, 20. For a thoughtful analysis of the eventual corruption of Japanese opium policy in Formosa and its evolution into a money-making concern, see Jennings, Opium Empire, especially 26-28, 54-57, 61-76. \\
\textsuperscript{318} OIC Report, 42. \\
\textsuperscript{319} Ibid., 28-30.
\end{flushright}
and cited these as valuable examples of what methods did not work.\textsuperscript{320} The OIC also took note of Dutch experimentation with a variety of approaches in Java that reinforced the Committee’s sense that a government monopoly like that in place in Formosa offered the best means to control the opium trade without encouraging its expansion.\textsuperscript{321}

In light of their research and analysis, the OIC members recommended that the United States institute in the Philippines essentially the same system employed in Formosa.\textsuperscript{322} Evidence from around the region convinced them that a government monopoly and licensing system afforded greatest control over the traffic, while progressive prohibition would eliminate opium use without the turmoil and suffering that immediate prohibition seemed destined to produce. British and French practices presented examples of what to avoid, and the Dutch system in Java was in too much flux to offer a model for policy.

The Formosan system, meanwhile, had elements that addressed the concerns both of stanch anti-opium activists and of skeptics of immediate prohibition who viewed such a policy as unrealistic for the Philippines. Although the OIC would have the American-Philippine government adopt all of the regulations and tools employed by Japan in Formosa, the Committee proposed one significant innovation. The OIC recommended limiting the permissive period of licensed opium use to only 3 years, to be followed thereafter by complete prohibition except for medicinal purposes. The Committee members explained that their investigation had convinced them that an explicit date for

\begin{flushleft}
\textsuperscript{320} Ibid., 30-37.
\textsuperscript{321} Ibid., 37-40.
\textsuperscript{322} Ibid., 46-49.
\end{flushleft}
the onset of complete prohibition had to be part of any legislation, lest opium users postpone their efforts to abandon the habit, thus delaying progress towards eliminating the vice from the islands.323 Left unstated, but likely also part of the OIC members’ reasoning, was their awareness that American anti-opium activists would not have accepted the adoption of the Formosan policy’s three decade or longer window in which to achieve complete prohibition.

As noted above, the OIC’s draft report containing these analyses and recommendations circulated among U.S. officials in the Philippines and in Washington in late 1904 - early 1905. The Philippine Commission, now led by Governor-General Luke Wright, and the Roosevelt administration generally accepted the OIC report as a sound basis for U.S. policy.324 From their perspectives, if the United States was going to try to reduce opium use in the Philippines, a program of gradual prohibition made sense in view of the available evidence. Wright and Secretary Taft both observed, however, that the Philippine Commission needed Congressional sanction to establish a government monopoly and ultimately abolish the importation of a specific item of commerce.325 Accordingly, Taft asked Congress to take up the issue in January of 1905 as part of a bill for Philippine tariff provisions. In so doing, he commended to House Ways and Means Committee Chairman Sereno Payne (R – NY) the OIC’s extensive research that had led to its recommendation of what he termed “the Japanese and Formosan method” of opium

323 Ibid., 47.
324 Wright, an original member of the Taft Commission when it was created in 1900, had served as Taft’s Vice-Governor-General since 1901. Wright served as Governor-General of the Philippines from 1904 until 1906, when he was made Ambassador to Japan.
control. Taft also offered legislative language for the tariff bill that would allow the Philippine Commission to implement the OIC recommendations, and he forwarded copies of the draft report to members of Congress to consult as they considered the bill.\footnote{326}{Ibid.; and U.S. Congress, House, Committee on Ways and Means, \textit{Hearing of the House Committee on Ways \& Means}, 58th Cong., 3d sess., 1905.}

Both the House and the Senate took up the bill in mid-February and most Congressmen, satisfied with the recommendations of the OIC, readily accepted the opium provisions of the tariff bill. Nevertheless, a few Democrats remained suspicious of the colonial government’s intentions and expressed reservations about the system’s 3-year permissive period.\footnote{327}{See U.S. Congress, House, 58th Cong., 3d. sess., \textit{Congressional Record} (February 21, 1905): 2998-3000.} Specifically, some like Representatives Gilbert Hitchcock (D - NB) and Charles Cochran (D - MO) and Senator William Stone (D - MO) worried that the Philippine Commission harbored lingering desires to accrue revenue from the opium traffic, and consequently these congressmen pressed for immediate prohibition. Taft himself initially may have fueled some of this suspicion. Ever ready to lobby his top priority of securing funds for the American-Philippine colonial project, he could not refrain from noting in his letter to Payne that adopting the OIC’s admittedly wise recommendations would deprive the colonial government of significant revenue. Taft’s budgetary anxiety notwithstanding, by this stage he had accommodated himself to a Philippine opium policy aimed at prohibition, and he was a firm advocate for the OIC plan when he testified before the Senate Committee on the Philippines in February.
1905.\textsuperscript{328} To convince skeptics of the honorable intentions behind the recommended plan, Taft especially cited OIC member Bishop Brent’s role in drafting it. Brent had been “strongly in favor of absolute prohibition,” but had come to believe that the Formosan system was best suited to the Philippines’ needs. In addition, Brent even had elicited arch anti-opium activist Wilbur Crafts’ approval of the administration’s new policy.\textsuperscript{329}

Taft’s testimony and the overall reasoning in the OIC report ultimately satisfied the lingering doubters, and the tariff bill became U.S. law on March 3, 1905.\textsuperscript{330} The opium provisions stipulated that the Philippine Commission could use its discretion in managing opium imports and use among Chinese in the islands for the 3-year permissive period, while immediate prohibition would apply to Filipinos. Congress adopted the latter provision because many legislators wanted to avoid the appearance of sanctioning opium use amongst “the people whose guardians we have made ourselves,” especially since the Administration suggested that the truly addicted native population was relatively small.\textsuperscript{331} Finally, the tariff law stipulated that, after March 1, 1908, importation of opium into the Philippines would be prohibited completely except for medicinal purposes.

The Philippine Commission, in turn, used its new authority to follow the OIC’s recommendations to model Philippine policy on the Japanese approach to opium control in Formosa. The Commission instituted a system whereby the government supervised

\begin{footnotes}
\footnote{U.S. Congress, Senate, 58th Cong., 3d. sess., \textit{Congressional Record} (March 1, 1905): 3714-3718.}
\footnote{Ibid.}
\footnote{Ibid, March 1, 1905: 3817, 3900; and March 3, 1905: 4033.}
\footnote{See U.S. Congress, Senate, 58th Cong., 3d. sess., \textit{Congressional Record} (March 1, 1905): 3715-16; and U.S. Congress, House, 58th Cong., 3d. sess., \textit{Congressional Record} (March 1, 1905): 3786.}
\end{footnotes}
the importation and sale of all opium in the islands, required all Chinese addicted opium users to register with authorities, required opium retailers to pay substantial license and bond fees to the government, and used funds accrued by the government for treatment and anti-opium education. The most significant deviation from the Formosan system was the commissioners’ decision to license private opium retailers, which they believed would create less administrative burden than taking on the responsibility of a government monopoly, as had the Japanese.332 On March 1, 1908, the law for complete prohibition of opium except for medicinal purposes went into effect, and thereafter the government became the only legal importer and seller of opium.

The activities of the OIC and its impact on American-Philippine opium policy clearly illustrate the significance of American engagement with the international context of imperialism. The OIC traveled throughout the region to conduct a comprehensive investigation of the opium policies of neighboring states, and its proposals that derived from this examination ultimately met with broad approval as a basis for U.S. policy. That the OIC’s investigation led to an American-Philippine policy modeled on Japanese practices is another important inter-imperial aspect of this episode. The Committee was aware that a consensus had emerged in Washington that any Philippine opium policy would have to work toward prohibition. Given this policymaking context, the OIC found the system in Formosa to be an ideal option for achieving the goals of American anti-opium activists, while also addressing the concerns U.S. colonial officials had about

dealing with realities “on the ground.” Moreover, the OIC had found little to work with among the other regional opium policies it examined. Consequently, because Japanese policies seemed particularly well-suited to American needs in the Philippines, U.S. colonial policy-makers were open to the Formosan example, even at a time when Japanese-American tensions were growing over immigration issues and imperialist rivalry.

Although a complete history of American-Philippine opium control efforts is yet to be written, reports by contemporary observers give some sense of the results and challenges that followed in the wake of the American-Philippine legislative milestones of 1905 and 1908. In 1906, the first year in which the new restrictive policy applied, opium imports fell nearly 55% from the previous year. 333 By the time complete prohibition began in March 1908, American-Philippine authorities estimated that 40% of former opium users had quit the habit, with a substantial portion of the remainder having become moderate users. 334 After March 1908, officials in the islands quickly realized that the penalties enacted to compel remaining users to comply with prohibition were not stern enough to accomplish this goal. Consequently, the Philippine Commission acted to toughen punishments. 335

A brief glance at the period that followed the onset of complete prohibition reveals that inter-imperial connections, which were so central in the creation of the archipelago’s opium policy, continued to have an impact as American-Philippine officials

333 U.S. Congress, Senate, Opium Problem, 28.
335 U.S. Congress, Senate, Opium Problem, 29.
sought to stamp out the opium trade in the islands. This was particularly evident as market forces reacted to the sudden halt of opium imports in ways that both aided and obstructed American-Philippine officials’ efforts to eradicate use of the drug.\textsuperscript{336} Almost overnight, prices for illicit opium rose dramatically as legitimate supplies dwindled. On one hand, this helped the anti-opium campaign because high prices placed the drug out of reach for most people in the Philippines. On the other hand, the profitability of selling opium on the black market spawned a smuggling trade that soon became the biggest opium-related concern for authorities in the islands. Indeed, from the earliest days following annexation, American officials had identified the ease with which opium could be smuggled into the Philippines as a significant obstacle to controlling the traffic.\textsuperscript{337}

The desire to thwart smuggling, consequently, was among the motivating factors when, in 1909, the administration of recently elected President Taft convened an International Opium Conference in Shanghai to seek international cooperation and agreements to reduce the traffic throughout Asia. This conference, and the several that followed, represented an element of broader U.S. foreign policy efforts aimed, in part, at bolstering Chinese stability and sovereignty.\textsuperscript{338} With regard to the Philippines, it is noteworthy that one of the central provisions in the non-binding joint resolution agreed to

\textsuperscript{336} From March to December 1908, the government imported 38 pounds of opium into the Philippines, while imports in 1906 had totaled 150,292 pounds. U.S. Congress, Senate, \textit{Report on the International Opium Commission}, 28.

\textsuperscript{337} See Frederic Emory, Chief, Bureau of Foreign Commerce, U.S. Department of State, to John C. Scofield, War Department, Sept. 22, 1899, BIA, Entry 5, 1023/2.

at the inaugural conference was aimed at stopping opium shipments to the Philippines that originated from nearby colonial ports.\textsuperscript{339} U.S. officials believed this would go a long way toward curbing shipments smuggled into the islands. Nevertheless, Bureau of Insular Affairs records, which include a string of smuggling reports by the American consul in British North Borneo that prompted the Department of State to protest to the British Foreign Office in 1920, attest to American officials’ continuing frustration over this issue.\textsuperscript{340}

**Conclusion**

Over the period from 1899 to 1908, U.S. officials and segments of the American public grappled with the complexities of revising the system of opium regulation in the Philippine Islands. At the center of this process was a debate over how other colonial powers’ opium policies should be understood and how they should inform U.S. policy. As such, this facet of the American experience as a colonial power offers an enlightening glimpse into the world of practical and conceptual connections that existed between U.S. colonialism and that of other nations.

Foremost, the debate over American-Philippine opium regulation vividly demonstrates that the inter-imperial dynamic sometimes played a central role in deciding controversial U.S. colonial policies. Protagonists on both sides marshaled arguments based upon their perceptions of other powers’ opium policies. Indeed, when the Taft Commission initially decided to revise Philippine opium regulations, it consciously

\textsuperscript{339} U.S. Congress, Senate, *Opium Problem*, 65, 70.
\textsuperscript{340} BIA, Entry 8 (Customs Matters), C-1319/23-37.
borrowed from European practices. Meanwhile, non-governmental actors like missionaries and moral reformers drew upon their own credible inter-imperial knowledge of opium affairs to oppose the Commission’s original proposal. These opponents utilized their access to the corridors of power to convey their critique, and to put forward Japanese colonial opium policy as an alternative paradigm. And when the arguments and political mobilization of anti-opium activists compelled the Commission to reconsider its plans, Taft’s creation of the Opium Investigation Committee placed the broader colonial context at the center of efforts to find a mutually acceptable solution.

The OIC investigation itself, moreover, highlights the importance for the American-Philippine colonial experience of practical interaction, and at times cooperation, with other imperial powers and regional states. When U.S. officials tasked the OIC to examine opium policies employed in the region, they expected that the committee would be able to visit a variety of Asian states to gather information without resistance from other governments. The OIC not only encountered no resistance; on the contrary, other regional governments offered the committee a high degree of cooperation. The American-Philippine state’s French, Dutch, British, Japanese, and Chinese neighbors welcomed the OIC and afforded the committee considerable access to information, institutions, and individuals. Significantly, historians often overlook this cooperative facet of early 20th century imperialism.

The OIC’s recommendations, as well as the legislation based upon them, also make clear American willingness to adapt a foreign model to the needs of U.S. colonialism in the Philippines. The fact that, in this case, Japan provided that model is
particularly intriguing, given the evolution of U.S.-Japanese relations over the decade following U.S. annexation of the Philippines. During the period, especially following Japan’s successes in the 1904-05 Russo-Japanese War, some American leaders became concerned about growing Japanese strength and ambitions in Asia. Moreover, racism and immigration politics fueled American anti-Japanese attitudes throughout these years. Nevertheless, when it came to the discrete issue of regulating the opium trade, American leaders pragmatically accepted the Japanese approach in Formosa as the template best-suited for the Philippines. Despite anti-Japanese sentiment and concerns about aggressive foreign policy, some Americans acknowledged Japan’s modernization and were willing to view it as a fellow “civilizing” power in Asia. Meanwhile, on the level of practical American-Philippine politics, once anti-opium reformers gained the upper hand, Japan’s opium policy emerged as the most attractive option for the Philippines because it seemed to be the only one aimed at prohibition.

The Philippine opium policy debate also complicates the picture of how the relationship between the colonialism of the United States and of others powers was contested ground in American politics. Not surprisingly, anti-imperialist critics of U.S. annexation of the Philippines quite regularly decried American emulation of European imperialism. With regard to the opium issue, however, supporters of U.S. imperialism in the Philippines denounced a policy that had been based on European colonial examples. Whereas proponents of American imperialism often looked to European (especially British) experiences as a guide, on the opium question a segment vocally rejected European examples as immoral and unworthy of imitation. As one prohibitionist who
supported U.S. control of the Philippines explained, “If I were a pesky anti-imperialist I would say – thus do the superior swiftly fall to the level of the inferior.” That “the inferior” in this case were Europeans, while the admirable policy was Japanese, underscores the complexity of American engagement with the international context of imperialism. American perceptions of other powers’ colonialism, and how it should inform U.S. policy, shifted according to the issue and the political context.

Finally, the apparently successful reduction of opium use in the Philippines, along with subsequent U.S. sponsorship of international opium conferences, fostered Americans’ self-perceptions about the progressiveness of their colonial endeavor. Much of this sentiment was fueled by the prolonged American engagement with other colonial powers on the opium question, which provided knowledge for American policymaking, as well as ammunition for stronger critiques of others’ colonial projects. Consequently, despite having modeled the American-Philippine approach to opium regulation on another power’s policy, many Americans emphasized the additional restrictions instituted in the Philippines to claim the moral high ground among the colonial powers. Indeed, when President Roosevelt and Secretary of State Root submitted a funding request to Congress in 1906 for the future International Opium Conference in Shanghai, they asserted that the international community already viewed the United States as the leader on the question because of American actions in the Philippines.\(^{342}\)

\(^{341}\) Dix to Root, June 1, 1903, BIA, Entry 5 1023/11. For many examples of similar rhetoric, see 1023/39.

\(^{342}\) U.S. Congress, House, *Investigation of the Opium Evil: Message from the President of the United States*, 60th Cong., 1st sess., 1908, H. Doc. 926. See also, John S. Hord, “The Opium Evil in Asia and how America has Curbed it in the Philippines,” BIA, Entry 5, 1023/168; J.F. Scheltema, “The Opium Trade in
Scholars have, of course, long appreciated the significance of the opium issue for the history of the Western presence in Asia during the nineteenth and early twentieth century, particularly as it relates to Chinese, South Asian, and British Imperial history.\textsuperscript{343} Generally, the few historians who have written about this aspect of the American-Philippine colonial experience either have treated the subject as an example of American moralism and “characteristically altruistic” intentions, or have folded it into broad studies that explore a variety of international humanitarian reform efforts.\textsuperscript{344} Only Anne Foster, more recently, has noted the significance of some of the inter-imperial connections for America-Philippine opium policy-making. In particular, she recognizes that U.S. officials concerned with opium regulation commissioned a comprehensive study of the practices of the archipelago’s neighbors. Foster spells out in a comparative framework the details of these neighbors’ policies and perceptively concludes that the inquiry into the Dutch East Indies, I,” American Journal of Sociology 13 (Jul. 1907): 79-112; idem., “The Opium Trade in the Dutch East Indies, II,” American Journal of Sociology 13 (Sept. 1907): 224-251; Hamilton Wright, “The International Opium Commission,” American Journal of International Law 3 (July 1909): 648-673; and idem., “The International Opium Commission,” American Journal of International Law 3 (Oct. 1909): 828-868. For American diplomatic efforts to convene the Shanghai conference, see, U.S. Department of State, \textit{Foreign Relation of the United States: 1906, I} (Washington, DC: GPO), 52-56, 352-369; and \textit{FRUS, 1907, I}, 140-174.\textsuperscript{343} See, for example, Trocki, \textit{Opium, Empire, and the Global Polical Economy}; Kathleen L. Lodwick, \textit{Crusaders Against Opium: Protestant Missionaries in China, 1874-1917} (Lexington, KY: University Press of Kentucky, 1996); Peter Ward Fay, \textit{The Opium War, 1840-1842: Barbarians in the Celestial Empire in the Early Part of the Nineteenth Century and the War by which they Forced her Gates Ajar} (Chapel Hill: University of North Carolina Press, 1975); and David Edward Owen, \textit{British Opium Policy in China and India} (New Haven, CT: Yale University Press, 1934).\textsuperscript{344} Musto, \textit{American Disease}, 25. See also Taylor, \textit{American Diplomacy and the Narcotics Traffic}; and William O. Walker III, \textit{Opium and Foreign Policy}, 14-17.
how others handled opium issues laid a conceptual foundation for an American sense of superiori

Foster’s insights are important, particularly her comparative discussion of the various opium policies in the region. However, she overlooks key elements of the process by which inter-imperial dynamics influenced the debate over what course to take in revising American-Philippine opium policy. Most importantly, Foster fails to discuss the turning point of the debate, when the IRB and Thoburn effectively lobbied the Roosevelt administration based upon their own inter-imperial knowledge regarding opium in Asia. In particular, Thoburn’s arguments, derived from his years of experience in the region, were critical for Root and Roosevelt’s decision to push Taft to consider Japanese opium policies. In response to this pressure generated in Washington, Taft tried to save his proposed opium policy by altering its characterization vis-à-vis the European colonizers. And in a final effort to moderate the impact of the prohibitionists’ inter-imperial based critique, Taft proposed the OIC in hopes of undercutting some of his opponents’ claims about other powers’ opium policies. In addition, the current study reveals much more about the complications involved in appealing to the broader imperial context, especially in this case that challenged American imperialists’ affinity for British colonial policy and suggested that Japan might have something to teach the United States. Finally, as shown here, the growth of an American sense of superiority that Foster correctly identifies was not foreordained; Americans arrived at this self-perception

through experience and over time as the process of revising Philippine opium policy forced them to consider U.S. colonial practices in light of what other powers were doing.

Annexation of the Philippines compelled the United States to confront opium questions as it never had before, and opium regulation in the islands became a controversial matter of policy during the first decade of the twentieth century. Americans divided sharply in their perceptions of other colonial powers’ opium policies, and debated intensely over the wisdom of emulating European and Japanese colonizers. Ultimately, the crucible of this debate that centered on the colonialism of others produced a discrete American-Philippine opium policy and, in turn, further contributed to Americans’ conceptualizations of their own colonial project.
CHAPTER FIVE

“An Attempt to Adapt the Egyptian Scheme to Philippine Conditions:”

Creating an Agricultural Bank for the Philippines, 1902-1908

Emilio Aguinaldo, who led Filipino nationalist forces in fighting for independence against Spanish and American rule and who served as President of the declared Philippine Republic, was captured by U.S. troops in March 1901. Shortly after his capture, Aguinaldo took an oath of allegiance to the United States government, which granted him a pension, and he retired from public life. In November 1902, however, he briefly returned to the public stage to write an appeal to the Philippine Commission. Aguinaldo explained that he felt compelled to “leave the retired life which it has been my purpose to follow since the time of my captivity, and which I have always led hitherto.” He said that he was “deeply impressed by the sadness and misery which afflict my people,” whose problems he believed were “the fatal consequence of the ruin of agriculture.” Therefore, he asked the Commissioners to consider and present to the U.S. Congress his proposal for “a project…, which, in my opinion, would remedy in great part if not entirely our present precarious situation.” Aguinaldo urged the government to create an “Agricultural Protection Bank” that would provide financial resources for the revival and expansion of Philippine agriculture. Aguinaldo argued that doing so would generate a multitude of benefits both for the Filipino people and for the American-Philippine colonial administration.

346 Aguinaldo to Philippine Comm., Nov. 23, 1902, BIA, Entry 5, Entry 5, 6769/1.
347 Ibid.
Aguinaldo’s impassioned appeal found a receptive audience among American officials in the Philippines who already had begun contemplating how to assist Filipino farmers, especially ones possessing limited resources. These officials recognized that Philippine agriculture had suffered dramatically in recent years. From the start of the Filipino rebellion against Spain in 1896 and continuing through the confrontation between American and Philippine forces that commenced in 1899, much of the country’s agricultural lands had been devastated by the ravages of warfare. Compounding manmade difficulties was the spate of natural calamities including floods, locusts, and livestock viruses that afflicted the Philippines at the turn of the century. In response to these circumstances, the U.S. Congress appropriated relief funds to meet resultant food shortages, while the islands’ government launched a program of animal vaccination research and promoted the use of newer agricultural methods to increase productivity.

The above steps taken by Congress and the Commission to halt the decline of agricultural production were important initiatives; however, Filipinos and Americans alike identified the dearth of accessible, inexpensive credit as the fundamental obstacle to achieving widespread and lasting improvements for Philippine agriculture. Such improvements were vital not only for the basic welfare of Philippine society, but also underpinned hopes for broader economic development driven by the Philippine agricultural sector. Filipinos and Americans agreed that the archipelago’s farmers needed

348 A thorough analysis of the impact of the U.S.-Filipino conflict on Philippine agriculture in an important region can be found in Glenn A. May, Battle for Batangas: A Philippine Province at War (New Haven, CT: Yale University Press, 1991). See also, Miller, Benevolent Assimilation; and Linn, The Philippine War.
349 For a summary of the mounting crisis and governmental responses, see Stanley, A Nation in the Making, 96-97.
cheap money to purchase seed and livestock, to buy modern farm equipment, and to acquire more land to expand operations. Equally important, loans made on fair terms in outlying provinces would allow small farmers there to reduce their burdensome dependence on local moneylenders, who often represented the only credit option outside Manila and consequently charged usurious interest rates.

Although officials of the American-Philippine colonial government recognized early on the potential benefits of a specialized bank offering to farmers fair loans secured by agricultural land, crops, and implements, there remained the significant question of how to constitute such a bank. In particular, American officials in the islands and in Washington were uncertain as to whether the funding and operation of a Philippine agricultural bank should be private, public, or some hybrid private-public arrangement. This uncertainty, along with the fact that the Commission had to tackle other pressing matters of creating a colonial government and quelling anti-American resistance, forestalled prompt action on the matter. Consequently, it was not until 1907 that the U.S. Congress finally passed legislation that enabled the creation of the Agricultural Bank of the Philippines in 1908.

This chapter explains the course of deliberations and policymaking that resolved doubts about the project and ultimately produced congressional legislation authorizing a Philippine agricultural bank. Having largely solved the more urgent problem of currency reform by late 1903, the Commission began at that time to examine agricultural bank options. The commissioners soon tasked Chief of the Currency Division Edwin Kemmerer, a bright young economist who had joined the colonial government to oversee
the currency transition, to recommend a course of action. Kemmerer looked at agricultural credit arrangements in states and colonies around the world, and determined that institutions in the United States and the advanced European nations were not appropriate for the Philippines. Instead, Kemmerer found that the successful Agricultural Bank of Egypt, recently established by the British imperial administration there, provided a template that he believed could be applied directly to Philippine conditions. In early 1905, Kemmerer submitted a proposal for a Philippine bank modeled on the Egyptian precedent and the Philippine Commission and War Department quickly embraced his ideas. A year and a half of persistent Administration lobbying efforts, which relied heavily on Egypt’s experience and involved an investigative trip to Cairo by Kemmerer, finally persuaded Congress to authorize such a bank.

The campaign to establish a Philippine agricultural bank thus provides another vivid example of the inter-imperial connections that played a role in the history of early American colonial administration in the islands. Of all the forms such interactions took, the bank story displays probably the most direct case of American research, borrowing, and reliance upon “lessons” learned from another imperial power’s experience. As will be seen, Anglo-Egyptian policy was the explicit model for American-Philippine policy, and Americans’ examinations of the Egyptian bank’s operations provided the arguments for the congressional debate that finally culminated in the creation of the Philippine agricultural bank.
Comprehending the Problems and Considering Some Solutions

When the United States took possession of the Philippine Islands from Spain in 1899, American officials quickly learned that credit facilities in the archipelago were generally inadequate, and practically non-existent for agricultural loans. The Schurman Commission that investigated conditions in the islands in 1899, after hearing testimony from a range of Filipinos who complained about the credit situation, concluded that “lack of proper capital and the high price asked for loans…stupefies industry, augments the cost of production, and restrains, in consequence, its benefits.” The country’s three existing large banks, located in Manila, focused primarily on foreign exchange and did not usually include loans secured by agricultural property as part of their operations. Outside the environs of Manila, small moneylenders charging anywhere from 25-40% annual interest constituted the only option for most farmers who needed funds on credit.

When the Taft Commission arrived in 1900 to establish civilian administration in the islands, it too heard many appeals from Filipinos who desired some way to provide loans at moderate rates to agriculturalists. This was particularly true when, in the spring of 1901, the Commission traveled through much of the country to meet with local leaders and inaugurate new municipal and provincial civil governments. Having heard directly from Filipinos across the country, the Commission identified an agricultural bank as something that might improve both the lives of the people and the image of the American-Philippine government. The Commission, however, did not have the option of

350 RPC, 1900, Vol. IV, 7.
351 RPC, 1900 and 1901.
acting immediately because the McKinley administration deferred to congressional authority on such colonial economic initiatives. Consequently, to prompt consideration of a bank in Washington, the Commission recommended in its second Annual Report to the Secretary of War (1901) that some system of “mortgage banking” by private enterprise be encouraged in the Philippines.\(^{352}\)

Concurrent with these developments, the Commission in 1901 was coming to the determination that Philippine currency required reform to stabilize the financial situation of the colonial administration as well as monetary relations between colony and metropole. Indeed, it was in late 1901 that financial expert Charles Conant conducted his investigation that catalyzed the movement for Philippine currency reform. The perceived urgency of the archipelago’s currency situation consequently relegated the desire for an agricultural bank to a secondary concern. Nonetheless, in making his report, Conant included observations on the banking situation and a recommendation in support of the Commission’s proposal to encourage private investors to establish a “land mortgage bank.”\(^{353}\)

Among his observations, Conant noted the disruptions caused by five years of fighting and expressed significant concern about the “antiquated” agricultural methods then employed in the Philippines.\(^{354}\) Although pleased to see that the American administration was offering instruction in the latest farming techniques, Conant warned

\(^{352}\) RPC, 1901, 14. On Congress’s preeminent role in deciding major Philippine economic questions, see especially May, Social Engineering in the Philippines, 3-5, 129-175.

\(^{353}\) Conant, Special Report on Coinage and Banking.

\(^{354}\) Ibid., 58.
“improved methods can not well be availed of…unless cultivators have the means of acquiring good seed, draft animals, and modern tools.” He suggested that Congress encourage private investors to fill the Philippine agricultural credit void by enacting legislation that assured them any banking regulations established by the Commission would have the backing and permanency of U.S. law. Despite the brevity of his comments on the subject, Conant articulated a belief that expanding the availability of agricultural loans could have far-reaching and substantial benefits. Most importantly, he argued, a credit system “promoting prosperity in the agricultural districts of the Philippine Islands” would do much “to promote the contentment of the people and consolidate American influence in the Philippines.”

It was in the following year that Emilio Aguinaldo sent to the Commission his aforementioned proposal for an “Agricultural Protection Bank,” in which he offered reasoning similar to Conant’s; i.e., it would benefit the broad Filipino population and, in turn, boost the standing of the American colonial administration. The key difference between the proposals was that Conant’s was designed to encourage private investment, while Aguinaldo envisioned a government-operated bank capitalized with funds drawn from the U.S. Treasury. Aguinaldo’s bank would loan money to farmers at 4% annual interest and have branches in all the provinces so funds would be accessible to “persons of medium or very small means.” Significantly, when explaining the bank’s advantages, Aguinaldo alluded to Filipinos’ fears about exploitation at the hands of foreign

355 Ibid.
356 Ibid., 58, 62.
capitalists, and the incidences of armed resistance the U.S. colonial administration continued to face. According to him, if the government created the bank, “the people would no longer have to fear the powerful syndicates, even should they establish themselves in the country, and…it would greatly contribute to bring back normal conditions in the archipelago.”

Moreover, the bank would do much “to consolidate peace, which it is difficult to obtain by mere force of arms, however powerful they may be.”

By the end of 1902, when Aguinaldo submitted his ideas to the Commission, American officials responsible for Philippine affairs were increasingly ready to consider serious proposals for an agricultural bank. In that year, the rinderpest virus (also known as steppe murrain or cattle plague) had decimated the caraboa (water buffalo) population that served as the primary draft animal in the Philippines. The loss of these animals drastically compounded the problems for agricultural production. Meanwhile, major fighting had subsided in the islands, but the Commissioners recognized they still had much work left if they were to convince Filipinos that the United States had benevolent intentions. Accordingly, the Commission promptly forwarded Aguinaldo’s letter to Secretary of War Elihu Root for transmission to and consideration by Congress. In his accompanying cover letter, Root asked Congress to pay special attention to “the petitioner’s graphic portrayal of the reasons why Congress should take prompt action.”

---

357 Aguinaldo to Philippine Comm., Nov. 23, 1902, BIA, Entry 5, 6769/1.
358 Ibid.
359 Letter from the Secretary of War transmitting Petition of Emilio Aguinaldo Y Famy, Jan. 20, 1903, BIA, Entry 5, 6769/1.
Congress, nevertheless, was not prepared to respond to these appeals. The final deliberations and legislating for currency reform were just then underway and consequently pushed other Philippine-related business off the docket.\textsuperscript{360} In addition, policymakers in the United States were quite reluctant to create such a bank with government funds and management.

Even as stateside officials shrank from the proposition of a government-funded and operated agricultural bank, American administrators working in the Philippines progressively became more open to the idea. Most importantly, in the four years after American annexation of the islands, very little private capital had made its way to the Philippines. Consequently, the Commission determined that alternative solutions to the credit problem had to be considered, and on April 13, 1903, passed a resolution that instructed the American-Philippine government’s treasurer, Frank A. Branagan, to “study the possibility of a government agricultural bank.”\textsuperscript{361}

Responding to the direction of the Commission, Branagan in May 1903 surveyed provincial treasurers as to conditions in their areas as well as their opinions on creating a government agricultural bank. Over the next several months, 28 of the 38 treasurers replied, with 24 in favor of the proposed government bank. Such a reaction was hardly surprising, since their reports indicated that loans to small farmers commonly carried interest rates ranging from three to ten percent a month. The reports explained that,

\begin{flushright}
\textsuperscript{360} Congress grappled with the Philippine Currency Act from December 1902 through February 1903, and President Roosevelt signed it into law on March 2, 1903. \\
\end{flushright}
depending on the region, these loans were made by local merchants or by larger
landowners who relioned money they had borrowed at better rates in Manila. The
treasurer of Cagayan province summarized the consequence of these practices, stating
that the money borrowed “is not spent for the improvements of the land or in the
purchase of implements, but to meet current expenses of the farmers for the year.” Thus,
Filipino farmers remained perpetually in debt and were unable to make investments to
increase their production, landholding, and income.  

By the opening months of 1904, then, officials of the American-Philippine
colonial government were convinced they needed to take action to make credit more
accessible to the mass of Filipino farmers. Officials believed that the archipelago’s
immediate welfare and future development depended on a healthy and growing
agricultural sector. That industry, however, was not rebounding on its own from the
damages caused by war and the adversity imposed by Nature, so infusing money
appeared to be the best way to initiate recovery. American-Philippine officials believed
that facilitating agricultural revival would improve the lives of individual Filipinos,
stabilize Philippine finances, and set the archipelago on a path to long-term prosperity.
Moreover, they hoped that taking such an initiative would demonstrate to Filipinos that
the U.S. colonial regime was responsive to their concerns and thus would encourage
more support for the American-Philippine administration. Initially reluctant to commit
public funds and institutions, experience led U.S. officials in the Philippines to the
conclusion that some sort of government undertaking was required to get things moving.

362 Ibid., Exhibit B, Schedules, I-III, 28-42.
Edwin Kemmerer, Egypt, and the Plan for an Agricultural Bank

After Branagan compiled the results of the survey, he tapped Chief of the Currency Division Edwin Kemmerer in June 1904 to study options for an agricultural bank, devise a plan for the Philippines, and compose a report for the Commission. Kemmerer, one of the United States’ brightest young financial minds and a student of prominent Cornell economist Jeremiah Jenks, had come to the Philippines in 1903 to shepherd implementation of the currency reform. With that task essentially completed, Kemmerer eagerly plunged into his new assignment. He gathered information on banking laws and institutions from governments around the world, including those in Germany, France, Hungary, Italy, Switzerland, India, Australia, and New Zealand. Kemmerer also consulted American precedents, particularly credit arrangements used in settling the western states. It was a recent British “experiment” in Egypt, however, that ultimately provided the template for his Philippine Agricultural Bank plan.

The idea to look to Egypt for inspiration apparently first came from currency reform advocate Charles Conant. After completing his work on the currency issue, Conant continued to be an observer of and occasional consultant on Philippine affairs. Writing to Philippine Secretary of Finance and Justice Henry Ide on June 6, 1904, Conant noted that he had read in English financial papers that “an interesting experiment has been made in Egypt in making small land loans available to the farmers.”

363 Kemmerer to Jeremiah Jenks, Mar. 31, 1905, Edwin W. Kemmerer Papers, Financial Commission to the Philippine Islands, Box PH-1 (Seeley G. Mudd Manuscript Library. Used by permission of the Princeton University Library) [Cited hereafter as EWK, Box #].

364 Conant to Ide, Jun. 6, 1904, BIA, Entry 5, 6769/3.
that “it might be worthwhile for you or Mr. Kemmerer to apply to the Egyptian
Government for the latest reports on the subject.” Kemmerer did so and received an
array of documentation from the British imperial authorities in Egypt, including the
annual reports of the principal British official, Her Majesty’s Agent and Consul General,
Evelyn Baring, 1st Earl of Cromer (Lord Cromer). Kemmerer also acquired reports on
the government’s role in the Agricultural Bank of Egypt, the institution’s statutes and
operation plans, and even the various application forms used by borrowers. Within
this material, Kemmerer found the model he was seeking for the Philippine agricultural
bank that he proposed in his report to the Commission. And it was this report, with its
direct reliance on the British experience in Egypt, that framed the issue for Roosevelt
administration deliberations and became the primary tool in efforts to persuade Congress
to authorize the Philippine bank.

Kemmerer submitted his report on the Advisability of Establishing a Government
Agricultural Bank in the Philippines on February 7, 1905. The published version was
over 150 pages long and included 11 annexes that made available the international data
he had collected. The report first cataloged the accumulated reasons that observers of
Philippine affairs had put forth as to why the islands needed an agricultural bank.

365 Ibid.
366 In 1882, British troops defeated nationalist Egyptian military forces that had taken control of Egypt’s
government from Khedive Tawfiq. Britain reinstated Tawfiq as Egypt’s ruler and retained an occupation
force that compelled the nominally independent Egyptian government to abide by the “advice” provided by
Britain’s Agent and Consul General, as well as various British officials who held appointments within key
Egyptian ministries. For an overview of the British presence in Egypt, see Afaf Lutfi Al-Sayyid Marzouk, A
History of Egypt: From the Arab Conquest to the Present, 2nd ed. (New York: Cambridge University Press,
2007), 83-126. On Cromer’s towering role from 1882-1906, see Roger Owen, Lord Cromer: Victoria
367 See Kemmerer, Philippine Ag. Bank Rpt.
Summarizing his own view, Kemmerer explained “there are few countries so fertile and as richly endowed with agricultural possibilities as the Philippines, and while few so primitive in methods of cultivation and so unproductive of results.” Echoing the reasoning of most interested Americans and Filipinos, Kemmerer argued that the Philippines’ “economic future will depend very largely upon the development of their agricultural resources.” Kemmerer believed, as did many others, that an agricultural bank would spur and help sustain this development that was so vital to the Philippines’ future.

Since there already was general agreement in the islands on the need for expanded access to agricultural credit, Kemmerer’s main task was to recommend the best way to achieve this goal, with particular attention to the possibility of a bank financed and run by the government. Accordingly, Kemmerer focused his analytical attention on the question of the degree of public involvement in agricultural credit institutions. In discussing this issue, he first noted his finding that private capitalists around the world generally were hesitant to become involved in banks lending for agricultural purposes. They worried that the collateral (crops and/or land) was either too insecure or too difficult to liquefy in case of foreclosure. Consequently, even in more developed nations, the state granted various forms of aid to institutions loaning money for agriculture. Kemmerer thus concluded, “If state assistance is necessary in the more advanced countries of the world, how much more imperative is it in a backward country like the Philippines, where

---

369 Ibid.
impediments to the successful development of agricultural credit are infinitely
greater.”

After arguing for the legitimacy of government involvement, Kemmerer devoted
much of his report to exploring four different approaches to creating an agricultural credit
institution. First, the government could remain passive and await the formation of a
privately financed and run operation. Kemmerer argued that recent history had
demonstrated that the Philippines would not be well served by this alternative, given the
lack of private investment to date. Second, the Commission could encourage the
establishment of “cooperative associations.” In these, small farmers pooled their own
funds to create institutions that could in turn raise more capital to loan within the local
community. Quite successful in Europe, these cooperative associations were managed
completely by members of the communities that created and used them. Kemmerer,
however, charged that Filipino small farmers were unprepared for such an undertaking
because he thought they lacked “the qualities of intelligence, foresight, honesty, self-
control, as well as the business ability, mutual confidence, and power to abide by the will
of the majority, which are absolutely essential to the success of cooperative credit
associations.”

The third option was a bank entirely financed and run by the government. In this
scenario, the American-Philippine government would sell bonds to raise operating capital
and set up a central bank office within the Treasury Bureau. Bank branches located in

370 Ibid., 7.
371 Ibid., 12.
each provincial treasurer’s office would handle all aspects of local operations and make
bank funds accessible throughout the archipelago. This was the most popular option
among persons interested in the subject because the bank could be started quickly and
could readily expand its operations. Kemmerer acknowledged the plan’s merits;
however, he believed that it also contained some serious disadvantages. First, he argued
that a government bank would “encourage dependence and laziness,” as well as “the
already too prevalent proclivity to look to the government for financial aid and
support.” To buttress this argument, he cited similar conclusions in a British report on
establishing agricultural banks in the Madras region of India. Additionally, in cases
when the bank had to foreclose and take borrowers’ property, Kemmerer expected that
popular resentment would not be limited to the bank proper, but would extend to the
entire American colonial administration since the bank would be a government
institution. Finally, he contended that the operation of such a bank would place too great
a burden on government officials who were not prepared to handle all the responsibilities
nor were trained as bank managers.

Having determined that neither exclusively public nor exclusively private banks
were suited to the Philippine context, Kemmerer recommended that the Commission opt
for a hybrid public-private plan that avoided the “objectionable” aspects of the former
and removed the main obstacles to the latter. According to him, this was exactly the idea

372 Ibid., 9.
373 Kemmerer included a passage from the British report that said a government bank would “confirm the
already overwhelming tendency of this country to look to the state, not only in all emergencies, but in the
ordinary affairs of life, to consider it as…bound to relieve its misfortunes.” Ibid., 10.
374 Ibid., 10-11.
“underlying the recent organization of the Agricultural Bank of Egypt, an institution which has so far proven remarkably successful.”375 Thus, the agricultural bank plan Kemmerer recommended was “an attempt to adapt the Egyptian scheme to Philippine conditions.”376 The two key elements he would emulate were a government guarantee for interest on the principal invested, and the use of government tax collectors to accept loan payments at the same time they received tax payments. Kemmerer expected a guaranteed minimum annual dividend of 4% would make the Philippine bank appear safe enough to attract capital from formerly wary private investors.377 Moreover, the Egyptian bank had been profitable enough that the government never had been called upon to fulfill its guarantee. Use of tax collectors for a basic but important task, meanwhile, would reduce the administrative burden placed upon an otherwise privately run bank.378 Thus, Kemmerer’s hybrid public-private bank modeled on what the British had done in Egypt promised to reduce the risk and expense for private investors, factors that previously had made them reluctant to venture into the Philippine market.

Kemmerer included in the bank plan provisions designed to ensure that the institution contributed to the development of Philippine agriculture. Only borrowers who promised to use the funds for agricultural purposes or to pay off preexisting debt would be eligible for loans. The bank also would treat applications for small loans with special favor. Other key elements of the plan were a cap of 10% on loan interest rates, and a

---

375 Ibid., 12.
376 Ibid., 13.
377 His confidence rested, in part, on the fact that investors already “eagerly sought” Philippine government 4% bonds, which did not carry the dividend guarantee that he would offer investors in the agricultural bank.
378 Ibid., 13-16.
$5,000,000 initial capitalization limit on the bank. The most notable difference between the Kemmerer plan and the Egyptian bank was that Kemmerer only would have the American-Philippine government guarantee a minimum dividend for investors, while the Egyptian government guaranteed investors they would earn a minimum dividend and could not lose their principal.  

Kemmerer anticipated that objections to his plan would arise, so he concluded the report with some preemptive rebuttals. Significantly, Egyptian precedents often constituted the core of his arguments. Kemmerer noted most prominently that commentators frequently said Filipino peasant farmers were too unreliable as potential borrowers. Specifically, they would squander the money on “luxuries” or gambling. Kemmerer was reassured, however, by the experience of British officials in Egypt who said they had heard the same arguments about the fellaheen (Egyptian small farmers) who borrowed from the agricultural bank. He deemed the fellaheen “in many ways proverbial for the very shortcomings that are charged against the Filipinos;” the Egyptians purportedly were “unreliable, improvident, and extravagant.” Kemmerer was confident that Philippine authorities’ findings would soon mirror Lord Cromer’s

379 Ibid., 14, 16.
380 American and British officials did not use the word “peasant” in any rigorous way to define a specific agricultural segment of Filipino or Egyptian society, but instead as a Western chauvinistic shorthand for small-scale farmers possessing little wealth or status. Officials also sometimes called these people “small farmers,” which I use in the narrative and analysis except when directly quoting or paraphrasing a specific individual, because the term does not carry the imperialistic, “othering” undertones of the word “peasant” as used in this context.
381 Ibid., 14.
judgment after three years of bank operations that “the alleged irremediable extravagance of the fellaheen has, as I anticipated would be the case, been greatly exaggerated.”³⁸²

Kemmerer also addressed concerns beyond those about Filipino character issues. He met potential complaints about the expense that the government guarantee might incur by repeating his observation that the government in Egypt never had been called upon to pay under its guarantee. Indeed, Kemmerer asserted that under his plan the Philippine government’s position was even “better secured than is that of the Egyptian government,” since the former would not be guaranteeing investor principal.³⁸³ As to concerns about acquiring capital, Kemmerer asserted that the guaranteed interest and the potential for much greater returns would be sufficient incentive, while the “remarkable success of the Agricultural Bank of Egypt should give capitalists added confidence in this scheme.”³⁸⁴ He also contended that the plan’s limited demands on local government officials would not interfere with their regular duties, particularly since he expected the bank to station its own representatives in larger markets and to “employ, as does the Agricultural Bank of Egypt, one or more traveling agents.”³⁸⁵ Finally, Kemmerer acknowledged that the allowed maximum 10% loan interest rate would appear high to people in the United States; however, he explained, it was much lower than what was available at present in

---

³⁸² Ibid.
³⁸³ Ibid., 15-16.
³⁸⁴ Ibid., 16.
³⁸⁵ Ibid., 17.
the Philippines and his plan included a mechanism to lower automatically the maximum rate after the bank was well-established.386

Kemmerer’s report articulated the terms of the discussion that would swirl around the agricultural bank question over the coming months. By advancing the Egyptian bank as a hybrid public-private model of success achieved in circumstances similar to those in the Philippines he made it the touchstone for considerations about an agricultural bank in the American colony. Kemmerer was confident that his detailed explanation of how Egypt’s bank operated would be persuasive evidence that a comparable Philippine bank could achieve comparable results.

Kemmerer’s report also vividly displayed the cultural biases that persistently colored the American approach to colonial administration in the islands. In arguing against alternatives he opposed, Kemmerer singled out the purported character of Filipino small farmers as the key obstacle to success for co-ops or an entirely government-run bank. Yet, Kemmerer knew that opponents of his preferred option would likely use the same tactic. Consequently, the positive British experience with the fellaheen as borrowers from the Egyptian bank composed as fundamental a part of Kemmerer’s argument as did his explanation of how the bank itself worked. By holding up the Egyptians as analogs to the Filipinos, Kemmerer hoped that he could shield his plan for a Philippine bank against attacks that stemmed from doubts about the presumed character of its customers. Subsequent events demonstrated Kemmerer was wise to anticipate that

such cultural considerations would factor prominently in the quest to establish a
Philippine agricultural bank.

**Anglo-Egyptian Policy under American Scrutiny**

The Philippine Commission received Kemmerer’s report on *The Advisability of
Establishing a Government Agricultural Bank in the Philippines* in February 1905. The
report clearly argued against the advisability of establishing an entirely government-
funded and operated bank, thus contradicting the sense of the commissioners at the time
that they assigned Kemmerer his task. As a result, American-Philippine government
officials took some time to consider thoroughly the report’s arguments and evidence.
They needed to be certain that any plan they adopted could achieve the desired results,
would not cause difficulties for the islands’ government, and, most fundamentally, could
elicit congressional approval in the form of enabling legislation. Congress had been
hesitant to act on this issue in the past, and officials in the Philippines were aware that
advocating a relatively novel approach to government involvement in banking might be
controversial.

By the time American-Philippine government officials made their annual reports
in the fall of 1905, they had decided to embrace Kemmerer’s plan for an agricultural
bank. 387 Philippine Secretary of Finance Henry C. Ide, in his portion of the
Commission’s annual report, essentially summarized Kemmerer’s arguments for creating
a hybrid public-private bank. In particular, Ide emphasized the observed successes of the
Egyptian bank, including an overall reduction in interest rates throughout the country,

---

minimal incidences of losses, and the improved “habits of industry and thrift” among the *fellaheen*.<sup>388</sup> The Commission, in the corporate section of its report, echoed Ide’s position, as did Colonel Clarence Edwards, Chief of the Bureau of Insular Affairs (BIA), in his annual report to the Secretary of War.<sup>389</sup> Each report concluded with a request that Congress pass legislation that would allow the American-Philippine government to move forward on Kemmerer’s plan.

The Commission also distributed Kemmerer’s report to trusted consultants like Jeremiah Jenks and to prominent banking houses to gain additional expert perspective on the feasibility of the bank proposal.<sup>390</sup> Moreover, if the banks approved of Kemmerer’s plan, they might lobby Congress and eventually invest in the project. As it turned out, the Commission received a mixed reaction from its outside consultants. Professor Jenks largely endorsed his former advisee’s plan and offered only a few suggestions for amending some of it provisions.<sup>391</sup> The London-based Hong Kong and Shanghai Bank, with offices in Manila, promptly expressed interest in funding and managing the agricultural bank if it were established along the lines Kemmerer proposed.<sup>392</sup> The New York-based International Banking Corporation (IBC), however, worried that such an

---


<sup>390</sup> For example, Edwards to Jenks, Oct. 20, 1905; Edwards to Jones, Oct. 20, 1905, BIA, Entry 5, 6769/5; and Hubbard to Edwards, Jan. 8, 1906, BIA, Entry 5, 6769/21.

<sup>391</sup> Jenks to Edwards, Dec. 2, 1905, BIA, Entry 5, 6769/18; and Jenks to Edwards, Mar. 5, 1906, BIA, Entry 5, 6769/30.

institution would not be a secure investment and was not likely to improve the lot of the farmers it hoped to target.\footnote{John Hubbard (IBC) to Edwards, Jan. 8, 1906, BIA, Entry 5, 6769/21; and “Enclosure,” Jan. 8, 1906, BIA, Entry 5, 6769/22.}

Kemmerer and the Commission suspected there might be enough sentiment similar to that of the IBC to prevent congressional authorization of their plan. Accordingly, they decided to martial additional evidence to use in persuading Congress and potential investors that a Philippine agricultural bank based on the Egyptian model would be secure, effective, and profitable. In a decision that highlights the significance of inter-imperial connections for this facet of the American-Philippine colonial experience, the Commission chose not to delve further into Philippine conditions to buttress their arguments. Instead, they sent Kemmerer as a Special Commissioner to Egypt to observe the Agricultural Bank of Egypt firsthand, to meet with government and bank officials, and to draft a report on his findings.\footnote{Excerpt from Minutes of the Philippine Commission, Feb. 8, 1906, EWK, Box PH-2; and Kemmerer to Jenks, Oct. 23, 1905, EWK, Box PH-1.}

Kemmerer arrived in Cairo on March 22, 1906, and remained in Egypt until April 4. During his stay, Kemmerer collected additional documentary material to supplement what he had acquired for his previous report, and he met with a number of government and bank officials.\footnote{1906 Diary and Daily Calendar, EWK, Box 476 Diaries.} The American Consul General at Cairo, Lewis Iddings, promptly secured Kemmerer an interview with Britain’s principal official there, Lord Cromer, who proudly explained his role in creating the Agricultural Bank of Egypt and detailed some of its brief history. Launched in 1896 and incorporated in its current form in 1902,
Cromer said that the bank was still in an “experimental stage,” but expressed confidence in its continued success. Significantly, he reinforced Kemmerer’s earlier observation that the primary objection Cromer heard when creating the Egyptian bank was that the *fellaheen* were “improvident” and would misuse the money. Cromer paternalistically opined that, on the contrary, the opportunities afforded by the bank, combined with other government policies, had taught the *fellah* habits of “thrift and economy.”

Kemmerer subsequently met with managers of the Agricultural Bank of Egypt, the National Bank of Egypt, and some private financial institutions. He also consulted the British Financial and Judicial advisors to the Khedive (the titular native ruler of Egypt), and some provincial government and bank officials. In the midst of all this, Kemmerer even found time to climb to the top of the Great Pyramid of Khufu (Cheops) (“most inspiring”) and visit the Sphinx (“something of a disappointment”).

The *Report on the Agricultural Bank of Egypt* that Kemmerer formally submitted on June 1, 1906, translated the information he collected in Egypt into an effective brief for the bank’s success and its applicability to Philippine conditions. Kemmerer began with a short discussion of how, until recently, unfair tax policies and the corruption of local government officials had prevented the Egyptian *fellaheen* from ever being secure in their personal income. British officials and Kemmerer alike believed that this situation, instead of alleged cultural traits, accounted for the past borrowing and spending

---

396 Mar. 26, 1906 Interview with His Excellency Lord Cromer, 1906 Diary, pp. 125-130, EWK, Box 476 Diaries.
397 1906 Daily Calendar, Entry for Mar. 23, 1906, EWK, Box 476 Diaries.
habits for which the *fellaheen* had been criticized. Kemmerer also provided additional details on the history and operations of the Egyptian bank, expanding upon the shorter account that appeared in his 1905 report. In particular, he explained that an Egyptian government program begun in 1896 that provided small loans to peasants constituted the bank’s origins. The Egyptian bank assumed its current form (the one that Kemmerer wanted to emulate) in 1902 after its forebearer proved so successful that private investors were eager to take over and expand operations.

The remainder and bulk of Kemmerer’s new study consisted of two main sections, each of which tackled issues of particular importance to the American congressmen and investors being asked to support a similar bank for the Philippines. The first section attempted, in effect, to answer the question of how the Egyptian bank had fared with regard to the discrete interests of the *fellaheen*, the investors, and the government. According to Kemmerer, the history of the bank was a “record of success” when judged from any of these three groups’ perspectives. He concluded that, although the Egyptian peasant continued to carry a high debt load, British policies had given “real incentive for the exercise of his natural thrift” and had made it likely that he would use borrowed money more wisely. As to the investor, Kemmerer reported that the Agricultural Bank of Egypt’s manager told him that there was not a single loan

---

400 *Ag. Bank Egypt Rpt.*, 11.
401 Ibid., 14.
402 Ibid., 26.
403 Ibid., 20.
outstanding that management believed would be irrecoverable.\textsuperscript{404} Lord Cromer went so far as to say his only regret about the bank’s operations was that it had been too profitable for investors and was thus charging a higher than necessary rate for loans.\textsuperscript{405} With regard to the government, Kemmerer focused on its guarantee of a minimum annual interest return to investors. He reported that, from Lord Cromer to bank officials to private businessmen, Kemmerer “failed to find a single person who believed that the Egyptian Government would ever be called upon to make good its guaranty.”\textsuperscript{406}

The other main section of Kemmerer’s report came under the heading, “Applicability of the Egyptian Plan to the Philippines.”\textsuperscript{407} Kemmerer explained that his first-hand observations in Egypt had “but served to strengthen my convictions…of the advisibility [sic] of establishing an agricultural bank in the Philippines along lines similar to that of the Agricultural Bank of Egypt.”\textsuperscript{408} Kemmerer nevertheless acknowledged differences between Egyptian and Philippine conditions. He noted that Filipino peasants usually were not characterized as “industrious and docile” like their Egyptian counterparts.\textsuperscript{409} Consequently, Kemmerer thought the Filipinos might not be as reliable customers initially, although he argued that the Philippine experience would mirror Cromer’s observation that time was required “to wean the Egyptian population from habits acquired” under previous government and financial conditions.\textsuperscript{410} Kemmerer also

\textsuperscript{404}Ibid., 24.
\textsuperscript{405}Mar. 26, 1906 Interview with His Excellency Lord Cromer, 1906 Diary, p. 130, EWK, Box 476 Diaries.
\textsuperscript{406}Ag. Bank Egypt Rpt., 26; see also, 1906 Diary, pp. 125-207, EWK, Box 476 Diaries.
\textsuperscript{407}Ag. Bank Egypt Rpt., 30.
\textsuperscript{408}Ibid.
\textsuperscript{409}Ibid., 31.
\textsuperscript{410}Ibid.
remarked that Egyptian agricultural conditions were more stable than in the Philippines, and that land titles in Egypt were at the moment more certain than Philippine titles.\textsuperscript{411} Each of these facts brought added security for Egyptian agricultural credit operations. Kemmerer concluded, nonetheless, that the Philippines compared favorably enough with Egypt to justify giving his plan a try, particularly since Egypt’s experience could serve as a guide.\textsuperscript{412}

Kemmerer’s special commission to investigate the Agricultural Bank of Egypt thus reveals the degree to which the British imperial experience in Egypt influenced and became a resource for this American colonial policymaking effort in the Philippines. Not only had their study of the Egyptian precedent persuaded American-Philippine officials to embrace Kemmerer’s plan, they also decided that additional information about the Egyptian bank would be the most effective tool for swaying congressional and investor opinion. Accordingly, Kemmerer’s second report emphasized the very positive evaluations of the bank he heard from officials in Egypt and included a direct analysis of how Egyptian experiences applied to Philippine conditions. Kemmerer found particularly valuable the cultural observations made by Cromer and other British officials in Egypt. It was, in fact, just this sort of information that Senators and Representatives wanted to discuss as the Philippine agricultural bank debate finally moved to Washington and Capitol Hill.

\textsuperscript{411} Ibid., 33.
\textsuperscript{412} Ibid.
Cultural Observations and Congressional Authorization

In the summer of 1906, the Roosevelt Administration had the results of Kemmerer’s latest research in hand, was persuaded that the Philippines would benefit from his bank plan, and was determined to elicit congressional action on the issue. On May 22, 1906, William H. Taft, now Secretary of War, wrote to Henry Cabot Lodge (R – MA), Chairman of the Senate Committee on the Philippines, and to Henry Cooper (R - WI), Chairman of the House Committee on Insular Affairs. With his letters, Taft included a draft agricultural bank bill that he asked them to introduce in their respective committees. Taft explained that the Philippine Commission fully endorsed the proposed bill and this was something that the Philippine people earnestly wanted. In support, the Secretary included extracts of Commission reports and promised to send both committees several copies of Kemmerer’s “exhaustive investigation into the Egyptian bank of the same character” that was then being printed.413

In a move that suggested prompt action might be in the offing, Lodge on the same day submitted Taft’s bill in the Senate and referred it to his committee.414 Despite this responsive gesture, Lodge soon informed Taft that it was very unlikely that any legislation could be passed in the current session of Congress. The Senator wrote on June 19th to explain that a sub-committee reviewing the bank bill had not yet reported to the full committee. More importantly, it was late in the session and there were several Senators opposed to the legislation. Lodge numbered himself among those doubtful of

413 Taft to Lodge, May 22, 1906 and Taft to Cooper, May 22, 1906, BIA, Entry 5, 6769/with 31.
414 Copy of Senate Bill S. 6249, BIA, Entry 5, 6769/with 31.
the wisdom of creating a Philippine agricultural bank, saying that without knowing a lot more about the issue, he could not help but believe that “land banks” were unsound financial institutions. Lodge offered that he remained “open to conviction,” but saw no chance to pass an opposed bill during the session, which ended on June 30th.  

In the interim before Congress reconvened in December 1906, the Philippine Commission submitted its annual report for that year. In their executive summary, the Commissioners took note of the agricultural bank bill pending in Congress and urged prompt action on it. The Commissioners also asserted that Kemmerer’s extensive research had shown that a bank established according to his plan could be successful, and they included full reprints of both his reports to provide supporting evidence for their contention. Meanwhile, the Commission eagerly furnished the War Department with copies of numerous Philippine petitions and articles pressing for passage of the bank bill. Taft gladly conveyed this information to Capitol Hill as evidence that popular sentiment in the archipelago supported the agricultural bank plan.

In January 1907, Congress returned from its brief holiday recess finally ready to decide directly on the question of an agricultural bank for the Philippines. Representative Cooper referred Taft’s draft bill to the House Committee on Insular Affairs and

---

415 Lodge to Taft, Jun. 19, 1906, BIA, Entry 5, 6769/35.
417 See, for example, Cables, PI Comm. to BIA, Jun. 11, 1906, BIA, Entry 5, 6769/34; June 20, 1906, BIA, Entry 5, 6769/47; June 27, 1906, BIA, Entry 5, 6769/with 47; July 11, 1906, BIA, Entry 5, 6769/with 47; July 20, 1906, BIA, Entry 5, 6769/with 47; July 28, 1906, BIA, Entry 5, 6769/with 47; and August 8, 1906, BIA, Entry 5, 6769/with 47.
418 See, for example, Taft to Cooper, Jan. 5, 1907, BIA, Entry 5, 6769/57; and Letter to House of Reps., Jan. 19, 1907, BIA, Entry 5, 6769/with 58.
scheduled hearings on January 7th. With Congress now in motion, the War Department diversified its lobbying efforts to try to shape public opinion, particularly within the financial community. Between the 5th and 7th of January, the BIA provided to press associations and some individual publications complete copies of Kemmerer’s report on the Egyptian bank, as well as a summary of that report prepared by the Bureau. The new BIA Chief, Captain Frank McIntyre, explained to some of the recipients that this was done to eliminate previous “confusion in the discussion of this subject” in the press. Here again, the administration displayed its conviction that providing information on the Egyptian bank was the key to shaping debate and to building public and investor support.

In the subsequent congressional hearings, the Egyptian precedent not surprisingly emerged at the center of discussion. The primary administration witnesses, Taft, Ide, Kemmerer, and Jenks, each argued that Egypt’s experience provided a tangible, successful example that could guide the American colonial government’s efforts to extend agricultural credit in the Philippines. Ide especially stressed this point, explaining that as Philippine Secretary of Finance and later as Governor General, he had long taken a conservative stance in opposition to the various propositions for a Philippine

421 McIntyre to H. Parker Willis, and to J.T. Williams, Jan. 5, 1907, BIA, Entry 5, 6769/57.
422 The Senate Committee on the Philippines’ hearing took place January 30, 1907. It was considerably shorter than the one in the House, as many of the Senators had familiarized themselves with the questions and testimony that were voiced in the other chamber. The same witnesses, with the exception of Taft, appeared before both committees. See U.S. Congress, Senate, Committee on the Philippines, Hearings, “Proposed Agricultural Bank for the Philippine Islands,” 59th Cong., 2nd sess., 1906-1907, Jan. 30, 1907, 1-27.
agricultural bank. Ide said, however, that when Kemmerer presented his findings on the “system in Egypt that has worked out extremely satisfactorily and effectively,” it “had a very strong effect upon my mind” and led him to support Kemmerer’s plan.

Members of the House and Senate committees were themselves keen to focus on Egypt as they examined their witnesses. The congressmen were particularly eager to hear about Kemmerer’s interviews with Lord Cromer on the operations of the Egyptian bank and its relations with the *fellaheen*. Most of the legislators appeared to put great stock in the opinions of Cromer, including House Committee Chairman Cooper, who suggested that Cromer’s administration in Egypt had “been recognized as remarkably successful.” Kemmerer happily conveyed Cromer’s very positive evaluations of the bank’s success as both a business proposition and as a vehicle for the “development” of the Egyptian peasantry. Kemmerer emphasized especially Cromer’s contention that, finally given a chance to prove themselves, the *fellaheen* had demonstrated that they were “a much more productive, provident, and thrifty class of people than had been generally supposed.”

This matter of the “character” and “habits” of both Egyptian and Filipino small farmers was, in fact, the topic of discussion to which the hearings returned most

---

424 House, *Hearings*, p. 44. Kemmerer concurred, “The Earl of Cromer is recognized generally throughout the world as one of the world’s great administrators.” Ibid. See also, House, *Hearings*, pp. 45-46, 53; Senate, *Hearings*, pp. 14, 16. For a similarly admiring perspective from the American official in Egypt charged with reporting on the country’s conditions, see Consul General Lewis Iddings to Assistant Secretary of State Robert Bacon, Jan. 12, 1906, “Report on the Recent Prosperity of Egypt,” RG 59, microfilm T41/24.
consistently. Significantly, American officials’ revealed some of their own cultural biases with their apparently uncritical acceptance of Cromer’s portrayal of the Egyptian peasantry, which could have been viewed from an alternative perspective as a self-serving assertion of his wisdom and success in “uplifting” the fellaheen. Specifically, the congressmen wanted to know what influence the “character” or “habits” of the Egyptian peasantry had on the operations of the Egyptian bank, and conversely, if the Egyptian bank had produced any changes in fellaheen on these counts. They also asked for comparisons of the Egyptian fellah and the Filipino peasant, and how the Egyptian experience could be used to benefit the American colonial project.  

In response to the congressmen’s queries, Kemmerer, Ide, and Jenks stressed that many of the criticisms Westerners leveled at Filipinos were the same ones British proponents of the agricultural bank had heard in Egypt; i.e., Egyptian peasants were improvident, wasteful, gamblers, shiftless, and lazy. Each of the three men argued that for both Egyptians and Filipinos such characterizations were either exaggerated or completely unfair, primarily because they did not take account of conditions that had fostered such observed behaviors. Kemmerer, for example, echoed Cromer’s sentiment that unjust taxes and collection methods under previous regimes had been a disincentive to peasant savings. The witnesses before Congress asserted, moreover, that the fellaheen’s interaction with the Egyptian bank had significantly improved their business sense and inclination toward thrift. British officials and American observers considered

426 See House, Hearings, pp. 37-38, 40, 46, 54-55, 72-73, 85; and Senate, Hearings, 6, 9, 10, 12-13, 17, 19, 26.
this an achievement as important as the bank’s capacity to reduce interest rates and improve the agricultural sector. Jenks argued that a Philippine bank would produce similar results there and paternalistically stressed that “the educational effect will be as good as the economic effect.”

Chairman Cooper was particularly intrigued by this suggestion of the bank’s potential impact, opining that through interaction with the bank, Filipino peasants would “become more intelligent” and would learn “system, regularity, and punctuality.”

Summarizing the thrust of administration testimony, Kemmerer asserted that the core lesson to be distilled from the British experience with Egypt’s fellaheen was that, through the agricultural bank “the Egyptian peasantry were given a chance, and they made good. I believe that the Filipino will do the same if given a like opportunity.”

Throughout the House and Senate hearings, the administration witnesses consistently pressed their case in light of the Egyptian precedent. By the end of their hearings, both committees were persuaded to authorize the Philippine Commission to create an agricultural bank along the lines Kemmerer had proposed. The House Committee on Insular Affairs’ favorable report explicitly reasoned that the Philippines should create a bank modeled on the Agricultural Bank of Egypt because of the latter’s “remarkable success” in helping small farmers, providing profits to investors, and improving the condition of the Egyptian peasantry.

---

427 House, Hearings, 55.
428 Ibid.
429 Senate, Hearings, 13.
The House Committee even amended the proposed bill to incorporate additional lessons drawn from the history of the Egyptian bank. From Kemmerer, they had learned about the bank’s origins that traced back to small loans made by the Egyptian government. It was the success of these loans that convinced private investors to establish the Agricultural Bank of Egypt that Kemmerer had chosen as the model for the Philippines. Consequently, the House bill stipulated that if private capital did not readily materialize, the Philippine government itself could “experiment, as did the Egyptian Government,” by making small loans directly to Filipinos. The bill’s authors expected that, if this experiment succeeded “as did the one in Egypt, it would soon be easy to establish an agricultural bank” along the lines provided by Kemmerer’s plan. On March 4, 1907, President Roosevelt signed into law a bill incorporating the House revisions that authorized the creation of a Philippine agricultural bank as recommended by the Commission. Both the Administration and Congress were pleased, expecting that the bank would make a profound contribution to the American-Philippine colonial project.

As successful as American-Philippine officials were in getting congressional sanction for their bank plan, they soon were disappointed by investor response. Over the next year, several banks and investment groups showed interest and some even entered into detailed negotiations with the Philippine government. None of them, however,

---

431 See, Philippine Ag. Bank Rpt., pp. 12-13; Ag. Bank Egypt Rpt., 8-11; as well as his testimony before Congress on the Egyptian bank’s precursors in, House, Hearings, 34-36; and Senate, Hearings, 5-7.
agreed to take up the agricultural bank franchise. Consequently, the Philippine Commission soon considered invoking the provision presciently included in Congress’s enabling legislation in case the colonial government could not attract private investors. Eager to get lending underway, the Philippine Secretary of Finance in his 1907 annual report, proposed the launch of a small, temporary government agricultural bank. He expected that “it is probable that the effect which resulted from the establishment of a government bank in Egypt will follow in the Philippines.” and private capital would be willing to take it over “once its feasibility has been proved by the government.”

In June 1908, the Philippine Commission finally launched a small government-managed bank with a capitalization of $500,000 drawn from the Philippine treasury. In doing so, it believed the Philippines were adhering to the Egyptian paradigm, albeit at a more preliminary stage than Kemmerer had envisioned. This government agricultural bank operated on a small scale for a few years; however, it never became the larger hybrid institution that its backers had hoped for because private investors continued to find more appealing opportunities elsewhere. Consequently, its operations remained poorly-financed and it failed to achieve the wholesale impact on Philippine society that Americans and Filipinos had desired. In 1916, the islands’ government created the much larger Philippine National Bank (PNB) to handle a very wide array of banking

---

432 Some were reluctant to experiment with an institution or in a market with which they were unfamiliar, while others wanted additional concessions that the Philippine government was unwilling or unauthorized to grant. The effort to secure a franchisee can be followed in BIA, Entry 5, 6769/69-86. For a good synopsis of the tepid response, see Stanley, A Nation in the Making, 234-235.
434 On the establishment and limited impact of the small government agricultural bank, see May, Social Engineering in the Philippines, 165-166.
functions, including that of a central bank managing open market operations. The PNB also assumed responsibility for development lending to promote industrial and agricultural growth, and consequently absorbed the small, underperforming Agricultural Bank.\footnote{435}

**Conclusion**

Given the Philippine Agricultural Bank’s failure to attract private investors, expand its operations, and significantly influence Philippine society, the campaign to establish the bank may seem an unlikely subject for investigation. Indeed, historians have not focused much analysis on the episode.\footnote{436} Previous neglect of the subject notwithstanding, the drive to create an agricultural bank in the Philippines was an important chapter in the opening years of American colonial control of the islands. The considerable effort American-Philippine officials invested, and the lofty expectations they held, reveal that they viewed the establishment of an agricultural bank as a significant initiative for their colonial project. Consequently, the bank story provides an invaluable window onto the early development of U.S. colonial administration in the Philippines. As demonstrated here, this story illuminates goals that American colonial officials hoped to achieve, how they hoped to achieve these goals, and how the

\footnote{435 On the transition to the Philippine National Bank, see Stanley, *A Nation in the Making*, 236-237.\footnote{436} Glenn May, for example, mentions the bank story only to demonstrate the relationship between the Commission and Congress, and to argue that American colonial policy made little lasting impact on Philippine society. May, *Social Engineering in the Philippines*, 140, 165. Peter Stanley devotes a bit more attention to the topic, although his emphasis is on the bank’s incorporation into the permanently government-operated Philippine National Bank in 1916. By then, Filipinos increasingly dominated the archipelago’s government, and Stanley highlights the bank transition as an example of their efforts to nationalize or at least control major aspects of the Philippine economy. Stanley, *A Nation in the Making*, 233-237.}
American-Philippine colonial enterprise intersected with the broader international context of imperialism.

The quest to establish an agricultural bank was particularly intertwined with some of the American-Philippine government’s developmental objectives for the colony. On the most basic level, colonial officials wanted to increase Philippine agricultural production, and they believed such a bank would help achieve this goal. They expected this to help stabilize Philippine society as the income and well-being of ordinary Filipinos grew more secure. American-Philippine officials also hoped to reap political benefits, anticipating that the Philippine public perception of their agricultural bank initiative would improve the image of the colonial regime and contribute to reducing anti-American resistance (a continuing goal of U.S. colonial administrations). Americans and Filipinos alike, moreover, believed that the archipelago’s long-term economic development depended on its agricultural productivity, and they saw the bank as a catalyst for accelerating the sector’s expansion.

Initially, however, American-Philippine government officials eager to improve agricultural credit facilities were unsure of what course to take in their newly acquired colony. Demonstrating some of the ways in which inter-imperial connections were a significant part of the early development of American colonial administration in the Philippines, members of the islands’ government looked at credit institutions around the world for insight. They soon found in the Egyptian bank, set up under Britain’s imperial administration, not only an example of a functional model to emulate, but also supposed parallels in colonial circumstances and colonial “wards.” With Kemmerer leading the
way, they used this knowledge to compose a bank plan and to build confidence in that plan. When skeptics later raised concerns about the bank’s viability and about its intended Filipino customers, the key element in winning support proved to be the example of what the British had done in Egypt.

The agricultural bank story also provides valuable perspective on the interrelated issues of cultural bias and social engineering efforts as they played a role in the American-Philippine colonial enterprise. Characterizations of Filipinos as “little brown brothers” who needed the United States’ to “uplift and Christianize” them were a ubiquitous part of the American colonial experience in the Philippines. In the case of the agricultural bank, perceptions of Filipinos’ “character” were as important to officials as were the technical aspects of how the institution would operate. Indeed, much of the policymaking process revolved around this character issue, even though many of the Americans involved had never met a Filipino farmer or seriously studied Philippine culture. As shown above, some Americans who were reluctant to support the bank plan believed that Filipino small farmers’ perceived bad habits would make them unreliable as borrowers. And when Philippine government officials and Congress eventually approved the plan, it was in large measure because Kemmerer’s reports, witness testimony, and the example of the Egyptian fellaheen persuaded legislators that the Filipinos could be dependable customers of the bank. Furthermore, some U.S. officials not only hoped that the bank would change the Philippine agricultural industry; they hoped it would change the nature of its Filipino customers, as well. Based on the Egyptian example, they saw the bank as an instrument to teach Filipinos to become thriftier, to acquire business sense,
to function in a market economy, and to embrace “modern” agricultural and financial methods. Thus, the campaign to establish the bank makes evident some of the cultural biases and desires to change Philippine society that were at the core of the American-Philippine colonial enterprise.

In the campaign to establish the Agricultural Bank of the Philippines, American policymakers readily looked beyond their own country’s experiences and precedents for insight. Far from seeing themselves as “exceptional” Americans endowed with unique knowledge and abilities, these officials determined they could profit greatly by learning from British imperial policy. Indeed, many American colonial officials and congressmen specifically admired Lord Cromer’s record in Egypt as an example of skillful imperial administration. Beyond showing American efforts to learn from and emulate another imperial power, the agricultural bank episode also illuminates the cooperative dynamic that was sometimes at work in inter-imperial relations. American-Philippine officials did not hesitate to request information from governments around the world as they undertook planning for their agricultural credit institution. And British officials in Egypt were quite willing to provide information, advice, and time when their American counterparts decided to model the Philippine bank after the one in Egypt.

The extended campaign to create the Agricultural Bank of the Philippines is a significant episode in the early 20th century history of American administration in the Philippines, despite the fact that the bank did not evolve as its originators had anticipated. It was a key initiative of the American-Philippine colonial government that exposed some of the central issues at work in the American-Philippine colonial project. Certainly, it is
one of most profound examples of how inter-imperial connections were a part of the American experience as a colonial power in the Philippines.
CHAPTER SIX

Entanglement and Anxiety: The Philippine Constabulary and Concerns about Japanese Intentions in the Philippines

In August 1907, during a period of heightened tensions with Japan over the treatment of Japanese immigrants in California, President Theodore Roosevelt wrote to his Secretary of War, William H. Taft. A fervent proponent of annexation in 1898-1899, by 1907 Roosevelt had reassessed the situation. He told Taft, “The Philippines form our heel of Achilles. They are all that make the present situation with Japan dangerous….Personally, I should be glad to see the islands made independent.”

Roosevelt’s famous lines nicely convey the predominant theme regarding the American-Philippine colonial project as it appears in accounts of U.S.-Japanese relations during the 15 years that followed annexation. As tensions increasingly flared between the United States and Japan, American officials became ever more concerned that the Philippines were an object of Japanese expansionist designs and a militarily vulnerable American outpost. Consequently, U.S.-Japanese diplomacy during these years was punctuated by agreements that, among other things, elicited Japanese assurances that they believed the Philippines should remain an American possession. Within the broader narrative of early 20th century U.S.-Japan relations, this Philippine dimension thus is part

---

437 Letter, Roosevelt to Taft, August 21, 1907, ERP Box 166 (Special Correspondence (WHT)).
of a well-known story of growing estrangement as the two states’ Asian-Pacific agendas began to collide.\textsuperscript{438}

Despite historians’ recognition that the American-Philippine colonial state was a source of tension between the United States and Japan on a larger foreign policy tableau, scholars have done little to explore how the intersection of American and Japanese imperial ambitions might have actually played out on the ground in the archipelago. This is perhaps understandable, given the approaches taken. Historians who focus on the broader U.S.-Japan diplomatic story are not compelled to dig deeper into Philippine affairs because no major incidents there rose to the level of international concern. Meanwhile, historians studying American colonialism in the Philippines have focused on American-Filipino political and social interactions or the influence of domestic American factors, each of which draw them away from the U.S.-Philippines-Japan triangle.

Looking at U.S.-Philippine history with an eye toward inter-imperial connections, however, calls direct attention to the possibility that competitive engagement with Japan was a tangible part of the American experience as colonial ruler within the Philippines. This indeed was true for the Philippine Constabulary, one of the key institutions of the American-Philippine colonial state. In this case, Americans involved in Philippine affairs felt the powerful impact of the colony’s entanglement in the competitive aspects of the web of colonialism that stretched across Asia and the Pacific. Specifically, the situation within the Philippines, and the American response through the Constabulary, was heavily

influenced by the archipelago’s proximity and potential vulnerability to Japan’s imperialist maneuvering in the region. This was especially so when tensions rose between United States and Japan, even though such tensions never were directly about the Philippines. Consequently, instead of cooperative interactions aimed a crafting policy for the Philippines, this chapter demonstrates that connections to the broader imperial context sometimes imposed conditions on the colony to which the American-Philippine regime had to respond.

Aspects of the role the Philippine Constabulary played in the American-Philippine colonial relationship have figured in some historical accounts. As one of its first acts, the Taft Philippine Commission established the Constabulary as a Filipino-manned, American-officered, colony-wide police force. Some scholars have focused on Americans’ conception of the Constabulary as a “civilizing” institution for its Filipino members, the purported success of which colonial officials hoped to showcase by including a Constabulary unit in the Philippine Exposition at the 1904 St. Louis World’s Fair. Other historians have noted that, although the Taft Commission created it to be a police force, the Constabulary initially engaged in more military style operations to quell continuing anti-American resistance. Consequently, the organization’s tactics, including war-time practices like civilian “reconcentration,” became a major source of American-

---

Filipino political friction that eventually forced Secretary Taft in 1905 to implement significant reforms and sack his successor as Governor-General, Luke Wright.\textsuperscript{440}

This chapter explores facets of the Constabulary story that have been overlooked. Although the emphasis is on illuminating American-Philippine imperialist entanglement with Japan, a discussion of the origins and early operations of the Constabulary reveals that even before Japanese issues became a central concern, the organization was an important site of conceptual engagement with other empires. American officials lobbying for the authority to create a native colonial police force looked to and cited what others had done. Moreover, as the American regime set up the Constabulary and then had to reform it, the broader imperial context provided a foil for Americans to view their colonial project as an exceptional undertaking.

Following this examination of the early years of the Constabulary’s existence, the bulk of the chapter focuses on a much different type of American-Philippine interaction with other empires. After 1905, Japanese imperialist ambitions and flare-ups in U.S.-Japan relations caused increasing anxiety among American officials on the ground in the Philippines. Consequently, the Constabulary trained its gaze on the perceived machinations of Japanese agents in the islands and the connections that “irreconcilable” Filipino opponents of American sovereignty had with Japan. Specifically, following the Japanese military victories against Russia in 1904-05 and especially with the escalation of U.S.-Japan tensions over discrimination against Japanese in California, the Constabulary expended significant energy tracking the activities of Japanese individuals

\textsuperscript{440} See especially, Stanley, \textit{A Nation in the Making}, 122-24.
in the Philippines and in trying to puzzle out the meaning of those activities. As immediate concerns about an American-Japanese conflict subsided in 1910, the Constabulary, particularly its secret service division, redirected the colonial government’s anxieties about the Japanese factor toward Filipinos who continued to advocate a violent overthrow of American sovereignty. Ultimately, no direct U.S.-Japan confrontation materialized out of the Philippine context. Nevertheless, the competing imperialist ambitions of the United States and Japan intersected on the ground in the Philippines as part of the operations of a key institution of the American-Philippine colonial state.

The Philippine Constabulary: Tool of Control, Source of Exceptionalism

Act No. 175 of the Philippine Commission created the Philippine Constabulary on July 18, 1901, thereby establishing one of the most powerful tools of colonial control at the disposal of the American-Philippine government. Taft, as Civil Governor, and his fellow commissioners actually had been eager to create Filipino-manned police and militia forces as soon as they started their work in the islands in September 1900, and made the case for the initiative in their first report to Secretary of War Elihu Root in November. They explained that a “native” police force, through its “intimate knowledge of and interaction” with the local population, could deprive resistance fighters and criminal bands of advantages they had against American soldiers, who did not know the language, culture, or local communities. Moreover, a large proportion of American
troops in the islands were volunteers whose service in the Philippines would soon come to an end.441

As noted earlier in this study, American officials who lobbied for the authority to create such an institution appealed directly to the example of what other colonizing powers had done in similar situations.442 In discussing the desire to establish native-manned police and militias, the Taft Commission’s first report explained,

The experience of England in dealing with conditions practically the same as those which we are called on to meet, as she has frequently done, and her success, furnishes a precedent for our guidance which should not be overlooked. Though she has had here and there unfortunate experiences, as a general rule she has been served faithfully by her native soldiers, even against their own brethren.443

Taft, however, continually was frustrated by “the indisposition of General [Arthur] MacArthur to enter into a discussion of the subject or to co-operate in any way,” because the general did not yet believe conditions were appropriate for the creation of extensive native forces.444 Because McArthur retained executive authority in the islands as military governor and the matter involved military considerations, Root allowed the general to prevail on this issue for some time, a fact that Taft frequently lamented in his letters to Secretary of War.445

441 RPC, 1900, 93-97. See also, Taft to Root, July 26, 1900; August 11, 1900; September 13, 1900; October 16, 1900; November 30, 1900 (TP, series 21).
442 See Chapter Two.
443 RPC, 1900, 81. For a good introduction to the issues related to the use of native-manned forces in colonial settings, see Hack and Rettig, eds., Colonial Armies.
444 Taft to Root, August 11, 1900 (TP, series 21).
445 See for example: Taft to Root, August 11, 1900; September 13, 1900 (TP, series 3).
Once Taft assumed full executive power as the civil governor on July 4, 1901, the position of military governor was dissolved, McArthur left the Philippines, and Major General Adna Chaffee assumed command of U.S. forces in the islands. With McArthur removed as an impediment, Taft moved to establish the native police and militia forces he had long advocated and the Commission promptly passed Act No. 175 to create the Constabulary. In doing so, Taft expected to fill several of the new organization’s top positions with competent officers drawn from Chaffee’s ranks. Discovering that Chaffee, like McArthur, opposed the idea, Taft sent Vice-Governor Luke Wright to convince the general of the plan’s soundness. Wright again drew on other powers’ experiences, insisting to Chaffee, “It was what had been done in India, what had been done in the Straits Settlements, and what had been done in Java….“446 Such examples bolstered the Commission’s confidence that the Constabulary would be effective in the Philippines, despite the fact that “it was something of a departure from the ordinary methods pursued in America.”447 Chaffee soon agreed to the viability of the native police force and Taft subsequently pushed to raise native units in the most secure areas.

Significantly, after Taft and his colleagues created the Constabulary, they somewhat revised their discourse on the inter-imperial aspects of the subject. In 1903, after having built out Constabulary into a functioning institution, the Commission now emphasized that careful study of “oriental peoples” actually had led to some departures

446 Taft to Root, August 2, 1901, ERP, Box 164. See also, RPC, 1901, 81.
447 Ibid.
from other powers’ practices.\textsuperscript{448} The Spanish in the Philippines and the British Empire had used native forces in places distant from their homes so as to take “advantage of supposed tribal prejudices” and to eliminate a perceived “tendency to disloyalty or inefficiency…when dealing with their own immediate friends and neighbors.”\textsuperscript{449} The Commission decided instead to link the Philippine Constabulary’s units to the provinces from which their men were drawn and encouraged commanders to confine their operations to those home provinces. The Commission argued that pursuing this “opposite course” had advantages in that the forces would be operating in familiar surroundings and less inclined to employ abusive tactics against “kinsmen and neighbors.” The key to the U.S. approach, according to the Commission, was that “with proper treatment [of the men] there need be no fear of treachery.”\textsuperscript{450} Thus, even as American officials in the Philippines openly borrowed from the experiences of other colonial powers, they also used those experiences as references against which to frame U.S. policies as superior and more enlightened. In practice, however, the Philippine Constabulary had plenty of problems in its dealings with the Filipino population.

A key provision of the Constabulary legislation was that the organization was “directly responsible to the civil governor.”\textsuperscript{451} This consequently provided the top American official in the Philippines a powerful institution through which to exert his authority across the entire archipelago. The stated rationale underlying this structure was

\textsuperscript{448} RPC, 1903, 3.
\textsuperscript{449} Ibid., 4.
\textsuperscript{450} Ibid.
\textsuperscript{451} RPC, 1903, 3.
the belief that, for the foreseeable future, the municipalities would be in no position to
properly organize, outfit, or train local police forces that could deal effectively with
anything more than the most minor disturbances of the peace. Given the expectation that
some of those larger disturbances could be nationalistic, American officials also worried
about diffusing too much authority (and weaponry) into the hands of provincial and local
(i.e. mostly Filipino) officials.\footnote{RPC, 1901, 57-9; RPC, 1903, 3-5.} As such, the Constabulary was a force manned by
Filipinos, but led almost exclusively by Americans and ultimately responsible to a single
U.S. official.

The organizational plan of the Constabulary separated the Philippine archipelago into four Divisions, each headed by an Assistant Chief who directed the operations of
units attached to the various provinces under his purview. In line with the Commission’s
intention, most of the manpower of these units was drawn from within the province.
According to the Commission, these “Constabularymen,” as the organization called its
members, constituted a force of “peace officers” charged with the duty “to prevent and
suppress brigandage, insurrection, unlawful assemblies, and breaches of the peace.”\footnote{RPC, 1901, 59.} They possessed the authority to arrest, but also were required to present detainees before
a magistrate as soon as circumstances allowed. The Commission expected that
Constabulary units would engage in these activities as the need arose in areas within the
provinces that did not fall under a municipality’s jurisdiction. In the meantime,
Constabulary units were tasked with supporting their province’s municipal authorities in
the organization and training of local police forces. In the language of the Commission, they expected the Constabulary to engage in “thorough and frequent inspections of the municipal police.”454

As it turned out, during the first four years of the Constabulary’s existence, it rarely engaged in its assigned work of training the municipal police forces. Instead, the Constabulary emerged during its early days as something of a quasi-military force that spent most of its time in the field fighting or pursing bands of “outlaws.”455 The nature of such outlaw groups varied within and across the different provinces. The American-Philippine government preferred to classify most of them as ladrones, or bandits, who preyed on the peaceful inhabitants of the archipelago, then shrank back into mountain or jungle sanctuaries. After years of political, social, and economic upheaval, it is undoubtedly true that bands of robbers plagued some areas, but complicating this issue is the fact that the government also legislated anti-American insurrectos into the ladrone category after President Roosevelt officially declared the Philippine-American war over in 1902.456 Thus, it is difficult to discern exactly how much of the Constabulary’s campaigning was devoted to the suppression of resistance against U.S. authority versus protection of the populace. Despite the emphasis on ladronism, the Constabulary’s reports acknowledged that it sometimes had to deal with what American officials termed

454 Ibid.
455 See RPC, 1902, 32-36, 179-222; RPC, 1903, 3-8, 23-40; RPC, 1904, 16-30; and RPC, 1905, 8-14, 125-142. For a sympathetic yet thorough account focused on the Constabulary’s essentially military campaigns, see George Yarrington Coats, “The Philippine Constabulary, 1901-1917,” Ph.D. diss., Ohio State University, 1968.
456 Kramer, Blood of Government, 155
“irreconcilables,” and also confronted several millenarian groups whose beliefs inspired adherents to violent opposition against American rule.

Presumably, if the Constabulary were engaged primarily in protecting the civilian population from criminals, it would have done so in a way that tried to avoid alienating that population. Instead, the Constabulary employed some of the same severe tactics that the Army had used during the guerilla stage of the war. These included the suspension of habeas corpus and the use of reconcentration policies whereby the Constabulary gathered rural populations into confined areas to “protect” them from bandits or, according to a curious logic, deny their support to the *ladrones* who supposedly were preying on them. During these years, the Constabulary also frequently participated in joint operations with the Philippine Scouts (native-manned military forces under U.S. Army authority) or even temporarily incorporated them under Constabulary control to engage in all-out military campaigns.  

Not surprisingly, Filipino citizens lodged serious complaints about this approach to “policing” the peaceful areas of the colony, and the Philippine Constabulary and Commission indeed acknowledged some dissatisfaction among the populace.  

American officials, however, generally dismissed such complaints as the fault of Filipino Constabularymen who “used their newly acquired authority to oppress the people they are supposed to serve.” Meanwhile, investigations of the “occasional” complaints against

---

457 See *RPC*, 1902, 35-36, 179-83; *RPC*, 1903, 4-5, 26-28; *RPC*, 1904, 18-23; and *RPC*, 1905, 9-10, 127-32.
American officers supposedly revealed that such complaints usually “emanated from people who are compelled to observe laws they wished to break.”

Filipinos saw things quite differently, including those ilustrados, or Filipino elites, who had come into government under Taft’s “policy of attraction.” This policy had served during the early years of American pacification efforts as the civil government’s carrot in contrast to the Army’s stick. Most importantly, Taft helped create and promote the fortunes of the Partido Federal political party as an outlet for conservative Filipino elites who aspired to participate in governing the islands and were willing not to advocate for early independence. As the Taft Commission extended its authority over the Philippines throughout 1901, Federalistas secured important posts in municipal and provincial governments, and three became Philippine Commissioners when that body expanded its membership to eight.

By 1905, however, widespread Filipino disgust with Constabulary tactics and other policies associated with Taft’s successor as Governor-General, Luke Wright, had escalated to a point that threatened the collaborationist political structure Taft had put in place before departing in late 1903 to become Secretary of War. Federalista officials determined that they could not maintain any credibility with the Filipino public if they acquiesced in Wright’s policies. Consequently, Filipino Commissioners Benito Legarda and Trinidad H. Pardo de Tavera appealed directly to Taft in Washington. Pardo lamented that Taft had “left here before leaving your work consolidated” and warned that

459 RPC, 1904, 3.
460 On the creation of the Partido Federal, see especially Cullinane, Ilustrado Politics, 49-72. See also, May, Social Engineering in the Philippines, 28-32; Stanley, A Nation in the Making, 68-69.
the present course would unravel all that Taft had accomplished. Taft, having worked closely with these Filipino men and viewing their party as the only viable Filipino political base for the American colonial regime, took their complaints very seriously. Taft visited the islands from July to September 1905 to assess the situation and consult with the principal parties, and he determined that the Constabulary had committed significant offenses. As a result of this and other controversies that had alienated Wright from prominent Filipinos, Taft removed him as Governor-General in November 1905, and President Roosevelt subsequently appointed him Ambassador to Japan.

In conjunction with Wright’s removal, the Philippine Commission undertook a substantial reform program for the Constabulary. This started with the nearly year-long recall of Constabulary Chief, Henry T. Allen, and a change in Constabulary leaders’ titles to Director and Assistant Director “to conform with other bureaus charged with civil duties” as opposed to military ones. In the effort to abandon its prior militaristic approach, the Constabulary downsized from nearly 7,000 to 4,932 men and resolved to avoid the incorporation of Philippine Scouts into civilian operations. Additional substantive reforms included the creation of a training school for Constabulary officers, which taught Spanish and native dialects, criminal laws, and police procedure. Finally, the director began to dispatch assistant directors and inspectors regularly throughout the provinces “to detect and correct abuses.”

461 Pardo to Taft, February 7, 1905 (TP, series 3, box 97).
462 Cullinane, Ilustrado Politics, 110-11.
463 RPC, 1906, 198-204.
The reforms of the Constabulary undertaken in 1905-1906 seem to have been effective. Scholars also agree that conditions within the islands were becoming more stable, thereby creating a context in which American officials felt less compelled to use aggressive means to handle disturbances.\footnote{See, for example, Stanley, \textit{A Nation in the Making}, 124-38; and May \textit{Social Engineering in the Philippines}, 32-38. Constabulary reports from the period also indicate fewer outbreaks of disorder and operations to contain them. See RPC, 1906, 199-201; and 1907, 267-270.} Thus, through a confluence of decisions and circumstances, by 1907 the Constabulary no longer was employing Scout units as part of its operations; Constabulary leaders were treating complaints against men and officers more seriously by submitting them to the courts or dismissing offenders from the service; and the force as a whole was devoting much more of its time and effort to working with municipal authorities and police.\footnote{RPC, 1907, 267-271, 291-297.} Perhaps most significant to American officials, especially Secretary Taft, criticism of the Constabulary had essentially dissipated as a major source of tension between American colonizers and important Filipinos.\footnote{Cullinane, \textit{Ilustrado Politics}, 247-50.} So profound was the change that when Taft returned to the islands in 1907, during his speech to Filipino legislators upon the opening of the new Philippine Assembly, he followed an acknowledgement of the earlier problems with strong praise for the Constabulary’s recent performance.

When I was here something more than two years ago, the complaints against that body were numerous, emphatic, and bitter….It gratifies me on my return to the islands now to learn that a change has come, that the complaints against the constabulary have entirely ceased, and that it is now conceded to be discharging with efficiency the function it was chiefly created to perform….\footnote{RPC, 1907, 268.}
The picture certainly was not so rosy in the eyes of all the islands’ residents, but the changes apparently had been sufficient to make Taft comfortable enough to speak so boldly in that setting.

The overall course of events from the creation of the Constabulary, through its embroilment in major controversy, to the implementation of significant reforms, thus exposes an intriguing process whereby engagement with the broader context of imperialism sometimes reinforced Americans’ exceptionalist self-perceptions. After lobbying for the Constabulary’s creation by citing the successes of other colonial powers, the Philippine Commission made a few alterations to what it perceived was the standard European approach for building native-manned colonial police forces. Americans consequently felt proud of themselves for rejecting certain cynical European practices in dealing with their colonial subjects. But when the Constabulary’s actions made relations with Filipinos turn poisonous in the United States’ own colony, Americans did not reconsider their standing vis-à-vis the other imperial powers. Instead, U.S. officials emphasized how responsive they had been to the complaints of their colonial wards. This culminated in Taft’s self-congratulation, before a body of native representatives elected to help govern the colony, for having promised “on behalf of the Philippine government and the Washington Administration” to investigate and carry out reforms.

Clearly, the Constabulary played an important role in early American-Filipino political and social interactions, and was a locus of conceptual American engagement with the broader context of imperialism. After 1905, as will be seen in the remainder of
this chapter, the Philippine Constabulary was the site of quite a different type of engagement with the broader imperial context. The tangible impact of changes in the larger field Asian international relations, and specifically the rise of Japan, were transmitted to the Philippines though the colony’s entanglement in the region’s web of imperialism. As the Constabulary pursued its new approach to maintaining order without using the blunt instrument of military tactics, it found itself at the heart of the American colonial regime’s efforts to grapple with situations inside the Philippines that were heavily shaped by events occurring far beyond the islands’ shores.

The Ascent of Japan and Anxiety in the Philippines

The Philippine Constabulary’s organizational and tactical changes that followed the controversies of 1905 were not the only shifts at the time that affected its work. Japan’s successes during the Russo-Japanese War of 1904-05, particularly her resounding naval victories at Port Arthur (1904) and the Tsushima Straits (1905), caused governments around the world to recalibrate their estimations of Japan as a force in international affairs. With regard to the United States, this was true not only of military and diplomatic officials in Washington, but also of American colonial officials on the ground in the Philippines. For its part, the American-Philippine government responded with an intense campaign of surveillance by the Constabulary’s Division of Information, which focused on potential Japanese agents and agendas in the islands.

When the Philippine Commission created the Constabulary in July 1901, it did not include a Division of Information. Legislation passed in September changed that and the new Information Division, as it was commonly called, provided the Constabulary
with a mapmaking unit, a “special information” unit that compiled statistical data, and a
detective agency that came to be known as the secret service. After receiving
occasional mention in the early public Constabulary reports, by 1906 the entire
Information Division had faded out of the annual documents that detailed Constabulary
activities. Perhaps it was no coincidence that the government began to shield the
Information Division’s work, since it was just at that time that its secret service unit was
emerging as a more important tool for an American regime trying to maintain its sway
over Filipinos and frustrate any possible Japanese designs in the islands.

From the opening stages of American involvement in the Philippines in 1898, U.S. officials in fact had been wary of Japanese intentions toward the archipelago.
Despite Japan’s formal declaration of neutrality in the conflict between the United States
and Spain, American officials believed that Japan was very interested in acquiring the
Philippines. U.S. Minister to Japan, A.E. Buck, articulated this belief in April 1898,
when he reported to Washington, “It is well understood that Japan would like to have the
Philippine Islands added to her possessions, and high officials of the government do not
disguise their desire in that direction….” Later in 1898, direct Japanese government
offers to the United States to help decide unresolved international aspects of the

468 RPC, 1901, 386.
469 See RPC, 1902, 220-222; 1903, 146; 1904, 28; 1905, 142.
Philippines’ future or even to share responsibility for their administration unmistakably highlighted Japanese interest in the islands.\textsuperscript{472}

Once the United States decided to hold the Philippines for itself and annexed them in 1899, the Japanese government accepted the move without complaint and overall U.S.-Japanese relations remained cordial.\textsuperscript{473} Nevertheless, suspicions about Japan did not disappear among some Americans on the ground in the Philippines working to defeat nationalist resistance forces led by Emilio Aguinaldo. Filipino documents captured over the next two years helped fuel these suspicions. Mostly correspondence between Aguinaldo and members of his inner circle, some of the letters suggested that the Japanese Consul in Manila and other representatives of Japan had tried during 1898-1900 to cultivate a relationship with Aguinaldo’s revolutionary forces and encouraged him to stand firm for Philippine independence.\textsuperscript{474} Although no concrete Japanese support ever materialized out these interactions, they made an imprint on the minds of American officials in the Philippines and laid the foundation for those officials’ reaction when U.S.-Japan relations later grew strained.\textsuperscript{475}

\textsuperscript{472} Ibid., 64-68.
\textsuperscript{473} Ibid., 66-71. See also, Iriye, \textit{Pacific Estrangement}, 56-62.
\textsuperscript{474} For examples, Letter, T. Sandiko to E. Aquinaldo, October 31, 1898, Philippine Constabulary Reports, (Michigan Historical Collections, Bentley Historical Library, University of Michigan, Ann Arbor, MI) [cited hereafter as PCR]; Letter, T. Sandiko to Captain Y. Tokizawa, July 8, 1898, PCR; Letter, T. Sandiko to E. Aquinaldo, August 9, 1898, PCR; Letter, Y. Tokizawa to Jose Ramos in Yokohama, April 24, 1899, PCR; Letter, Y. Tokizawa to Jose Ramos in Yokohama, May 9, 1899, PCR; Report of Davila, Captain of the General Staff of the Insurgent Army, October 11, 1900, PCR; Letter, “Matiaga” to General Mariano Trias, November 29, 1900, PCR.
\textsuperscript{475} See Letter, Captain Ralph Van Deman to General Harry H. Bandholtz, October 7, 1907, Harry Hill Bandholtz Papers (Michigan Historical Collections, Bentley Historical Library, University of Michigan, Ann Arbor, MI) [cited hereafter as HHB]; Memorandum for the Director of the Constabulary, from Rafael Crame, Superintendent of the Information Division, August 29, 1907, PCR; and Memorandum for the
In 1905-1906, events outside the Philippines set the stage for an escalation of anxiety there about how interaction between the United States and Japan, two imperialist powers with significant ambitions in Asia and the Pacific, might play out on the ground in the islands. With Japan’s victories over Russia in 1904-05, other nations gained a sudden new appreciation of Japanese military capabilities. Many Americans, including President Theodore Roosevelt who had favored a Japanese defeat of Russia, also became troubled that an emboldened Japan might pursue additional expansionist policies. In an effort to reassure both sides of the U.S.-Japan relationship, Roosevelt had Secretary of War Taft quietly meet with Japan’s Prime Minister Katsura Taro while Taft was on his way to the Philippines in 1905 to deal with the Luke Wright/Constabulary controversy. In the Taft-Katsura agreement that emerged from their meetings, the United States acknowledged Japanese control of Korea, while Japan approvingly recognized the U.S. hold on the Philippines.

Despite the reassuring tone of this agreement (which in fact remained secret for two decades), U.S.-Japanese relations experienced increasingly rough waters during 1905 and 1906. The Treaty of Portsmouth that ended the Russo-Japanese War in September 1905 outraged the Japanese public. Many Japanese had expected greater spoils in return for the costs of the war, and directed their anger toward the United States and President Roosevelt, who had convened the negotiations. Then, following the April 1906 San Francisco earthquake, simmering tensions over the treatment of Japanese immigrants in

Director of the Constabulary, from R.M. Crame, Superintendent of Division of Information, May 3, 1907, PCR.

California boiled over when the local school board ordered Japanese children to attend segregated schools. The school controversy provoked intense popular reactions on both sides of the Pacific and did not finally die down until early-1908. It ultimately required Roosevelt’s intervention to forge the “Gentlemen’s Agreement” of 1907, whereby the school board rescinded its decisions in return for Japan’s promise to restrict the flow of its citizens to California.\(^{477}\)

During the years of the Russo-Japanese War and the California school controversy, the influence of Japanese factors on affairs within the Philippines seems to have followed the rhythm of overall U.S.-Japan relations. Just as U.S. officials in Washington evaluated the potential broader consequences of Japan’s success in its war against Russia, so too did Americans and Filipinos in the islands consider the significance of the Asian nation’s victory over a European power.\(^{478}\) The Filipino newspaper *El Renacimiento*, a leading voice of opposition to American rule, began editorializing from the earliest days of the war that if Japan won, “European influence in the Far East will be weakened [if not] annulled.”\(^{479}\) And at the conclusion of the war in 1905, the Constabulary began noticing an effort among anti-American Filipinos “to prepare the popular mind for Japanese intervention of one kind or another.”\(^{480}\)

It was, however, the outbreak of the 1906-07 San Francisco school controversy, a truly heated crisis in U.S.-Japanese relations, that corresponded with an intensified sense


\(^{479}\) Quoted in ibid., 296.

\(^{480}\) Compilation of reports, Information Division, Office of the Superintendent, February 8, 1906, PCR.
of American-Filipino-Japanese entanglement in the Philippines. At this time, “when the first symptoms were observed” by the Constabulary’s Information Division, Americans in the islands perceived the onset of a campaign undertaken “by Filipinos who have been in Japan, and...Japanese agents here” to foment “hatred of the government.” Indeed, the Constabulary’s reports and reaction from mid-1906 to late-1907 indicate the degree to which broader U.S.-Japanese relations translated into real concerns for the American-Philippine colonial government.

The Information Division’s files for this period are full of reports by agents across the archipelago about Filipinos discussing how to respond upon the anticipated outbreak of hostilities between the United States and Japan. In areas like Rizal and Cavite provinces that had been wellsprings of anti-American resistance since 1899, the secret service found some groups even “preparing to turn out volunteers on the day that war is declared between Japan and the United States.” In December 1906, when a high volume of such reports started rolling into the Information Division, its Superintendent, Rafael Crame, articulated the American colonial regime’s assessment of the U.S.-Japan-Philippine situation in the archipelago. According to him, “the bulk of the Filipinos would, to say the least, be indifferent” to a Japanese attack on the Philippines, “or if they, as a people, took any part in a war it is safe to say it would be in the shape of an uprising

---

481 Preface to Report, Rafael Crame, Information Division, Office of the Superintendent, November 10, 1909, PCR. See also, Memoir of Rumors of Japanese Intervention in the Philippines, Part Two, December 1906, R.M. Crame, Superintendent of Division of Information, PCR.
482 Report, by Jacobo Virata, February 25, 1907, PCR.
in favor of Japanese intervention." He also noted that “a large number of Filipinos have been in Japan, and… the majority would favor Japanese intervention, or even Japanese dominion.”

In response, the Constabulary stepped up its surveillance of the Japanese colony within the islands. At the time, there were probably between 1,250 and 1,500 Japanese in the Philippines, almost all having arrived after the United States annexed the islands.

Many had immigrated individually in search of economic opportunities, while a substantial portion actually had come to the islands in 1903 as contract laborers working on road projects for the American-Philippine government. With the contracted road projects completed by 1905, some Japanese moved to the southern Philippine island of Mindanao to engage in farming while most migrated to Manila to pursue livelihoods as carpenters, vendors, or bazaar operators. Secret service agents and regular Constabulary officers paid close attention to where Japanese individuals traveled and with whom they met. Their reports indicate that the government feared many were engaged in map-making, taking soundings of coastal waters, and observing military installations, i.e. gathering information to support a potential invasion of the Philippines. Colonial authorities were particularly exercised by sightings of unfamiliar

---

483 Memoir of Rumors of Japanese Intervention in the Philippines, Part Two, December 1906, R.M. Crame, Superintendent of Division of Information, PCR.
484 Ibid.
485 When the Japanese Consulate in Manila opened in 1896, there were 26 Japanese individuals in the Philippines. Lydia N. Yu-Jose, Japan Views the Philippines, 1900-1944 (Manila: Ateneo de Manila University Press, 1999), 13.
486 Ibid., 13-16
487 For example, Letter, Harry Bandholtz, Director of Constabulary, to Colonel J.G. Harbord, Albay, P.I., July 12, 1907, HHB; Letter, C.A. Seoane to Captain J.K. Thompson, General Staff, U.S. Army, February
Japanese individuals, whose bearing, behavior, and conversations suggested that they were Japanese Army officers who had come to make first-hand observations and connections.\footnote{For example, Letter, Henry T. Allen, Director of Constabulary, to Senior Inspector, Pangasinan Province, Lingayen, February 8, 1907, PCR; Letter, Harry Bandholtz to Major-General J. Franklin Bell, Chief of Staff, U.S. Army, September 5, 1907, HHB; and Letter, C.A. Seoane to Captain J.K. Thompson, General Staff, U.S. Army, February 14, 1907, PCR.}

By mid-1907, Harry H. Bandholtz, Director of the Constabulary after taking over from Henry Allen, was quite convinced that “the islands are pretty well over-run by Japanese spies” and he regularly reported this judgment to high officials in the Philippines and Washington, including Army Chief of Staff Major-General J. Franklin Bell.\footnote{Letter, Harry Bandholtz to Major-General J. Franklin Bell, Chief of Staff, U.S. Army, September 5, 1907, HHB. See also, Bandholtz to Governor-General James, F. Smith, May 11, 1907, HHB; and Letter, Bandholtz to Captain Milton Davis, General Staff, U.S. Army, July 22, 1907, HHB.} In a letter to Captain Ralph Van Deman, serving on the Army General Staff in Washington, Bandholtz explained “we are simply slopping over with Japanese spies,” who “do what they can to stir up feeling against the American government.”\footnote{Letter, Bandholtz to Captain Ralph Van Deman, August 21, 1907, HHB.} Van Deman responded to say that he was just then “engaged in writing a report for the President on the Japanese business and what you said was very apropos,” noting particular interest in Bandholtz’s belief that Japanese Army officers were in the islands. Van Deman said that he would include the information in his report to Roosevelt, and asked Bandholtz to keep him apprised of the situation.\footnote{Letter, Van Deman to Bandholtz, October 7, 1907, HHB.} Bandholtz agreed to do so, while lamenting the lack of opportunities for “stopping or preventing this kind of work on
the part of the Japanese,” because it was not so overt as to justify a stern response by the American colonial regime.492

Filipino individuals who had ties to, or had spent time in, Japan also experienced heightened scrutiny. Constabulary officials believed that some of them were “absolutely engaged in espionage,” and tasked secret service agents to approach them as potential coconspirators.493 Although this surveillance campaign filled the Information Division and overall Constabulary files with reports of a wide range of suspicious Filipino-Japanese liaisons and pro-Japanese rhetoric, they rarely indicated that these Filipinos were involved in any serious plotting to acquire weapons or otherwise solicit direct Japanese support to overthrow the American regime.

Despite real concern about Japanese agents collecting information in the islands, American-Philippine officials ultimately did not judge that a Japanese invasion or a major Filipino revolt was imminent. In Bandholtz and Crame’s estimation, most suspect Japanese in the islands were gathering militarily valuable intelligence in case hostilities did break out, but were limiting themselves to actions that would not provoke severe American reactions. Nor were the Japanese pushing the Filipinos to undertake a full-scale rebellion. Instead, Bandholtz believed that Japan sought “in a quiet way to stir the Filipinos up to causing sufficient trouble to disgust the Americans” so that the United

492 Letter, Bandholtz to Van Deman, November 13, 1907, HHB.
493 Letter, Bandholtz to Governor-General Smith, May 11, 1907, HHB. See also, Memoir of Rumors of Japanese Intervention in the Philippines, Part One, January 15, 1907, R.M. Crame, Superintendent of Division of Information, PCR; and Letter, Bandholtz to Van Deman, November 13, 1907, HHB.
States would grow weary of retaining the islands. As Bandholtz surmised, the Japanese “do not desire war, but do desire the Philippines.”

Historical scholarship on Japanese intentions toward the Philippines during this period suggests that Bandholtz was not too far off the mark in determining that Japan coveted the Philippines, but was not bent on acquiring them by force. Certainly, some Japanese within and outside government were frustrated that U.S. annexation of the islands had blocked a southward route for Japanese territorial expansion, and Japanese contingency planning for a conflict with the United States included the Philippines as a likely target. But the preponderance of Japanese official opinion seems to have viewed the archipelago more as a fertile field for peaceful economic and population expansion, where Japanese investment and skilled labor could produce benefits for both Japan and the U.S.-controlled Philippines.

With regard to the Filipino response to Japan, meanwhile, the Constabulary’s top officials assessed by mid-1907 that most leading opponents of U.S. rule were willing to accept some aid from Japan; however, these Filipinos were wary of a full intervention “because they fear that Japan once in the Philippines…will never leave them.” Consequently, “all their movements in that direction are fenced about with

\[\text{\footnotesize 494 Bandholtz to Van Deman, August 21, 1907.}
\]
\[\text{\footnotesize 495 Bandholtz to Captain Milton Davis, General Staff, U.S. Army, July 22, 1907, HHB. Crame expresses a similar opinion in Memorandum for the Director of Constabulary, from Rafael Crame, Superintendent of Information Division, August 29, 1907, PCR.}
\]
\[\text{\footnotesize 496 Iriye, Pacific Estrangement, 57-60, 146; LaFeber, The Clash, 89-90.}
\]
\[\text{\footnotesize 497 Yu-Jose, Japan Views the Philippines, 20-47; and Iriye, Pacific Estrangement, 84-85, 148-150.}
\]
precautions.” Given these assessments, by late-1907 American-Philippine officials seemed confident that their surveillance campaign had provided sufficient information to allay their worst fears about the potential confluence of Japanese espionage and Filipino anti-Americanism.

Improvements in the overall U.S.-Japan relationship during late-1907 and 1908 also likely played a role in how American-Philippine officials viewed the tangle of American, Filipino, and Japanese interests within in the islands. Indeed, just as anxiety in the Philippines about Japan had increased in line with U.S.-Japan tensions over the California crisis, that anxiety declined in coincidence with the resolution of the crisis through Roosevelt’s diplomatic efforts. After the final elements of the Gentlemen’s Agreement were put into place in February 1908, the Constabulary Information Division’s volume of reporting on Japanese-related activity dropped off precipitously.499 Throughout the rest of the year, only a few individuals remained under what seemed almost routine observation.500 In November 1908, an agreement crafted by Secretary of State Elihu Root and Japan’s Ambassador to the United States, Takahira Kogoro affirmed the countries’ peaceful intent toward each other and their respect for territorial possessions in Asia, including the Philippines. At the same time, within the islands Constabulary Director Bandholtz could report to the Chief of the Bureau of Insular

---

498 Memorandum for the Director, from Rafael Crame, August 29, 1907, PCR. See also, Letter, Bandholtz to Van Deman, November 13, 1907, HHB. 499 On the implementation of the Gentlemen’s Agreement, see Daniels, The Politics of Prejudice, 40-45. 500 See, for example, Memorandum for the Director, from R.M. Crame, Superintendent of Information Division, January 11, 1908, PCR; Memorandum for the Director, from R.M. Crame, Superintendent of Information Division, July 10, 1908, PCR; Report, by Justo Sagasa, July 20, 1908, PCR; Report, unsigned, July 29, 1908, PCR; and Memorandum for the Director, from R.M. Crame, Superintendent of Information Division, August 6, 1908, PCR.
Affairs that the situation was totally changed and “practically nothing is now heard of the machinations of the Japanese.”

From 1905-1908, American-Philippine officials’ experience of the Japan-Philippine-United States inter-imperial dynamic clearly corresponded with the ebb and flow of overall U.S.-Japan relations. Undoubtedly, some of the reports by the Constabulary about Japanese activities and Filipino-Japanese connections were merely a product of heightened sensitivity due to tensions between the United States and Japan. But such anxiety was not necessarily an unreasonable reaction among American colonial officials. They were, after all, governing an American colony located in a region where Japan had been pursuing, and presumably would continue to pursue, its imperial ambitions. Consequently, the situation was primed for American-Philippine officials to be on edge about Japanese designs on the archipelago.

Continuing anti-American sentiment among Filipinos also was an important factor, as Filipinos’ own conceptual and practical connections to Japan were causes for concern among American colonial rulers. Significantly, the reaction of the American-Philippine government and its deployment of important tools of the colonial state indicated its lack of confidence in the United States’ hold over the islands and its people. In late-1907 and 1908, American anxieties within the Philippines abated as the colonial regime failed to uncover evidence of any legitimate Filipino-Japanese conspiracies, and as overall U.S.-Japan tensions subsided. In 1909, however, those tensions reemerged as

---

501 Letter, Bandholtz to General Clarence Edwards, Chief of the Bureau of Insular Affairs, December 23, 1908, HHB Correspondence.
American and Japanese interests clashed in mainland Asia, causing renewed concern among U.S. colonial officials in the Philippines about the impact within the islands.

**Pursuing the “Open Door” in China, Causing Alarm in the Philippines**

By the end of President Roosevelt’s administration he had resigned himself to the belief that Japan’s paramount interests and power position in Korea and southern Manchuria precluded any serious U.S. efforts to block Japanese moves in those regions. Indeed, the Root-Takahira agreement of November 1908 essentially codified Roosevelt’s position on the issue.⁵⁰² But another important event occurred in November 1908 with the election of William H. Taft as President, and he held rather different ideas about the United States’ capabilities and interests in northeast Asia. From 1909-1913, Taft and his Secretary of State, Philander Knox, pursued a foreign policy that quickly became known as “dollar diplomacy” for its emphasis on using American economic power to achieve international goals, most of which in turn aimed at bolstering American economic strength. One of the first places they deployed this strategy was in China.⁵⁰³

In 1909, the new Taft administration promptly joined forces with important American financiers (called the American Group) in an effort to maintain an “open door” for investment and trade in Manchuria, where exclusionary Russian and Japanese policies increasingly threatened to close the area off to American business. The administration first backed the American Group’s efforts from August to October 1909 to gain China’s

---


assent for the construction of a railway that could compete with existing Russian and Japanese lines in northern and southern Manchuria.\footnote{Taft administration support of the American Group and pursuit of the neutralization scheme can be followed in \textit{Foreign Relations of the United States, 1909} (Washington, DC: GPO, 1914), 144-215 [cited hereafter as \textit{FRUS}]; and \textit{FRUS}, 1910, 231-291. See also Hunt, \textit{Frontier Defense}, 204-216.} Once secured, in November and December 1909, Taft and Knox attempted to use the railway rights as leverage to compel Russia and Japan to share control of their rail lines instead of face competition from a new one. In this “neutralization” scheme, China would own all railways in Manchuria and an international group would operate them. Taft and Knox expected this to ensure free and fair business competition, while also dampening rivalries among all the imperial powers since each would have a stake in maintaining the stability of the new order in China. Although the administration tried to avoid openly antagonizing its counterpart powers, U.S. maneuvering was not hidden from view. And through the latter half of 1909, reaction in Japan, especially among some segments of the press, grew increasingly aggravated at U.S. actions that seemed designed to threaten vital Japanese interests.\footnote{Iriye, \textit{Pacific Estrangement}, 206-210. See also an exchange of communications on January 25 and March 3, 1910, between Knox and Japanese Minister for Foreign Affairs, Count Komura Jutaro, that included U.S. government complaints and Government of Japan regret about Japanese press criticisms of American proposals and motives. \textit{FRUS}, 1910, 246-248, 263.}

As this imperialist jostling occurred in Manchuria during 1909, the American colonial regime in the Philippines felt the reverberations. By the fall, when U.S. maneuvering on the Manchurian railway concession and “neutralization” scheme was peaking, American-Philippine officials had become quite disturbed by the Filipino reaction to the imperialist competition playing out in China. In November, the head of the Constabulary’s Information Division reported that “rumors of war between America...
and Japan...have so increased in the last two months that they are the subject of conversation, both among the educated and ignorant classes.”

Unlike in 1906-07, colonial officials were not as concerned about Japanese spying in the islands in support of a possible invasion, although they believed such activity continued to take place. Instead, American authorities were uneasy because they believed more Filipinos, “the majority of whom formerly rejected the idea of a change of sovereignty in favor of Japan, now accept and support it with more or less reserve.” In the current situation, the colonial regime detected a greater degree of Filipino sentiment sincerely hoping for the outbreak of a U.S.-Japan conflict that would allow Filipinos to join Japan in the fight and throw off American rule. Perhaps even more troubling was the possibility that, as Filipino excitement about such a potential “war between America and Japan became stronger..., even were there no war between these two nations,” agitators for independence might exploit the situation “to provoke an insurrection.” In other words, U.S. officials in the islands worried that the mere specter of a Japanese-American war over imperial ambitions in China might be sufficient to spark an anti-U.S. explosion in the Philippines.

A major cause of this consternation among American-Philippine officials was the newspaper *El Renacimiento*. Founded in 1901 in Manila, the bilingual Spanish-Tagalog paper had long been a thorn in the side of the colonial administration. It had consistently

506 Report, Office of the Superintendent, Information Division, November 10, 1909, PCR.
507 Ibid.
508 Memorandum for the Director, from Rafael Crame, Superintendent of Information Division, October 14, 1909, PCR.
charged the American regime with economic exploitation and political abuses, and it had been in the vanguard of the Filipino outcry against the Constabulary in 1904-05. *El Renacimiento* also urged its readers to resist what it saw as the colonial government’s efforts to “Americanize” its Filipino subjects.509 Following the Russo-Japanese War, the newspaper increasingly began to praise Japan as an emerging power, a kindred Asian nation, and even as a colonial ruler. Without going so far as to call for revolt against the American regime, *El Renacimiento* often juxtaposed presumed Japanese virtues against American misrule in a way that required little imagination on the part of U.S. officials to believe that the paper’s editors favored Japanese intervention or even sovereignty.

Philippine Commissioner William Cameron Forbes made clear this view when, as war rumors circulated in the islands in September 1909, he wrote to the Secretary of War accusing *El Renacimiento*’s editor Teodoro Kalaw as “one of the most decided Japanese sympathizers.”510

Excerpts from the paper and commentary on its apparent pro-Japanese position fill Constabulary files, and offer insight into what American officials deemed most troublesome. The paper portrayed Japan as on the march in Asia, and noted that in case of war with the United States, Japan’s proximity to the Philippines would enable it easily to “repeat with success the famous attack upon the Russian squadron at Port Arthur.”511

---

El Renacimiento also extolled Japan for having “given a new lesson to Europe and America…in prudence and economy.” As such, the Philippines might be better off under colonial rule of the Japanese, who “have a cheap administration, and in no way luxurious as the Americans, who…have established here a most lavish government that the [Philippines] cannot support.” And in tune with the paper’s opposition to “Americanization,” it seemed to Constabulary officers to promote a sense of cultural and racial affinity between Japanese and Filipinos that contributed “a great deal towards fomenting discontent and the inclination in favor of the Japanese.” By the time tensions heightened in late-1909, Information Division Superintendent Crame asserted that the editors of El Renacimiento “have accomplished their object” of creating “expectations of Japan” among some Filipinos who desired an immediate end to U.S. rule.

In response, the American colonial regime resolved to be fully aware of, and ready to cap off, potential fonts of real unrest, especially those with connections to or seemingly inspired by Japan. In October 1909, the Constabulary’s secret service compiled a report on 66 “principal leaders and agents…for the propaganda of attracting the Filipinos to Japan.” Although many had been under government scrutiny for some time, including most of the staff of El Renacimiento, the secret service escalated its

---

512 Extract from “Japan Gives Lessons,” El Renacimiento, May 7, 1909, PCR.
513 Memorandum for the Director, from Raphael Crame, Superintendent of Information Division, October 14, 1909, PCR.
514 Ibid. See also, Extract from “The Next Bloody War in the Orient,” El Renacimiento, March 2, 1909, PCR, which opened with the line, “The Orient for the Orientals!”
515 Memorandum for the Director, from Raphael Crame, Superintendent of Information Division, October 14, 1909, PCR; and Report, Office of the Superintendent, Information Division, November 10, 1909, PCR.
516 “Report,” September 1910, PCR.
surveillance of these individuals and reports of their activities during November and December poured into Constabulary offices.\(^{517}\) An issue of particular concern was the emergence of several popular societies that appeared to have pro-Japan and pro-independence agendas.\(^{518}\) With seemingly innocuous names like The Relief Society, The Popular League, The Katubusan Cigar Factory society, and even Philippine Masonic lodges, American officials saw these groups as fronts for anti-government propagandizing and organizing.\(^{519}\) Agents paid particular attention to the leaders’ connections to Japan, making note of some “who have gone to Japan to buy machinery” or another who had “spent six years in Japan.”\(^{520}\)

Despite American-Philippine officials’ uneasiness about the Filipino-Japanese connection in the islands during late 1909, the intelligence collected by the Constabulary in November and December did not suggest that plotting was so advanced or the situation so desperate as to require a severe crack-down. Surveillance efforts indicated that support for the agenda that the government ascribed to *El Renacimiento* and others was not as deep as it was loud.\(^{521}\) Constabulary leaders did believe that pro-Japan, anti-government propaganda was creating a potentially volatile environment; however, they

\(^{517}\) “Index to Memorandums and Reports for Nov. and Dec. 1909,” PCR.

\(^{518}\) See, for example, Report on Katubusan and Paraluman Cos., October 18, 1909, PCR; Report on Katubusan and Paraluman Cos., October 20, 1909, PCR; Report on Masonic lodges, October 26, 1909, PCR; Report on various Pro-Jap organizations, November 19, 1909, PCR; Report on Masonic lodges, November 22, 1909, PCR; and Report on Consolidacion Filipina, November 24, 1909, PCR.

\(^{519}\) Memorandum Relative to Japanese Activity, October 18, 1909, PCR.

\(^{520}\) Ibid.

\(^{521}\) For example, Report, November 18, 1909, PCR; Letter, Iluminado Cosio to Pio del Pilar, November 24, 1909, PCR; Report, December 1, 1909, PCR; Report, December 6, 1909, PCR.
determined that the secret service had effectively infiltrated suspect groups and that the colonial regime was in a good position to respond swiftly if problems escalated further.\(^{522}\)

As it turned out, problems did not escalate; conditions instead went in the opposite direction. In January 1910, Japan and Russia, usually antagonistic competitors in Manchuria, on the same day sent diplomatic notes to the Taft administration rejecting its railroad neutralization proposal.\(^{523}\) Although a disappointment to top officials in Washington, the collapse of this initiative that had been a source of U.S.-Japan tension quieted the talk of war that had been distressing officials in the Philippines. Moreover, in the same week, the Philippine Supreme Court sustained a verdict against *El Renacimiento*’s editors in a libel suit that Philippine Commissioner Dean C. Worcester had lodged in 1908.\(^{524}\) The ruling imposed a damage award so severe that the paper could not remain in operation, and *El Renacimiento* published its last editorial, “Farewell,” on January 15, 1910. Needless to say, American officials were thrilled they had brought about the demise of what they deemed to be the mouthpiece of anti-government Filipinos seeking to exploit U.S.-Japan tensions. Even had the paper not been shuttered, the Constabulary noted that many Filipinos’ opinions of Japan soured considerably in the summer of 1910 following the Japanese Empire’s full annexation of Manchuria.

\(^{522}\) Report, November 18, 1909, PCR.
\(^{523}\) Hunt, *Frontier Defense*, 208-209. In July 1910, Japan and Russia padlocked the door they had shut in January by signing a bilateral agreement to maintain the status quo in Manchuria. See ibid., 216-218.
\(^{524}\) In that year, the paper had published an editorial titled “Aves de Rapina” (Birds of Prey) that criticized certain individuals for improperly accumulating wealth from the islands’ natural resources. Although not named in the piece, Worcester, believed that he was the person being attacked in the article.
Korea in August. As one agent reported from his monitoring of the Filipino press and private conversations, by extinguishing the last vestiges of Korean sovereignty “Japan lost thereby the sympathy and hopes which some Filipinos had placed on Japan.”

During the first year of the Taft presidential administration, the American play for an improved position in Manchuria aggravated Asian imperialist rivalries enough that that U.S. colony in the Philippines felt the effects. In particular, the open escalation of American-Japanese competition over what the latter perceived as vital national interests created a context in the Philippines that alarmed U.S. colonial officials. Filipino expectations of conflict and signs of pro-Japan sentiment were read by American authorities as dangerous fuel that might explode if properly combined with anti-government agitation. Consequently, the colonial regime focused its tools of control on individuals and institutions that seemed most likely to take advantage of the circumstances. But the conditions that made the situation appear so dangerous soon dissipated. In fact, following the resolution of the Manchurian “neutralization” affair, the demise of El Renacimiento, and Japan’s actions in Korea, anti-U.S. Filipinos’ expectations about a U.S.-Japan conflict as a key to salvation largely passed from the scene during the Taft era of U.S.-Philippine history. Nevertheless, American officials’ concern about inter-imperial entanglement involving Japan did not immediately disappear, but instead faded alongside Filipino interest in the violent pursuit of independence.

525 Confidential report, September 28, 1910, PCR; and Confidential report, October 15, 1910, PCR.  
526 Report, from Pedro Mercado, Manila, September 28, 1910, PCR.
Artemio Ricarte, Japan, and the Revolutionary Quest for Independence

After conditions settled down in 1910, during the remaining two years of the Taft administration, the American colonial regime did not confront any more situations where Filipinos seemed animated by the imminent possibility of a U.S.-Japan war or direct Japanese military intervention in the Philippines. However, just as the “neutralization” episode was coming to its final conclusion in the summer of 1910, a different source of concern about Filipino-Japanese connections was emerging. “Irreconcilable” Philippine independence fighter Artemio Ricarte, exiled to Hong Kong in June 1910, soon became the primary bête noire for U.S. colonial officials on the lookout for instigators of large-scale unrest. And Ricarte’s purported links to Japanese sources of material support were a key factor for his status with the Americans, as well as his appeal with some anti-U.S. Filipinos.

On June 28, 1910, Ricarte was released from Bilibid prison in Manila, where he had been held since attempting to spark an uprising against U.S. rule in 1904. Previously, Ricarte participated in the revolt against Spain in 1896, and then in 1898 joined the armed forces of Aguinaldo’s Philippine Republic with the rank of Brigadier-General. When the American-Filipino conflict broke out in 1899, Ricarte fought against the United States until his capture in July 1900. Sent with other Philippine independence fighters to Guam in January 1901, U.S. officials allowed Ricarte to return to the Philippines in early 1903 but he refused to take the oath of allegiance required by the
colonial regime.\textsuperscript{527} Consequently, the American-Philippine government promptly deported him to the British possession, Hong Kong, from where he covertly reentered the Philippines in late-1903 to foment rebellion. After having some success in generating a few small uprisings, the Constabulary captured Ricarte in May 1904.\textsuperscript{528} When finally released in June 1910, he again refused to take the oath of allegiance and once more was exiled to Hong Kong.\textsuperscript{529}

Given Ricarte’s continued unwillingness to accept American sovereignty and his demonstrated resolve to employ violent means to achieve independence, the Constabulary made surveillance of him a top priority upon his release from prison. Already in August 1910, the Information Division was reporting on his contacts with associates in the Philippines about working toward a new revolution. Constabulary officials took special note that Ricarte had prominently “declared he will go to Japan” and concluded “there is no doubt that, united with the [Filipinos] already in Japan and Hong Kong, they…will engage in rousing the minds of people here and in pushing them toward a revolution.”\textsuperscript{530} Apparently both the Americans and Ricarte believed that he might be able to draw some actual material support from Japan, and even if he could not, both also seemed to accept that just the prospect of such aid held a degree of propaganda value among potential recruits to his cause.

\textsuperscript{527} Memorandum for the Director, from Superintendent Rafael Crame, February 28, 1911, PCR. See also, Grant Goodman, “General Artemio Ricarte and Japan,” \textit{Journal of Southeast Asian History}, vol. 7, no. 2 (1966): 48-49.
\textsuperscript{528} RPC, 1904, 74-75.
\textsuperscript{529} Memorandum for the Director, from Superintendent Rafael Crame, February 28, 1911, PCR.
\textsuperscript{530} Memorandum for the Director, from Superintendent Rafael Crame, August 25, 1910, PCR.
Ricarte ended up not traveling to Japan at the time; nevertheless, the centrality of the Japanese factor to his agenda became quite clear through the early half of 1911. During this time, the secret service collected proclamations that Ricarte smuggled into the Philippines and intercepted a number of his confidential letters. These documents either implied or stated outright that he was working with Japanese individuals in Hong Kong to secure weapons for a revolutionary army.\textsuperscript{531} The Constabulary also closely watched a few Filipinos who traveled back and forth to meet with Ricarte in Hong Kong, and as early as February 1911 recruited one of his closest confidants to report on his activities.\textsuperscript{532}

Constabulary records tightly guarded the identity of this Agent No. 26, but his reports about the responsibilities assigned to him within the revolutionary organization demonstrate he had access to its innermost councils, where Japan was a significant part of deliberations. On a visit to Hong Kong in March, Ricarte introduced No. 26 to a man named Urquiko Usa, who claimed he was “commissioned by the Tokio [sic] government to confer with Ricarte” and that “he could deliver arms into the interior of any province, and even Manila, whenever they were wanted.”\textsuperscript{533} Usa’s name appeared often in subsequent secret service reports on Ricarte’s activities, although the former never seems to have delivered on any of his claimed capabilities. Research in the Japanese Foreign Ministry archives by historian Grant Goodman suggests that Usa actually was a

\textsuperscript{531} See, for example, Report, by No. 33, Saigon, Cochin China, November 22, 1910, PCR; and Report, by No. 11, Manila, January 19, 1911, PCR.
\textsuperscript{532} See Report, by No. 26, February 21, 1911, PCR.
\textsuperscript{533} Confidential report, by No. 26, Manila, March 13, 1911, PCR.
freelancing Japanese ultranationalist, with no real connections to the government. But at the time, American officials in the Philippines did not know this, and from what they could tell, Ricarte apparently believed he had in USA a legitimate contact for pursuing Japanese aid.

During 1911, Ricarte’s purported links to Japan seemed to be having some of his desired effect among the Filipino population, at least in that the presumed association bolstered his credibility. Some reports on meetings of mutual aid societies and other local organizations describe discussions about Ricarte’s ability to draw support from Japan if he indeed tried to return to the Philippines to lead another revolution. And in September at the time of a Filipino festival commemorating the 1896 uprising against Spain, there were rumored sightings of Ricarte at the festival “dressed in the uniform of a Japanese admiral” and in the company of “a person of very high rank in the Mikado’s government.” The sightings apparently were apocryphal, but Ricarte’s confidants were heartened to see that it was “the plebians who repeated the rumor” and decided “not to contradict it in order not to injure the faith of lovers of revolution.” Nonetheless, as 1911 drew to a close, Ricarte’s revolution continued to exist only in the realm of discussion and planning by its leaders.

Heading into 1912, American authorities maintained their close watch on the situation, as they still deemed Ricarte the opponent to American rule with the most potential for causing serious unrest. Contributing to this concern, at the beginning of the

---

535 Confidential report, by No. 26, Manila, September 5, 1911, PCR.
536 Ibid.
year, the Constabulary began to pick up indications that Ricarte was making plans to leave Hong Kong, perhaps to visit Japan. Agent No. 26 soon confirmed those indications during a set of meetings with Ricarte and others in Hong Kong over two weeks in February and March. Ricarte explained that his Japanese contact, Usa, had told him “it is very necessary [for Ricarte] to go to Japan to interview a general” who had been designated to confer with the Filipino revolutionaries about supplying weapons, and “they agreed that this summer Ricarte will go to Japan.” It soon became clear, however, that Ricarte’s lack of funds was a significant obstacle to making the trip. Throughout the following months, mentions of Japan in Ricarte’s correspondence and conferences focused on the need to solicit contributions in the Philippines to fund his journey. His close associates in the islands consequently made an effort to encourage donations by explaining the importance of Ricarte’s mission to Japan as the lynchpin for achieving Philippine independence. Some Filipinos, who either fully supported Ricarte or at least viewed him sympathetically because of his unbending patriotism, did respond with small donations, but these seemed to flow only at a trickle.

In fact, by 1912, when it came to the patriotic quest for Philippine independence, Ricarte was not the only option available. Many Filipinos who desired a prompt end to American rule were looking to the realm of politics for potential satisfaction. Within the islands, the *Nationalista* political party led by Manuel Quezon and Sergio Osmeña had

---

537 Memorandum for the Director, from Raphael Crame, Superintendent of Information Division, January 25, 1912, PCR.
538 Confidential report, from No. 26, Manila, March 16, 1912, PCR.
539 See, for example, Letter, Artemio Ricarte to Aduvigis Aoque, April 15, 1912, PCR; Report, by No. 11, Manila, May 17, 1912, PCR; and Confidential report, by No. 26, Manila, June 12, 1912, PCR.
emerged in 1907 to challenge the Taft-aligned Federalistas in the first election of the Philippine Assembly. Whereas the Federalistas advocated “ultimate independence” after a prolonged period of American tutelage, the Nationalistas’ platform called for “the immediate independence of the Philippines…under a democratic government.” The Nationalistas scored a massive victory and set to work in the islands and in Washington through two Filipino Resident Commissioners to secure a U.S. commitment to Philippine independence on a set date or upon the fulfillment of specific conditions.

Taft and the Republican-controlled Congress would not budge; however, in 1910 the Democrats won the House and Quezon, now Philippine Resident Commissioner at Washington, began to work on a draft bill with the new pro-independence Chairman of the House Committee on Insular Affairs, William A. Jones (D-VA). Although Democratic political considerations slowed progress on the bill, Quezon and Jones finalized a draft that was reported favorably out of committee in April 1912. The “First Jones Bill,” as it later came to be known, called for the creation of an upper house of the Philippine Assembly that would trigger an 8-year countdown to Philippine independence. This Jones Bill, with such a firm commitment to Philippine independence, had no prospects of becoming law while Taft remained in office and the Republicans controlled the Senate. Nonetheless, in the midst of the 1912 election campaign for the Philippine Assembly, it provided the Nationalistas something tangible to suggest their non-violent approach to achieving independence might work. Moreover, Taft’s Democratic

---

540 Stanley, A Nation in the Making, 128-29.
541 Ibid., 172-175.
opponent in the 1912 U.S. presidential election, Woodrow Wilson, informed Jones that the bill was acceptable to him, giving an additional boost to the Nationalistas’ domestic standing.542

As 1912 wore on, Ricarte repeatedly postponed his anticipated mission to Japan. Every Constabulary report or piece of intercepted correspondence that dealt with the proposed trip indicated that his campaign for funds simply was not producing a sufficient response.543 At the same time, Constabulary reporting also revealed the degree to which Filipino citizens were focusing greater attention on political affairs. Following the Nationalistas’ resounding victory in the June 1912 elections, the Information Division observed that “in all Manila one hears nothing but the sound of rejoicing at the triumph of the Nationalists.”544 Then, in November, Wilson won the presidency and 10,000 Filipinos paraded in the streets of Manila to celebrate. Double that number gathered to hear Quezon, Osmeña, and even Emilio Aguinaldo speak of the election’s significance for the Filipinos’ pursuit of independence.545 Reflecting the surging tide of the Nationalistas’ program, in December Quezon himself reportedly visited Ricarte in Hong Kong and suggested the latter “suspend his activities in the Philippines and await the results of [Quezon’s] efforts in America...promising Ricarte that if peaceful measures in America

542 Ibid., 175-180.
543 See, for example, Confidential report, by No. 26, Manila, September 14, 1912; and Confidential report, by No. 26, Manila, November 9, 1912.
544 Report, Superintendent of the Information Division, June 19, 1912, PCR.
fail, he will return to Hong Kong to join Ricarte” and begin the revolution. Ricarte apparently agreed to Quezon’s proposal and directed his associates in the Philippines to “suspend the organization of troops and the collection of money.”

All this helped to quell American anxiety about Ricarte’s prospects for sparking an uprising, potentially with Japanese assistance, against U.S. rule. And just as events within the Philippines and the United States were unfolding in favor of the political quest for independence, Ricarte suffered a damaging public attack on his credibility. In December and January, his estranged revolutionary Secretary of State and fellow Hong Kong exile, Vicente Sotto, published scathing editorials and letters to the editor in Sotto’s pro-independence newspaper, *The Philippine Republic*. Sotto and others claimed that Ricarte was a liar and a swindler for trying to get money from gullible Filipinos by telling them they were “on the eve of a revolution that would be supported by Japan.”

Moreover, the former revolutionary Sotto argued that “the Democrats recently elected in the United States should be given a chance to keep their promises.”

These developments in late 1912-early 1913, led the American-Philippine colonial government to downgrade significantly Ricarte as a potentially important threat to the regime. The Constabulary continued to keep tabs on him; however, American officials no longer were concerned that Ricarte could inspire a large-scale revolt and no

---

546 Memorandum for the Director, from Information Division Superintendent, December 27, 1912, PCR.  
547 Ibid.  
548 Letter, from Jacin to Panaligan, printed in *The Philippine Republic*, January 25, 1913, PCR. Letters exchanged by Ricarte and Sotto from December 1912-February 1913 and published in *The Philippine Republic*, can be found in Reports, January 5, 25, 26, 31, and February 3 & 4, 1913, PCR. See also *Manila Times*, January 20, 1913, and *The Cabelnews-American*, January 21, 1913.  
549 Letter, to Ricarte from Sotto, printed in *The Philippine Republic*, January 31, 1913, found in Report, January 31, 1913, PCR.
actual Japanese support materialized. After the end of the Taft era, Ricarte did make a brief return on the scene in 1914. Although the Democrats took major steps to expand Filipino participation in the islands’ government, they disappointed Filipinos who had hoped for a prompt and explicit U.S. commitment to independence. Ricarte seized on this to direct from Hong Kong (without widespread Filipino support or Japanese aid) the failed “Christmas Eve fiasco” uprising in Manila, after which he finally traveled to Japan, not to negotiate for arms but to escape American extradition efforts and fade into retirement.550

Conclusion

The early history of the Philippine Constabulary and its post-1905 emphasis on potential Japanese entanglement in Philippine affairs provides a multifaceted view of how inter-imperial dynamics were a part of the American experience of ruling the archipelago. The Constabulary was without question an important institution within the colonial government. Its origins in 1900-01 and initial operation were infused with conceptual inter-imperial connections that contributed to American self-perceptions as a colonizing power. Meanwhile, during the last half of the decade, Japan emerged as an Asian imperial power that could not be ignored. The American colonial regime and especially the Constabulary were particularly worried that Japan was acting within the Philippines on its desire to add the islands to its own colonial empire or at least to eliminate the U.S. presence in the islands. Consequently, the perception of clashing

imperial ambitions intersecting in the Philippines colored American dealings with Filipino colonial subjects and Japanese residents in the islands.

The early years of the Philippine Constabulary show how conceptual engagement with other colonial powers’ experiences helped foster a sense of exceptionalism on the part of Americans engaged in their own country’s Asian colonial project. When Taft and the Philippine Commission first proposed a constabulary and lobbied for the authority to establish it, they explicitly relied on the precedent of what other powers had done in fielding native-manned colonial police forces. In actually creating the institution, they incorporated what they believed were key changes from the perceived European approach. The Commission specifically pointed to these as differentiating the Philippine colonial regime from its peers, suggesting that Americans were more trusting and less manipulative toward their colonial subjects.

As it turned out, notwithstanding the Commission’s belief that its innovations would prevent abuses for which it had faulted other colonial police forces, the Constabulary went on to commit some of the very same offenses. When this became undeniable, the American regime eventually responded to the complaints of Filipinos with removals of U.S. officials and a reform program for the Constabulary, although it took a near collapse of Taft’s carefully constructed collaborative governing arrangements to compel him to act. In considering this course of events, Americans chose not to dwell on how the Constabulary’s problems had mirrored those of other powers’ colonial police forces. Instead, Americans focused on their eventual responsiveness to Filipino complaints as the central theme of the story, and reinforced their sense of pride through
the vehicle of Taft’s self-congratulation before a native colonial legislature that the United States had allowed to come into being. Having earlier laid a foundation for exceptionalist attitudes about the Constabulary, it apparently was an easy thing to keep building on that foundation.

Following the Constabulary abuse controversy and reforms of 1905, the organization shifted from an emphasis on military-style tactics to a subtler approach for maintaining order in the islands. This included an elevation of the role of the Division of Information’s secret service unit to keep the government aware of potential threats to American control of the colony. Significantly, these changes coincided with the emergence of Japan as an unquestionable force in regional power calculations. For Americans in the Philippines, and especially the Constabulary, this led to a profound focus on how Japanese imperialist ambitions and actions might influence affairs in the Philippine islands.

American colonial officials’ concerns about Japanese designs on the islands were in large measure a product of Asian inter-imperial entanglements. The Philippines were literally at a meeting point of U.S. and Japanese imperialism, with the Japanese colony Formosa closer to some of the Philippine islands than the distance from Cuba to Florida. Since 1898, Americans had suspected Japan of wanting to reach out and add the Philippines to its colonial holdings as a resource base and population outlet. Even if the Japanese were not so aggressive as to make an unprovoked grab for the Philippines, in the event of a conflict between the United States and Japan, the vulnerable U.S. colonial outpost seemed an obvious target. Consequently, when the two countries clashed over
something else, like immigrants in California or imperialist rivalry in Manchuria, the Philippines often felt the impact. This was not only because American colonial officials feared direct action by Japan; they also knew that Filipinos were fully aware of the competitive imperialist dynamic between the two states. This made the American colonial regime quite anxious about the implications for Filipino resistance to U.S. sovereignty, be it in the form of an uprising materially supported by Japan or a Filipino revolt timed to exploit a crisis between the United States and Japan over some other issue.

That no major conflicts arose in the Philippines out of U.S.-Japan tensions or suspected Filipino-Japanese cooperation during this period does not negate the significance of these issues for the American experience ruling the colony. The American-Philippine colonial government had very serious concerns about the Japanese factor in Philippine affairs, and devoted important resources of the state to addressing these concerns. In particular, suspicions of Japanese intentions and of Filipinos with connections to Japan were the impetus for a major, ongoing surveillance campaign that targeted individuals and groups within the Philippines and in neighboring colonial states. And this campaign affected the lives of Filipinos and Japanese residents of the islands, some of who certainly endured the colonial regime’s scrutiny and probably harassment despite having no involvement in anything nefarious. Beyond the islands themselves, some of the Constabulary’s suspicions and finding were channeled back to Washington, likely fueling agitation there at the highest levels about Japan during already tense moments. As such, these competitive inter-imperial entanglements shaped the American
experience of ruling the Philippines, which in turn influenced the broader conduct of U.S. foreign policy during the Taft era of U.S.-Philippine history.
CONCLUSION

At the conclusion of his Fourth Annual Message to Congress, delivered on December 6, 1904, Theodore Roosevelt turned to the state affairs in the Philippines. He observed that, although much had been accomplished in helping the Filipinos “rise higher and higher in the scale of civilization,” much remained to be done. Roosevelt reminded his audience, however, that Americans were not alone in their labors.

There are points of resemblance in our work to the work which is being done by the British in India and Egypt, by the French in Algiers, by the Dutch in Java, by the Russians in Turkestan, by the Japanese in Formosa.  

Americans within and outside government who were involved in Philippine affairs at the time probably had little need for Roosevelt’s reminder; they were well aware that the United States had many peers as a colonial power. In fact, American interaction with other empires played a profound role in shaping the American-Philippine colonial experience during the early 20th century. Once on the alert for it, this inter-imperial dynamic becomes hard to overlook.

From the very opening stages following the War of 1898, inter-imperial engagement was a significant aspect of American rule over the islands. In the first two years that followed the decision to acquire the Philippines, there was explicit, widespread, and unmistakable American interest in other powers’ experiences possessing colonies. It was during this time that broader segments of the American public were most

closely attuned to Philippine affairs, and when U.S. officials scrambled to establish a
broad colonial agenda as well as specific policy initiatives. Quite understandably,
Americans looked for guidance in their own national historical experience, but they also
believed that precedents laid down by other colonizing powers’ constituted a valuable
resource that the United States should not ignore. Americans read, researched, and wrote
extensively on how other nations practiced colonialism and what that meant for how the
United States should proceed. Notably, the common trend was to look to Great Britain’s
experiences as a useful model, both out of cultural affinity and a sense that the British
had been most successful in practical terms.

Once U.S. colonial officials actually embarked upon the task of governing in the
archipelago, Americans became directly enmeshed in webs of imperialism that stretched
across the region and around the globe. This further expanded the range of connections
between the American-Philippine colonial project and other empires. In particular, the
archipelago was surrounded by colonial states with which the Philippines maintained
trade, immigration, and other relations. Moreover, the Asian-Pacific region was churning
with imperialist competition, especially over China, a country to which the Philippines
had significant ties. It was just such tangible inter-imperial connections that heavily
shaped the course of events with regard to currency reform, opium control, agricultural
development, and possible Japanese clandestine activities in the islands.

This dynamic of conceptual and practical inter-imperial engagement proved
important in several ways. Foremost, it presented practical ideas and models for U.S.
officials to consider as they made policy for the Philippines. Initial framers of the
American colonial project like the Schurman Commission and Elihu Root drew on lessons culled from the records of what other powers had done, as did William Taft and his fellow Philippine Commissioners once they arrived in the islands. The process of addressing the opium control and agricultural credit questions are representative of this aspect of American efforts to establish a framework and specific policies for their new colonial possession. Although the United States certainly had experience in administering annexed territories and dealing with essentially subject populations, American colonizers in the Philippines often confronted issues for which their national history offered no direct precedents. The United States had very little in the way of government policies for restricting opium sales and use, and in any event, American officials believed that the Philippine context presented unique obstacles for which there existed no domestic American analog. And although Americans had crafted a variety of solutions over the years for domestic agricultural credit problems, U.S. officials determined that none were appropriate for Filipino farmers. On both counts, however, American officials recognized that other colonial powers had dealt with such issues in similar circumstances and those officials ultimately shaped U.S. policies in direct reference to the experiences of counterpart imperial powers.

Inter-imperial dynamics also sometimes imposed themselves upon the American-Philippine project in forceful ways simply by virtue of the colony’s location and regional links. In other words, on some issues like currency reform and anxiety about Japan, it was not an American choice to examine the projects of other colonial powers that was the driving factor in making inter-imperial connections important. U.S. officials decided
they had to introduce a new currency in the Philippines because an imperialist conflict in China and the islands’ monetary relationships within the region had rendered the existing currency situation unsustainable for the American regime. Meanwhile, the simple fact that the United States possessed a Southeast Asian colony at all meant that American power was much closer to Japanese territory and interests. The consequences of this entanglement of U.S. and Japanese empires played out not only in the realm of high-level diplomacy and military strategy, as historians long have made clear, but also on the ground in the Philippines with the heavy involvement of one of the colonial state’s principal institutions.

On another level, American engagement with the colonialism of other nations provided a conceptual context within which Americans could analyze and understand their own nation’s experience as a colonial power. Initially, this dynamic seems to have functioned as a source of confidence for the United States’ bid to become a successful Asian colonial power. Significantly, as the colonial undertaking became a reality on the ground, the conceptual nature of U.S. interaction with other powers’ colonialism appears to have changed over time. Although it is difficult to draw authoritative conclusions on this point in the absence of a strictly chronological study, certainly U.S. officials and the interested American public increasingly adopted attitudes of nationalist pride with regard to U.S. administration of the Philippines--despite Americans’ continued willingness to consult with and borrow from their colonial counterparts. Much clearer is the fact that Americans’ conceptions of themselves as colonizers relative to other imperial powers were contingent on the context and especially on the discrete issue in question. Thus,
Rev. Wilbur Crafts in 1900 could offer the British Empire’s restriction of alcohol consumption in colonial regions as a shining example that the United States should follow, but in 1903 join thousands of fellow temperance activists who warned that it would be a “burning shame” for Americans to adopt Great Britain’s opium policy in the Philippines. Inter-imperial engagement was used as a tool to advocate for certain U.S. policies by framing them as in tune with, or as advancements over, those of other powers. And once those policies were adopted, this dynamic often allowed Americans to conceive of themselves as successful and even progressive colonizers.

***

Multifaceted interactions with other empires thus were an important part of the American experience as a colonial power in the Philippines. What then, is the significance of this finding for understanding the overall course of U.S.-Philippine history during the Taft era? First, comprehending these interactions helps to situate the U.S.-Philippine colonial experience within the wider international context of which it was a part. Americans and Filipinos were not simply in a dyadic relationship, but were together and separately participants in much larger historical movements across an expansive geographical stage. Americans tasked with devising colonial policy certainly felt this way, but this was true in more than just the minds of Americans involved in Philippine affairs. Identifying the inter-imperial aspects of the American-Philippine experience reveals how the colonial state was connected around the region and the globe through economic, transportation, educational, strategic, and other types of links. Moreover, issues like those highlighted in this study, including opium smuggling,
currency flows, and the activities of expatriate communities, are exactly the sort that scholars associate with the increasing global interconnectedness that emerged at the turn of the century, in part through the vehicle of imperialism. This relationship to larger geographical and historical contexts was an important element of the American experience of governing the Philippines that has been, but should not be, overlooked.

Beyond addressing issues that have been overlooked, the findings of this study also shed light on matters that are central to U.S.-Philippine scholarship, including the objectives and motivations that underpinned American colonial policy. Specifically, the inter-imperial aspects of the effort to create the Agricultural Bank of the Philippines help clarify American thinking with regard to economic and social reform in the islands. The bank’s designer, Edwin Kemmerer, modeled the institution on an Egyptian bank that he believed had truly been effective in providing small loans to Egyptian peasant farmers who previously were mired in debt. He and other American colonial officials wanted to achieve the same results in the Philippines. They believed that such an outcome would boost agricultural production in the islands, but also hoped this would gradually allow Filipino small farmers to develop the economic, social, and political independence necessary to become good citizens. Moreover, U.S. congressmen who examined and approved the plan saw in the Egyptian precedent a tool for reshaping the values and habits of Filipino peasants. All this thinking may have been flawed, ethnocentric, and unrealistically conservative, but it suggests that the Americans involved in instituting the

---

bank were targeting the broad Filipino population instead of maneuvering to benefit Filipino elites or further a program of colonial economic exploitation.

Understanding American engagement with the broader imperial context also illuminates the motivations behind the American approach to governing its new Asian colony. After studying recommendations about American and foreign approaches to ruling unincorporated territories, Secretary of War Root based his decision to implement the Commission government on a pragmatic evaluation of what form of colonial administration was best suited to the prevailing conditions. This proved to be much closer to a British model, one that was associated with colonial situations similar to the unsettled state of affairs that the United States was facing in the Philippines. As such, although the introduction of U.S. rule in the islands was infused with rhetoric and some real principles based on American ideals, it should not be seen as an exceptionalist effort to simply transplant American institutions or values into the Philippines, as some historians have suggested.553

The findings of this dissertation also reveal much about the processes by which American-Philippine policies came into being. Far from simply executing a well-formed imperial agenda, American officials often had to respond to fluid situations shaped by distant events whose influence was transmitted to the Philippines through inter-imperial connections. As noted above, this certainly was the case with regard to currency reform and the reaction to Japan’s ascendance. Meanwhile, all of the policy issues discussed in

this study demonstrate the complex tangle of considerations that American colonial
officials confronted in trying to administer the Philippines. Inter-imperial factors,
conditions on the ground in the Philippines, and domestic U.S. political and economic
interests each factored into their calculus to varying degrees. Indeed, adding this element
to the study of American-Philippine history even expands the range of actors that can be
seen influencing affairs in the islands, including American missionaries serving in India,
opium farmers in Borneo, and high British imperial officials in Egypt.

The interaction with other empires examined here also tells us something more
about the complexities of racialized thinking in the American-Philippine colonial
experience. Paul Kramer recently has made important contributions to our understanding
of how Americans and Filipinos engaged in a dialogue over racial ideologies that
alternately helped justify U.S. imperialism, defend Filipino political participation and
self-government, and deny Filipino colonial subjects access to the metropole.\textsuperscript{554}
Kramer’s work certainly takes us beyond the standard racial discussions of U.S.-
Philippine history that usually focus on the slurs like “gu-gu” and “nigger” that U.S.
troops and other Americans uttered toward Filipinos.\textsuperscript{555} The details uncovered in the
current study suggest that a variety of other racial dynamics also were at work.
Particularly intriguing on this count is the way that Americans viewed the Egyptian
\textit{fellaheen} as an analog to the Filipino peasant, with similar “Oriental” values, habits, and
proclivities. Having identified such racial affinities, these Americans thought it would be

\textsuperscript{554} Kramer, \textit{The Blood of Government}.
\textsuperscript{555} See Miller, \textit{Benevolent Assimilation}, 57-59, 176-80, 188-89.
a simple matter to transport to the Philippines policies they believed had helped change
“Oriental” attitudes and behaviors in Egypt.

On a different plane, Americans’ own self-perceptions as members of the “Anglo-
Saxon race” clearly contributed to how they viewed the other empires with which they
engaged. Americans involved in Philippine affairs looked at many other colonial projects
for insights, but the British examples almost always seemed to rank at the top of their list
as successful and potentially worthy of emulation, despite some acknowledged failings.
Many Americans believed that Anglo-Saxons had attained the highest level of
civilization, particularly in the political sphere, and in annexing the Philippines the
United States had joined Great Britain in the work of spreading Anglo-Saxon civilization
to undeveloped parts of the world. These findings consequently reinforce and expand
upon some of the arguments that other scholars have made about the role of Anglo-
Saxonism in the American-Philippine experience.556 Of course, this dissertation also
finds that Americans’ were not anglophiles to the exclusion of all non-British powers,
and that other complicated racial attitudes played a role in shaping Philippine affairs.
The contingent views of the Japanese on display here demonstrate the challenge of
understanding how Americans perceived a non-Western people playing a role on the
world stage. Clearly, attitudes familiar to scholars like Americans’ racial antipathy in
California and beliefs about perceived Japanese deceitfulness played a role in shaping

556 See especially, Kramer, “Empires, Exceptions, and Anglo-Saxons;” Anna Maria Martellone, “In the
Name of Anglo-Saxondom, for Empire and for Democracy: The Anglo-American Discourse, 1880-1920,”
in David K. Adams and Cornelis A. van Minnen, eds., Reflections on American Exceptionalism
(Stafordshire, 1994), 310-338; and Anderson, Race and Rapprochement.
affairs in Philippines. Nevertheless, at an earlier time and in the different context of the opium control debate, influential Americans believed that Japan was making great strides as a modern nation and was implementing civilizing policies in Formosa that were worthy of American emulation.

***

As can be seen in the foregoing discussion, examining the American-Philippine colonial experience through the lens of interaction with other empires produces insights that lead to a more complete and complex U.S.-Philippine colonial history. This study also makes valuable contributions on issues important in the broader sweep of U.S. history. In particular, it adds to the scholarly conversation on the intriguing dialectical relationship between American exceptionalism and internationalism that appears to have been especially conspicuous at the turn of the century. Historians increasingly have suggested that the years from the 1880s to the 1910s constituted a period when Americans became more attuned to foreign, particularly European, ideas and experiences. The social and economic turmoil produced by industrialization; the anxiety-inducing “closing of the frontier;” the demographic and cultural changes associated with massive immigration; and the intellectual confrontation with modernity all worked to undermine convictions about the infallibility of American institutions and the direction of American national life. One consequence of this instability was that many Americans perceived

---

557 On the issue of Americans becoming more attuned to European ideas and policies, see Rodgers, *Atlantic Crossings*; for the psychological impact of social and economic unrest see Richard Hofstadter, “Cuba, the Philippines, and Manifest Destiny,” in *The Paranoid Style in American Politics and Other Essays* (New York: Vintage Books, 1997); the classic statement on the “closing of the frontier” is Frederick Jackson
their nation as having more in common with the European powers than ever before. Historians thus suggest that the combination of such a mindset with advances in communication and travel technology produced an unprecedented opening of American politics to foreign ideas and models.558

The current study’s findings fit squarely within this body of scholarship that emphasizes the international dynamics of U.S. history during the Progressive Era. Americans interested or involved in Philippine affairs without question were open to what might be learned from studying European colonial practices and policies. At times this led to adopting European models, most often with some degree of modification, while Americans also sometimes took as their lesson that they should reject certain courses of action. Despite the clear influence of inter-imperial dynamics on the American-Philippine colonial experience, however, contemporaries and historians generally have adhered to the thinking that Glenn May expressed in his important book on this topic: “The U.S. effort to change the Philippines was unique…and its methods were, in many cases, distinctly American.”559

---


559 May, Social Engineering in the Philippines, xvi.
This exceptionalist view can be understood in part by recognizing that the American colonial project in the Philippines in some respects did constitute a unique episode in the annals of modern colonialism. The United States was the first colonial power to fulfill a promise of independence and many Americans worked diligently to extend education, health care, and other progressive measures to a wide expanse of the Filipino population. As Erez Manela shows, some subject colonial peoples themselves pointed to U.S. rule of the Philippines as a departure from the colonial norm.\textsuperscript{560} Further obscuring the degree to which the American-Philippine project was connected to, and at times borrowed from, the broader colonial context was the language in which Americans spoke about their colonial venture. In particular, formal U.S. legislation and explanations of policy initiatives often did not contain explicit references to other powers’ colonial experiences; on the contrary, such expressions usually were couched in the rhetoric of American exceptionalism. And, as noted above, even when inter-imperial engagement was an explicit part of the contemporary discourse, it sometimes functioned as a useful foil for explaining American policy in exceptionalist terms.

This study also provides suggestive insights for understanding U.S. involvement in international affairs during an era when imperialism was a pivotal aspect of world history. Specifically, studying the experience of the United States as a colonial power that interacted with other imperialist states opens a window onto how Americans comprehended imperialism as an international phenomenon, which in turn can shed light on how the United States pursued certain foreign policies. This is important, since a

central theme for the history of U.S. foreign relations during this period is the American attitude toward the imperialism of the other great powers. Historians generally observe that American diplomacy, particularly in Latin America and Asia, was characterized by competitive maneuvering to pursue, secure, and defend U.S. interests in the face of other imperial powers’ ambitions. Certainly, the American experience in the Philippines from 1898-1913, including both the annexation decision and governing the colonial state, reinforces the fact that this competitive dynamic was part of U.S. involvement in the era’s imperialism. In the current study, the reaction within the Philippines to Japan’s ascent is a particularly vivid demonstration of how U.S. colonial policy in the islands and regional foreign policy were caught up in the competitive aspects of inter-imperial entanglements.

On the other hand, this study also makes clear that in administering its own colony, the United States was ready to cooperate with other colonial powers, and did so on numerous occasions. In a provocative attempt to reconsider the United States’ record as an imperial power, Frank Ninkovich argues that during the period covered in this dissertation, U.S. foreign policy actually emphasized great power cooperation on the assumption of “an absence of fundamental conflicts of interests” among them. Although Ninkovich is too quick to dismiss Americans’ recognition of real conflicts of interests, looking at the inter-imperial aspects of American rule in the Philippines


\[562\] Ninkovich, The United States and Imperialism, 202.
suggests that his core contention is worth consideration. Indeed, Robert Hannigan, in his recent synthetic interpretation of American foreign policy from 1898-1917, makes a compelling case that U.S. policy makers placed “collective and cooperative” tactics at the heart of their approach to world affairs. 563 American leaders hoped this strategy, which also counted on a strong British world role, would help prevent more situations like the recent partition of Africa, where the “greed” of other great powers and the “irresponsibility” of people in the underdeveloped world seemingly conspired to block the expansion of American commercial and political influence. 564 The current study’s findings about significant cooperation “on the ground” between U.S. colonial officials and other imperial powers, especially Great Britain, supports this argument about the importance of cooperative strategies in the U.S. approach to world affairs during the period.

Finally, on a broader scale, this dissertation complicates the historical view of imperialism overall as a fundamentally competitive, antagonistic great power practice by demonstrating the cooperation and collegiality among the powers that existed along with the undeniably competitive aspects of imperialism. 565 The emphasis on rivalry certainly was strong at the time. As one prominent scholar of imperialism puts it, “The rivalry of the major European countries (and the United States and Japan) for overseas empires was

564 Ibid., xi, 185-229.
one of the most publicized political phenomena of the period before World War I.”\textsuperscript{566} This has been true for historical scholarship as well, which also places a significant amount of blame on imperialism in causing the First World War. Nevertheless, the current study’s findings suggest that the colonizing powers’ professions that they were involved in a common “civilizing mission” deserve scrutiny in our effort to understand imperialist motivations and actions. This is not to suggest that perceived national interests were not paramount, or that the colonial powers were actually engaged in a benevolent undertaking. Instead, the cooperative side of American-Philippine engagement with other empires should encourage us to treat such claims of shared effort as a real part of the imperialist mentality. Read from this perspective, a statement like the following one made by Roosevelt in the same Address to Congress in which he referenced several other colonial powers, seems to contain more than mere rhetoric about being involved in a common undertaking.

“I do not overlook the fact that…our interests have been served in more than one way by the possession of the [Philippines]. But our chief reason for continuing to hold them must be that we ought in good faith to try to do our share of the world's work.”\textsuperscript{567}

Of course, the ultimate motivation for the United States to engage in this “world’s work” was indeed to secure U.S. national interests. Nonetheless, Americans and other imperial powers seemed to understand that they could pursue many of those interests by working

\textsuperscript{566} Smith, \textit{European Imperialism}, 129.
\textsuperscript{567} Theodore Roosevelt, Fourth Annual Message, December 6, 1904 (access at: http://www.presidency.ucsb.edu).
together to bring “order” and “development” to the as yet “uncivilized” parts of the world.

Examining the American-Philippine colonial experience from 1898-1913 with a focus on interactions with other empires thus offers insights on a variety of planes. The current study has not, of course, exhausted the possibilities of this approach for learning more about Philippine, U.S., and world history. Numerous avenues of exploration seem open and would contribute significantly to understanding important historical issues. For example, there are indications that the American-Philippine government engaged in ongoing, multi-year cooperative initiatives with counterpart colonial states on subjects of mutual administrative and developmental concern. These included the study of tropical diseases and medicine, and the pursuit of agricultural innovations. Adopting a multi-archival approach to this topic would reveal how such ongoing projects affected multiple sides of inter-imperial relationships, as well as foreign powers’ attitudes about working with the American colonial regime.

Filipinos’ own inter-imperial relationships, although more difficult to uncover because of limited sources, also need to be examined. Beyond the glimpses in the current study of conceptual and tangible links to the Japanese Empire, Filipinos had trade, travel, immigration, and intellectual connections to other imperial settings that influenced their experience under U.S. colonial rule. Extending this perspective to a later period seems tailor-made for an investigation of how Filipinos’ interacted with and were influenced by nationalist and anti-imperialist movements in places like India, French Indochina, and mainland China.
And beyond the colonial setting, it would be valuable to know how American interactions with the wider imperial world potentially fed back into the U.S. metropole. On the conceptual level, it would be interesting to know how the long practice of comparing the American-Philippine state with other powers’ colonial projects filtered Americans’ perceptions of, and foreign policy reactions to, anti-colonial movements in European colonies. And taking a more tangible example of this issue, we might look for cases where medical or agricultural innovations derived from cooperative imperial ventures made their way back onto the domestic U.S. scene.

These are important questions deserving future investigation. Meanwhile, the current study has taken a first step in focusing directly on how Americans conceptually and tangibly interacted with other empires. In doing so, it demonstrates the value of this approach by adding missing pieces and fresh perspectives to the story of the establishment and maturation of the American-Philippine colonial state. Hopefully, it also points to new topics for inquiry and new ways to conceptualize the history of U.S. colonial and foreign policies.
BIBLIOGRAPHY

Archival Collections

Harry Hill Bandholtz Papers, Michigan Historical Collections, Bentley Historical Library, University of Michigan, Ann Arbor, MI. (HHB)

Clarence R. Edwards Papers, Massachusetts Historical Society, Boston, MA. (CRE)

General Records of the Bureau of Insular Affairs, Record Group 350, U.S. National Archives and Records Administration, College Park, MD. (BIA)

General Records of the Department of State, Record Group 59, U.S. National Archives and Records Administration, College Park, MD.

Edwin W. Kemmerer Papers, Seeley G. Mudd Manuscript Library, Princeton University, Princeton, NJ. (EWK)

Henry Cabot Lodge Papers, Massachusetts Historical Society, Boston, MA. (HCL)

James Mills (J.M.) Thoburn Papers, Pitts Theological Library, Emory University, Atlanta, GA.

Elihu Root Papers, Manuscripts Division, Library of Congress, Washington, DC. (ERP)

William H. Taft Papers, Manuscripts Division, Library of Congress, Washington, DC. (TP)

Published Government Documents


Report of the Committee Appointed by the Philippine Commission to Investigate the Use of Opium and the Traffic Therein....Washington, DC: Bureau of Insular Affairs, War Department, 1905.


_____. Congressional Record. February 21, 1905, 58th Cong., 3rd sess.

_____. Congressional Record. March 1, 1905, 58th Cong., 3rd sess.

_____. Investigation of the Opium Evil: Message from the President of the United States. 60th Cong., 1st sess., 1908. H. Doc. 926.


_____. Committee on Insular Affairs. Intoxicating Liquors in the Philippine Islands. 56th Cong., 1st sess., 1900.

_____. Committee on Ways and Means. Hearing of the House Committee on Ways & Means. 58th Cong., 3rd sess., 1905.


_____. Congressional Record. January 10, 1899, 55th Cong., 3rd sess.


_____. Congressional Record. February 11, 1899, 55th Cong., 3rd sess.

260
_____ Congress Record. February 18, 1899, 55th Cong., 3rd sess.

_____ Congress Record. March 1, 1905, 58th Cong., 3rd sess.

_____ Affairs in the Philippines, Hearings before the Committee on the Philippines of the United States Senate. 57th Cong., 1st sess., 1902. S. Doc. 331.


261
U.S. Philippine Commission. *Reports of the Philippine Commission, the Civil Governor and the Heads of the Executive Departments of the Civil Government of the Philippine Islands (1900-1903).* Washington, DC: GPO, 1904.

**Other Published Primary Sources**


Unpublished Manuscripts


Newspapers

Cablenews-American

Manila Times

New York Times

Philippine Republic

El Renacimiento

Secondary Sources


Smith, Ephraim K. “‘A Question from Which We Could Not Escape’: William McKinley and the Decision to Acquire the Philippine Islands.” *Diplomatic History* 9 (Fall 1985): 363-75.


