

in the rudiments of an American education and in our ideals of freedom and self-government.

In accordance with the Supreme Court decisions not all the constitutional guarantees are extended to the colonies, the inhabitants of which are not held to be citizens of the United States, but to sustain to us the relation of wards. The power of Congress to legislate for the colonies on all subjects to which its competence extends has been affirmed, and as this includes the levying of customs dues, laws have been passed substantially reducing the Dingley tariff schedules on Philippine products, thus promoting commercial reciprocity between the colonies and the States. All customs dues collected go into the colonial treasury and are used to develop the resources of the islands.

The recent depreciation in the value of silver, which, mainly in the form of Mexican money, is the principal currency of the islands, has resulted in a considerable loss to the Philippines, the island treasury alone losing over one million dollars from this cause, but that will shortly be remedied, when the law of February, 1903, comes into operation. This provides for a distinctive Philippine currency, the coinage of silver being strictly limited and its redemption in gold at the fixed rate of 32 to 1 assured, thus making the new Philippine dollar or peso worth fifty cents in American money and maintaining it at that value. This will insure stability of prices and in particular will put an end to the disastrous fluctuations of foreign exchange.

One chief cause of difficulty, the trouble with the friars, who are hated by the Filipinos on account of their having in one way or another gotten vast tracts of land and much other property into their possession, and also because of their tyrannical treatment of the natives, bids fair to be settled by agreement with the Vatican—probably through the purchase of the friars' lands at a fair price by the Government.

Resistance to American authority is now practically at an end, except for occasional acts of brigandage, which have been everyday occurrences there from time out of mind, and now and then an outburst of fanatical fury from the Mohammedan "Moros" of the