By Authority.

School Vacation Notice.

The regular Summer vacation of seven weeks of all public schools in the Kingdom, will extend from FRIDAY, the 25th of July inst., to MONDAY, the 25th of September next, on which date a new term will begin.

By order of the Board of Education.

W. JAS. SMITH, Secretary.

Dept. of Education, July 25th, 1884. 1058 2t

School Notice.

The regular annual public examinations of the Government English day schools in Honolulu, will be held as follows:

On Wednesday, July 23rd, at the Punahoua School
On Thursday July 24th, at the Fort Street School
On Friday, July 25th, at the Royal School.

The examinations will begin at 9 o'clock a. m. on each of the days named, and the Summer vacation will expired on MONDAY, the 25th day of September next, on which date a new term will begin.

W. JAS. SMITH, School Agent.

Dept. of Education, July 19th, 1884. 1058 2t

NOTICE.

TREASURY DEPARTMENT,
Honolulu, July 19th, 1884.

The following persons have been duly assessed as Tax Assessors for this year, 1884:—

HAWAII.

Hilo ..... Eli Kekoa
Hamakua ..... J K Kaumakaua
North Kohala ..... D H Nahale
South Kohala ..... J Nakuina
North Kona ..... Lu Hoagli
South Kona ..... J Makaimai
North Kona ..... John N Kapela
Kau ..... D H Nahale
Puna

MAUI.

Lahaina ..... W O Smith
Wailuku ..... S K Ahuli
Makawao ..... J Kamakau
Hana ..... J Gardner
Honua and Lana ..... S K Kapihe

OAHU.

Honolulu ..... F H Hayselden
Ewa and Waianae ..... Julius Kaae
Waialua ..... S K Kaloa
Koolauloa ..... Jno W Kaapa
Koolaupoko ..... Jno L Kaulukou

KAUAI.

Lihue ..... J Kalu
Koloa ..... J W Paul
Kawaihoa ..... J Nauao
Hanalei ..... G S Pinkham
Waimea ..... J Kaaa
Nihoa ..... B K Bull

JNO. M. KAPENA,
Minister of Finance.

GOVERNMENT LOAN!

DEPARTMENT OF FINANCE,
Honolulu, Aug. 20th, 1883.

Notice is hereby given that applications for any portion of the NEW GOVERNMENT LOAN up to $300,000 will now be received at the Treasury, the rate of interest is fixed at 6 (six) per cent per annum payable semi-annually, and the Bonds are exempt from any and all present Taxes whatsoever.

JNO. M. KAPENA,
Minister of Finance.

Licenses Expiring in July, 1884.

RETAIL—OAHU.

1 Kwong Wai Chong & Co, Kaumakapili, Honolulu
2 Yamada Bunji, Queen street, Honolulu
3 T R Davies & Co, Kaahumanu street
4 Lau Wo Tai Kee, Nuuanu street
5 Wan Kim Chong & Co, Liliha
6 Chang Kwei Lee, Liliha street
7 E W McChesney & Son, Queen street
8 Kin Fou Chong & Co, Hotel street
9 Ah Ho, corner Punchbowl & Beretania streets
10 Quong Tick Chong, Hotel street
11 Wing On Wo, Nuuanu street
12 Ah Leong, Punchbowl street
13 John Chee Tim, Nuuanu street
14 Sun Hong Fa, cor Nuuanu & Hotel streets
15 Lee Dye, cor Nuuanu and King streets
16 Nee Lee, Beretania street
17 Kam Sun, cor Nuuanu and King streets
18 Arneweck, Gray & Co, Hotel street
19 Wong Chong Tong, Nuuanu street
20 H May & Co, Fort street
21 Tom Chong, King street
22 Quong Tan Lung, Beretania street
23 F K Ahana, Lake, Kaahumanu
24 Ung Tow Kee, King street
25 Tom Hee, Hotel street
26 Ah Tong, Beretania street
27 Dias & Gonsalves, Hotel street
28 Gee Kim, cor Fort and Hotel street

RETAIL—KAUAI.

29 Kaumakali, Koloa
30 Chong Wo, Koloa

RETAIL—HAWAII.

1 C W Lees, Waimalulo, Kau
2 Hui Kaiwpu o Kona, Kona, Honolulu, N Kona
3 Tai Sing, Kalapana, N Kohala
4 Achoy & Achoon, Makapala, N Kohala
5 Chas Williams, Kukaiimoku, Kau
6 Hose Hing, Kapulena, Kau
7 Sam Kipi, Kailua, N Kohala
8 Ah Ping & Co, Kawaihae, N Kohala
9 T R Hanalay, Kilea, Kona
10 Aiapo & Aolani, Kalapahi, N Kohala
11 H Hackfeld, Kawaihae, Cons
12 F F Cockett, Honokaa
13 Lee Sanin, S Kohala
14 Ah Ping, Paauilo, N Kohala
15 J D Hills, Hilo
16 Chong Fat Kee, Hilo, N Kohala
17 T Y Ahiu, Hilo
18 Hui Kaiwpu o Hamakua, Waimea, Kau
19 Kau Yuen Man, Kapoiki, N Kohala
20 C T Moses, Punaluu, Hilo
21 Gee Fat, Kalapahi, N Kohala

RETAIL—MAUI.

1 C H Dickey, Hamakuapoko
2 Kong Wo, Hana
3 Akiu, Kaimahu, Nuiahi
4 Mau Sing Tong, Wailuku
5 Chas Spreckels, Kihalani
6 Akina, Wailuku
7 Alfred Smith, Makawao
8 Liu Hui Kee, Kipahulu
9 Kaimanahila & Kuyentia, Kamaile, Nuiahi
10 Quong Lee, Hana
11 Sing Tong, Hana
12 Tong Fou, Kaupo

VICTUALING.

1 Ting Sing & Co, Waimea
2 Achong, N Kohala
3 Moe Kau, Kaaha, Kau
4 Sing Hong Yu, cor Nuuanu and Hotel streets
5 Ah Sou, Hilo
6 Ah Kau, Queen street
7 Sha Sing, Waimea, Kona
8 W Foster, Beretania street
9 E A Kaikuahi, Waipio, Honokaa

SALMON.

1 E C McCandless, Fish Market, Honolulu

AUCTION.

1 Geo Scanlan, Kona

PORK BUTCHER.

1 Ah Fun, Lihue, Kauai
2 Akin & Akona, Kealakekua, Hilo

BUTCHER.

1 W H Shipman, Hilo
2 Hitchcock & Co, Honokaa, Hilo

RETAIL SPIRIT.

1 E M Nordhoy, cor King & Nuuanu sts, Honolulu

BILLIARDS.

1 Geo English, Lahaina
2 J T Atwell, Waimea
3 J A Mullaney, Honolulu, Honokaa

MILK.

1 Pelecio, Honolulu

PEDDLING.

1 Chas Hintze

WHOLESALE.

1 Hyman Bros, Queen street
2 T R Davies & Co, Kaahumanu street
3 C J Fisher, cor Fort and Hotel streets
4 H May & Co, Fort street
5 Lewers & Cooke, Fort street

CAKE PEDDLING.

1 Sun Yuen
2 Ah Chee
3 Kamaki
4 Joe Kealiiea.

The U. S. Mexican Treaty.

The House Committee on Ways and Means has reported favorably Mr. Abram S. Hewett's bill to carry into effect the Mexican treaty. In the report accompanying the bill the committee, before proceeding to a discussion of the advantages to be derived from the execution of the treaty, refers to a political question of much interest which has been raised, namely, whether it would not be competent for the President and Senate alone to enter into treaties which would change the laws for the collection of revenue. The committee declares that the House of Representatives has always insisted that where rates of duty are changed by a treaty the approval of Congress is necessary for its execution. In the present instance the Senate, before ratifying the treaty, adopted an amendment declaring that the treaty should take effect as soon as it should be approved and ratified by both contracting parties according to their respective constitutions, but not until laws necessary to carry it into execution should be passed by both the Congress of the United States and the government of Mexico. The Executive Committee regards the adoption of this amendment by the Senate as a substantial admission in the nature of a precedent which may be expected hereafter to govern treaties affecting revenue. Under the terms of the treaty as approved by the committee the United States agrees to admit from Mexico free of duty twenty-eight articles, of which all but seven are now free of duty under the existing tariff, while in return for this considerable concession the government of Mexico agrees to admit free of duty seventy-three articles, all of which except six are now subject to duties averaging over 80 per cent, on the dutiable value.

Passing on to a consideration of the benefits to be expected from the treaty, the committee says that, considering it as a mere business transaction, the balance of advantage would seem to be largely in favor of the United States. In two respects only, it says, would there seem to be any interference with any productive industry carried on in this country. The concessions to be granted by the Congress of the United States and the government of Mexico. The Executive Committee regards the adoption of this amendment by the Senate as a substantial admission in the nature of a precedent which may be expected hereafter to govern treaties affecting revenue. Under the terms of the treaty as approved by the committee the United States agrees to admit from Mexico free of duty twenty-eight articles, of which all but seven are now free of duty under the existing tariff, while in return for this considerable concession the government of Mexico agrees to admit free of duty seventy-three articles, all of which except six are now subject to duties averaging over 80 per cent. on the dutiable value.

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A Notable Death.

In the London obituaries we find notice of the death at the age of 89, of Jane Lady Dalkeith. As a young lady of twenty, she was present at the famous historic ball given at Brussels, by the Duchess of Richmond, on the 15th, June 1815, immediately before the battle of Quatre Bras, which preceded the battle of Waterloo fought on the morrow. She saw the officers called away from the ball and witnessed the departure of the troops. She was on the ramparts throughout the day of battle, and saw the wounded brought in. Her eldest brother was killed at the head of his company. Most of us will remember the magnificent description of the ball and the incidents of the campaign by Byron in the third Canto of Childe Harold, and the Chapter in Vanity Fair treating of the same exciting time, when Becky Sharp distinguished herself, and made a good trade out of the alarm of every one around her.

Kona Roads.

North Kona, Hawaii, July 26, 1884.

Editor Gazette: A tax-payer in Kohala says that district has not received all the money due for Kona roads, etc. Here we have not had anything done on the roads for a long time. We have a good road supervisor, who knows what to do and how to do it, and is willing to do it, but he has not had any money since July, 1880. In June, 1883, the Road Supervisor for Kona, Hamakua, this district, and presented to send money to our road supervisor, but in its place he sent orders to stop all work on the roads. Our roads are therefore in a very bad condition. The bridges needed repairs so we can ride along in some parts. Our road supervisor thinks he is to blame for not doing what he has been paid for it. All we ask for is that we need not be big at on the roads.

Inquiry. The Farmer.

Hawaiian Gazette.

EST MODUS IN REBUS.

WEDNESDAY, JULY 16, 1884.

NO SHIN PLASTERS!

Hard Coin for Hawaii!

Why should this people supply Claus Spreckels with the credit to carry on schemes for his own personal advantage. No one objects to Claus Spreckels starting a bank, but they do object to having a bank foisted on them from which they will have to take a set of shin plasters which may be worth full value to-day and to-morrow worth nothing.

They also object to having a bank which is going to be the public treasury. They much prefer to have the public coin in the treasury at Aliiolani Hale. Section 18 of the bill is the same vicious old rascal as appeared in the former banking Act. What does "satisfactory security by the deposit of bonds or otherwise" mean? It may be interpreted, any worthless security which the figure head in the Finance Office may be forced to take.

In the new Banking Act, the hands are the hands of Esau, but the voice sounds uncommonly like that of the Jacob we became acquainted with a few weeks back.

We can do no better than take warning by the financial condition of Mauritius. From Ireland, Fraser & Co's Circular, we see that 90 days drafts on London are bought by the banks at 18 per cent premium. The currency of the country is *silver. Verbum sap.*

Section 4 of the new National Banking Act says: "No charter shall be granted under this Act to any company whose capital stock is less than $500,000." This is an excessive sum to put the minimum capital at. The United States National Banking Act puts the minimum at $100,000 and $200,000 when the population exceeds 50,000 inhabitants. The object of putting so high a figure is undoubtedly to prevent any but the monopolist Spreckels from starting under the present Act. The intention is to freeze others out. The proposed Banking Act contains not so many outrageously vicious sections as the infamous bank monopoly scheme, but it contains quite enough to set all our thinkers to work to cleanse it of its vices.

One of our keenest business men, on looking over the new General Banking Act, said: "To me, the most important point is left out—that is, what protection have the depositors in case the bank makes heavy losses and should be compelled to suspend payment. The entire capital of the company, by this Act, can be invested in bonds, and eighty per cent against such bonds would be out in notes. Not one cent of the capital will remain in the bank with the exception of the notes, if any, and so much of the funds of the depositors as there will be left.

"Being a National Bank and under the supervision of the Government, it should not be allowed to issue more than sixty per cent of the par value of the bonds, so that in case of a mishap, some funds will be in the hands of the Government for the protection of the depositors."

From a Maui letter which we publish to-day, it will be seen how strong is the feeling on that island upon the present crisis. There can be no doubt that the feeling upon the other islands is more intense than it is even in the capital. There is not the same array of place-holders, or relations of place-holders that exists in Honolulu. The residents on the other islands, laboring hard to obtain a fair return for their work, feel intensely the waste of the public funds. They subscribe in the shape of taxes, very large sums to the public treasury, and they feel that they ought to have a *quid pro quo* for what they pay. It is also evident that many intend to have it too. The reign of corruption and monopoly must cease, or the agitation but now in its infancy will grow to be a very large and powerful child indeed, and some day the Government will wake up and find it cannot hold the infant. Let us be freed of the incubus of bad government and agitation will cease.

The following telegram from Washington will be read with much satisfaction here. The treaty then is safe for a year from next December, and there seem indications that it may be renewed for a definite period at that date. To have its abrogation hanging over our heads like the sword of Damocles is decidedly unpleasant, and tends to retard extended improvements on our plantations.

Washington, July 5th.—In the executive session of the Senate a resolution was offered from the Committee on Foreign Relations advising the President to enter into negotiations for an extension of the Hawaiian Reciprocity Treaty for seven years. This was in compliance with a request of the President for the advice of the Senate in regard to the matter. The resolution met with some opposition, and it promised to give rise to extended debate. The further consideration of the subject was postponed until next December. By the terms of the existing treaty it was provided that it should remain in force seven years from the date at which it came into operation, viz., September 9, 1876, and further until the expiration of twelve months after either of the contracting parties shall have given notice to the other of its wish to terminate the same, each of the contracting parties being at liberty to give such notice to the other at the end of said term of seven years or at any time thereafter. It is understood that the provision to extend the treaty another seven years contemplated also the probable procurement of certain additional advantages of a reciprocal nature.

Spreckels gets $72,000 subsidy for his steamers, which he placed on the line for the sole purpose of securing the traffic to himself, which was being done by the fine steamers of the Pacific Mail Co. and by the sailing fleet. It is a pleasant luxury, these fortnightly steamers, but we doubt if any man in this country would have subscribed and paid $100 for laying on this new line, we mean any man not connected with these steamers. Now we pay to Mr. Spreckels for the privilege of his monopoly of this traffic more than the entire educational appropriation of the Kingdom!

As to his boast of bringing $1,000,000 gold into the country, he omits to name the amount he has made out of the country. His benefactions to public or charitable purposes are not reported, but we doubt if they amount to $5,000 in all.

One effect of his investments has been to increase largely the sugar production, which of course, tended to lower the price and at the same time, by making labor more scarce and expensive, to increase the cost of production. But the element of discord, of political corruption, which has steadily increased under his auspices has done more injury to this country than all the steamships and paper money banks in the world can counterbalance.

The second bill to authorize the issue of paper money, this time called "The National Banking Act," has, after the greatest secrecy pending its being printed, at last been allowed to see the light. To say that it contains some few provisions which are an improvement on the Bank Charter Act, of which it is the legitimate offspring, is very far from saying that the bill can be accepted by the intelligence of this country. It authorizes the issue of paper money upon no coin basis of silver or gold, but solely upon the security of Hawaiian Government Bonds. The following Section shows what can be done in case the bank fails to pay its notes.

Section 26. At the expiration of sixty days after giving notice of non-payment of notes, as is provided in the preceding section, the Minister of Finance shall cause an examination to be made, and if satisfied that the bank still refuse or neglect to redeem its circulating notes, after legal demand has been made, and is in default, he shall, within thirty days thereafter, declare the bonds, deposited and pledged by the said corporation, forfeited to the Government, and the same shall thereupon be forfeited. And thereupon the Minister of Finance may dispose of so many of such bonds as may be necessary to redeem the circulating notes outstanding, either at public or private sale, after giving thirty days' notice, by publication in two newspapers published in Honolulu, in Hawaiian and English, and he shall receive in payment of such bonds when sold, the circulating notes of the corporation at par, or other lawful money of the Kingdom, and out of the surplus money arising from such sale or sales he shall redeem the circulating notes still outstanding.

It then appears that if the bank suspends payment, with say, $800,000 of its notes outstanding, not a dollar can be got by the note-holders until after four months shall have elapsed. This is the first experience which the country would undergo, waiting four months for their money. And what may they get then? The Minister who sells the bonds "shall receive in payment of such bonds when sold, *the circulating notes of the corporation at par*, or other lawful money of the Kingdom, and out of the surplus moneys arising from such sale or sales he shall redeem the circulating notes still outstanding." If this is not irredeemable paper money, we should like to know how such money can be made.

The bonds may be sold for other notes of the same bank, and what are the proceeds with which to pay the unpaid notes? If the projectors of this law meant that provision should be made for payment of the notes in gold or silver coin, it would be easy for them to do so, by declaring that the bonds could be sold only for gold and silver coin, and that such coin should be used to pay the defaulted notes.

Section 38 provides that a majority of the Directors reside in this country, but as the Directors are to have all the powers which the bye-laws of the corporation give; the bye-laws may authorize the Directors to cast votes according to the shares held by each. The resident majority in number may therefore be absolutely under the control of the non-resident minority.

The following telegram appears in the *Alta* of the third inst:

London, July 3d.—A despatch from Cairo says that a letter from Khartoum states that Khartoum was captured during the latter part of May without difficulty. There was no massacre. Most of the Europeans turned Mahomedans. Among those who did not, was General Gordon, who is quite safe, and allowed the freedom of El Mahdi's camp. El Mahdi himself is at Khartoum. The Europeans are well treated.

Possibly the Mahdi proposes to hold Gordon at ransom as the Greek or Sicilian brigands do. In any case the incomprehensible, shiftless uncertainty of every act of the British Government since the battle of Tel-el-Kebir has now led them into a desperate dilemma.

Were it not that so large a proportion of thinking Englishmen desire to see Gladstone's Franchise Bill, Chamberlain's Shipping Bill, and Vernon-Harcourt's Municipality Act, fairly placed before the Legislature, they would have been before this, compelled to resign. As it is, their home administration is made to balance their foreign blundering.

When Theodore of Abyssinia captured a Vice Consul and a dozen missionaries and artisans they were rescued at a cost of several millions sterling. We shall be curious to know how Gordon will be rescued. Meanwhile the epigrammatic motto of Granville's Egyptian policy: "Rescue and Retire," may be interpreted as "Wreck and run away."

We have yet hopes that the above news may be contradicted.

The gravity of the crisis cannot be ignored. But it is darkest before dawn. We do not believe that this country is on the verge of ruin, or anything of the sort. There are too many men of sense and judgment, there is too much intelligence in the country to allow its public affairs, from any existing evil influences, to drift far astern. The present Legislative Assembly is far the best which the country has seen, certainly since 1864, the date of the present Constitution.

It will not be until the session is over, that people generally will come to know that while a good deal of dangerous legislation has been thwarted, much excellent law work has been done by these lawmakers.

The gold currency bill which has been enacted may not be free from serious defects, but it is a great improvement upon the former absurd and annoying law.

The repeal of the Intermediary Court of Oahu, may lessen lawyers' fees, but the benefit to the community of removing this useless delay and expense of litigation will be considerable.

The law endowing a chair of Natural Science in Oahu College is a step in the right direction. The improvement that will be secured in prison discipline, in the manner of conducting elections, in the granting of corporation charters, the wise changes made in the law concerning the descent of property, are a few of the positive good results of the session. Let us hope for still more before the session ends.

A LEGALIZED LOTTERY. Has it come to this? It appears to have done so, for last Saturday, the Hon. L. Aholo read for the first time a bill relating to "the Hawaiian Endowment Association." In plain words the object of the bill is to establish a lottery in Honolulu. There can only be one opinion by right thinking men upon this subject, and that is, that however specious the money argument may be, the legalizing of lotteries is morally vicious, and more especially vicious in a population such as we have in Hawaii nei. It is perfectly true, as Mr. Aholo advanced that European countries have used them and do use them, but that gentleman did not touch upon the fact that they have been condemned again and again by the foremost and most successful nations of the earth.

Lotteries originated in Florence about 1530, were legalized in France in 1539 and soon spread over Europe. During a couple of centuries they were in full swing all over Europe, but every now and again some Statesman who had power would try to stop them altogether as Pope Benedict XIII from 1724 to 1730, or would attempt to keep them within bounds by means of yearly licenses, as the Act of George III in 1778. But in 1806 the evil of lotteries was felt to be so great that the English Parliament appointed a committee to enquire "how far the evils attending lotteries had been remedied by laws respecting the same." Now mark the report. The Committee said:

"The foundation of the lottery system is so radically vicious, that your committee feel convinced that under no system of regulations that can be devised, will it be possible for Parliament to adopt it as an efficacious source of revenue, and, at the same time to divest it of all the evils of which it has hitherto proved so baneful a source."

We have here before us a solemn warning. Why should we wilfully throw ourselves into a scheme which has been condemned by one of the first Legislative bodies in the world, as being "radically vicious." The men who reported in 1808 had no lack of experience on the subject. Over a hundred and fifty years of experience of lotteries lay behind them, and instances spending over a considerable portion of that time were cited in the full report.

A thing which is *wrong* had better be met at once; it is no use to compromise with it. The lottery system is vicious and we unhesitatingly pronounce against it *per se*, without going at all deeply into the bill: we merely write as the Legislative report gives us knowledge.

We are quite aware that many arguments may be brought forward of a specious character which are liable to catch the unwary. One of these was advanced to ourselves. It will help the newspapers, lots of advertising and printing said one. True. But it will sap the moral fibre of a community such as ours.

If we begin to legalize lotteries for the sake of certain pecuniary advantages that are to accrue, we might just as well advance a step farther and legalize a handsome gambling Hell at Waikiki. All the blacklegs, pigeons and *coculles* of three continents would flock here during the "season," and money would be scattered round like water.

But is this what Hawaiian men, is this what those who love Hawaii are struggling for? Is this to be the end of all the self-sacrifice that has made Hawaii what it is? No! a thousand times no! If we would keep this country pure and clean we will have nothing to do with even the thin end of the wedge as presented to us now.

One of the worst features of the affair is that the bill comes into the Hawaiian Legislature supported by the Ministry. It shows how thoroughly demoralized the minds of these men are. Let us trust that other advisers may find a place in the councils of the King, who will meet the matter as it ought to be met.

We do not say behind one's back anything which we are not ready to say to his face. For many weeks there has been exceedingly plain talk and writing going on, the opposite of laudatory to Mr. Claus Spreckels. Now that he is here in person, we feel constrained to say, that his course of action has merited the ill-feeling which has been aroused concerning him. His apparent determination to use, and to sustain in office a weak, not to say corrupt Ministry, for his personal ends, against the expressed wishes and interests of the vast majority of the best people in the country has served to strengthen the unfavorable impression which his monopoly of the sugar and foreign carrying trade had produced. Whether he knew what his proposed Bank Charter contained, or not, it was generally believed that he meant by that means to reduce every one in this country to subservience to his interests. Whether or not, he sought to convince people that if they opposed his plans, he would ruin them if he could, such was and is the general belief.

Undoubtedly Mr. Spreckels' experience with the world is the same with that of all other strong and successful men. He has found most people with whom he comes in contact either weak or corrupt, and always selfish. He uses them to suit his purposes, which is all that they are good for. Those who approach him with hypocritical, high-toned professions get their measure taken every time. They have their price, and are either purchased and used, or kicked one side. It does not take many years of such experience with one's kind, to make his instinctive judgment of others as keen as that of a genuine "mind reader."

But in every healthy community, there is a higher sentiment than the love of self, a self-respecting faith in that which is true and honorable, which will place itself under bonds to no man's wealth or power.

Men like Mr. Spreckels usually do not believe in the existence of such sentiment, or if they now find then see indications of it, they treat it with scorn or pity. This country probably, has an average number of hypocritical, weak-kneed and dishonest people. But no one but an imposter can affect to scout the idea that there is such a thing as sincere devotion to public interests, for public, not selfish ends. Manly, brave work has been done and is now going on in this country, with the sole object of producing good government, and a wise administration of affairs. That work will continue, and will be carried on mainly by those who without ostentation, quietly lay aside consideration of personal gain or comfort, for that which they regard as the public welfare. They are incapable of being bull-dozed, deceived or bought up. It is not their object to interfere with Mr. Spreckels' or with any one's legitimate business enterprises, nor to make him the scape-goat for all that has resulted from the mis-judgment or weakness of others. There is no difference in principle between those who tacitly or openly favor bad government in order to get a small slice of public patronage, and one who in the same way secures a larger slice. Taking a contract to exchange a million cheap silver dollars for government gold bonds is in principle the same thing as taking a thousand dollar gold bond for silver. There are more persons than one who would have jumped at the Waipio lease, law or no law for the Government making it without a public advertisement and sale.

All this, however does not popularize Mr. Spreckels' somewhat boisterous and powerful advocacy of the present Ministry, or his urging upon the country a bank of issue of paper money, or his claim to exclude all but his own vessels from carrying freight and passengers to California.

Claus Spreckels Expresses His View

SO DO SEVERAL OTHERS.

The lower room in the northwest corner of the Y. M. C. A. building was well filled with the representative business men of the city, on the evening of the 8th inst, the occasion being a request made by Col. Claus Spreckels to the Chamber of Commerce to give him an opportunity to express his views to them in regard to the proposed regulating of the currency of the Kingdom and return to a gold basis. At 7.30, a number of gentlemen being present, the meeting was called to order by Hon. C. R. Bishop.

Hon. C. R. Bishop said that from information received he had learned that it was the desire of Mr. Spreckels to address the meeting on the subject for the purpose of expressing his views on the currency question. It seemed to him that the best way to gratify Mr. Spreckels' wish would be to call this meeting, under the auspices of the Chamber of Commerce. Colonel Spreckels, who was seated at the table, needed no further introduction to speak, and said:

Gentlemen, you have a bill in the Legislature, the most important bill ever brought before this Kingdom, and that is the Currency Bill. Now you say that the large amount of new silver is the cause of the high rate of exchange. I must deny it. The cause is simply supply and demand. Why is sugar so low? Because the supply is greater than the demand, and it is the same with silver and gold. Just as you have a surplus of piles of one kind of money the demand goes down. If I understand the bill, it is such that the Government or the Minister of Finance have to pay gold for silver certificates.

Dr. J. Mott Smith. I believe there is only $500,000 in Hawaiian silver.

Mr. Spreckels. Do I understand that the Government will issue gold for the Mexican silver dollars?

Dr. Smith. Mexican silver will probably be redeemed in Hawaiian silver, and we will ship away the uncurrent coin.

Mr. Spreckels. When I come with Mexican dollars I get Hawaiian dollars, is that it?

Dr. Smith. Yes, that is the redeeming coin.

Mr. Spreckels. As I understand the bill, 10 dollars in silver is legal tender; the balance to be paid in gold of the United States. Now I tell you gentlemen, the reason of the high rate of exchange is supply and demand, but let us look at the other side. We only pay ten silver dollars, the rest in gold; you have perhaps $400,000 or $500,000 lying idle. Mr. Bishop calculates to import gold; well, I cannot afford to bring it here for you; you must look out for yourselves. When we want so much money, Mr. Bishop says, "I have no cent, I cannot give you anything; then we will go to some other wealthy man, he says, "yes, but give me 3 per cent premium." You have not got coin enough in this country. There are some that are crying out about silver who would be very glad to get it to pay off their bonds. Now, gentlemen are you doing a wise thing, upsetting the country and creating a panic as you certainly will. Look out that you do not knock somebody down and with him, make some one fall who was leaning on him. Not long since I paid $1,000,000 to save the country, and Mr. Bishop has also greatly assisted you. Isn't that so, Mr. Bishop?

Mr Bishop. Yes that is true.

Mr Spreckels. I am as true as steel, now I do not want to hurt any man, but when I am hit, I fight; now gentlemen this is the first time I have ever spoken in public, so please excuse all mistakes. I want you to consider it well, cut we get through the breakers without sinking the ship. I know this law has been enforced, and when you people in the Legislature pass a law, we all obey it, but have you the means to uphold that law. Now I give you my opinion and it is this—you have $1,000,000 of Hawaiian Coin in this country in the hands of the Government, but they cannot snuggle it as with Mexican coin. I say, pass a law and stop all smuggling. I do not like to see people forced to steal. Do not make thieves of them. Some day, you will say, the old man is pretty clear headed. Dollars should be made legal tender as well as gold.

Dr. J. Mott Smith. Then Mr. Spreckels you propose to make the Hawaiian coin unlimited legal tender?

Mr. Spreckels Yes, Doctor; the dollars legal tender to any amount, but the subsidiary pieces, halves, quarters and dimes, people might limit them to $10 or $5 legal tender. Now, gentlemen, you hear me; if you can't get yourself in a proper position on this matter you are bound to sink the ship, and after she is wrecked don't come round to Claus Spreckels for further advice. I beforehand. Another thing, gentlemen, you should commence to be economical; you are not so here; you are a great people, but awfully extravagant; your people would rather pay interest than save it. You may be compared to two business men; one looks out and sees every cent which the other throws away $10. I am not a miser, but I keep an eye on the cents that come into the expenses of my refinery. Now, as I am not much of a public speaker, if you gentlemen think that I have forgotten anything, ask me and I will answer.

Dr. J. Mott Smith. Colonel, I would like to ask what method you would propose to get on a gold basis.

Claus Spreckels. I understand that you have some seven or eight hundred thousand dollars in government gold in the kingdom.

Dr. Smith. Yes, we have more.

Claus Spreckels. Well, send that money out and get gold for it; it is plain enough. You need one and one-half millions gold.

Dr. Smith. I see there would be difficulty in fixing the currency regarding the amount to settle on.

Claus Spreckels. The currency will be limited by the $1,000,000 gold, and that is where there is another difficulty with you, for as you need two millions for the business of this country, if you haven't got it you will have to pay a premium for your silver. The one is one of supply and demand and that is the particular question. If as I hear, that $2,000,000 is necessary and you intend to have $1,000,000 gold, you can only make the Hawaiian silver legal tender to a par here, or you will have too much a large quantity of gold.

Dr. Smith. If we have too much silver, Colonel, it will depreciate.

Claus Spreckels. (Hotly.' How can you say too much when you require two millions in the country; how are you going to get too much. My dear Doctor you are a little off on that.

Hon. Paul Isenberg. As the law stands it is not enforced. We can try the experiment of the new law for two years.

Mr Spreckels. As I have stated, you will find that you will be regulated in your currency by the law of supply and demand. We must have one million gold and one million silver. When either decreases then you will find some one who wants 3 pr premium on it. The shipowners will send the gold away rather than pay a premium.

Mr Isenberg. I think that a soon as we get the million in gold, that confidence will be established.

Mr Spreckels. I would like to have that settled. Well some people seem to be looking at it this way, and jumping around in your chair as though you wanted to say something; now what have you got to say.

Mr Jones. We have talked the matter over, and the Chamber of Commerce has decided that it is better to run it on a gold basis. If gold is demanded, we must sell the silver to buy the gold.

Mr Spreckels. I am sorry that you can't understand me better but as there is a touch of Dutch in the tongue I suppose you can't. But I am going to get rid of some, right here. By-G-d there is nothing but fair dealing in Claus Spreckels. Jones, my boy you are thinking of Brewer & Co. You are looking out for your percentage when the gold is gone. But Mr Bishop or Mr Paty ain't going to tell you.

Mr Jones. I dont advocate—

Mr Spreckels. I am here on the floor and by G-d you will have to see me. They howl at Claus Spreckels because he brought in silver. Before they become furious, I had intended to ease the market, but I concluded I would let them howl away; let them have a good time all to themselves; by and by Claus Spreckels would come out all right. Now does any gentleman desire to ask me any question?

Mr Isenberg. I would like to explain my views once more. I told you on the passage down, that I did not care a snap for high exchange. The first step towards the gold is this new law. If we get rid of the silver we shall have nothing but gold in this country. The Chinamen will take it away with them and we shall be obliged to import it every year or so. If one wants to go to the States he takes gold not silver.

Dr. Smith. The rate of exchange is based upon the trade of the country. If we are more indebted abroad than we have product credit to pay for, exchange goes up and *vice versa*. The great trouble is that exchange is based on the coin of the country with which we trade. How are we to cover in the most acceptable manner, with the least loss, the intrinsic value of the Kalakaua dollar as compared with gold.

Mr. Spreckels. That will be regulated by the law of supply and demand.

Mr. Bishop. How can one demand gold if silver is legal tender.

Hon. A. F. Judd. Are you a bi-metallist, Mr. Spreckels?

Mr. Spreckels. I have no idea what I am talking only I know I don't want to swamp the ship. You say that you want one million gold and one million silver, and I see that you are going to run the ship ashore.

G. W. Macfarlane. Thought the best way to regulate exchange was to send out all the uncurrent coin that the Kalakaua dollar could take the place of, and raise the price of sugar.

Dr. Smith (speaking to Mr. Macfarlane.) How is it that exchange has not reached higher during past years when we were dealing in reality on a silver basis. Silver is the basis of exchange now and the Kalakaua dollar is not worth any less than other silver coins for the purposes of trade. Exchange, however, in times past, gentlemen, has been kept down artificially.

W. G. Irwin, one of the members of the firm of which Claus Spreckels is a partner, showed his lack of knowledge of the business of the country, by emphatically saying, "No! No!"

Mr. Spreckels. "I agree with the doctor." (which settled it.)

Mr. G. W. Macfarlane said that it would be of little use to bring gold into the country, it would go out again. It would be necessary to put up the price of exchange to keep the gold in the country. (Laughter.)

Mr. Davies said that the high rate of exchange was not the result of supply and demand, and this would be very simply tested. Let a man take to the bank one bag containing $1,000 in U. S. gold, and another containing $1,000 in Hawaiian silver, and see how much exchange he could get for each. He would find that the rate did not depend on the demand for exchange, but on the quality of the money with which he was prepared to pay for it. Practically all our debts have to be paid in San Francisco, and our currency must be such as will pay those debts. If we take Hawaiian silver to the bank and ask Bishop & Co. to pay our debts in San Francisco, they will reply that this money will not pay those debts, and that we must either give them money that will pay the debts, or we must pay them the difference of value between the money we give them and that which we ask them to pay. This is all that we call exchange. If we were beginning de novo, the course would be clear and simple. We should start on a gold basis. Our position is this: instead of having one-fifth or one-sixth of our currency in silver and the remainder in gold, we have about one-fifth gold and the rest silver. The currency bill now before the Legislature provides for the conversion into gold of all the silver coin now in circulation, except the Hawaiian and U. S. silver, and it is estimated that this operation will give us about $1,800,000 in gold, and nearly the same amount in silver. If it were made optional with the debtor to pay in either gold or silver, he would certainly pay out the silver and hoard the gold, so far as he could; but the new law, making gold payments compulsory, would prevent this; and therefore it was the speaker's opinion that the law under discussion was the only way of correcting the evil of the present system. He would however go further than this, and place one half of the Hawaiian silver in the Government vaults against the silver certificates. In other words, the Government should undertake to redeem all the silver certificates with gold, and should hold for the purposes of said redemption, say $500,000 in gold and $500,000 in silver, (assuming the certificates to amount in all to one million). These certificates, with their guarantee, would be practically gold certificates, and would have all the value of certified cheques, and he (Mr. D.) believed that the certificates would never be presented for redemption to nearly such an extent as to exhaust the gold half of the amount held against them. (Applause.)

Mr. Green. This is the proper time for my say. I have to say. There is a bill before the Assembly which has passed by a large majority. I was not asked to go on the committee: I gave my views in writing. They were to call in the Mexican dollars and exchange them for Hawaiian. We all want to be paid in gold, we do not want to pay the high rate of exchange to San Francisco. It is only balances that you send away abroad. Here our balances get tremendous; they get to an amount equalling the whole amount of our currency. In December, January and February we shall want to send away more than a million of dollars.

Mr. Hyman of the firm of Hyman Bros. of this city, said: A great deal has been said about the expense of bringing the gold here and to keep sufficient in the country for the requirements of the currency law as now before the Legislature, and all this merely for the benefit of *a few retailers and importers*; now Mr. Chairman, I wish to show that this is an entirely wrong idea. Our imports amounting to over five millions, even at 3 per cent exchange, costs the consumer $150,000 extra. Assuming that gold will be shipped and used in part to pay our debts abroad, at the highest calculation we should have to reimport one million yearly, and this at an expense of 1½ per cent would cost $15,000; there we will have a saving to the consumer of $850,000 per annum. This charge of 3 per cent falls on every person in the country; on the capitalist, planter, mechanic, clerk and laboring man. Anybody familiar with commerce knows that if a barrel of flour costs $5.50 in San Francisco and exchange rules at 3 per cent, that with the freight, insurance, etc., this 3 per cent is added to the cost and the consumer has to pay for it. I do not say that it is the duty of the Government to regulate exchange, but I do think that it is the duty of a Government to provide its people with a currency with which they can pay their debts abroad and not causing them a loss of from 5 to 10 per cent. With the currency as heretofore, Messrs. Bishop & Co. have had it in their power at any time during the past seven years, to raise the rate of exchange to ten per cent, more especially from the month of August to January. Therefore I believe that as this bill now before the Legislature tries to remedy this state of affairs, it is worth trying for the coming two years. (Applause.)

Mr. Bishop. (To Mr