

The Hawaiian Coinage Controversy — Or, What Price a Handsome Profile?

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During the reign of King David Kalakaua, the political, economic and social affairs of the Hawaiian Kingdom became seriously upset. A series of events during the years from 1880 to 1886 created economic and political instability and aggravated already serious class and racial antipathies to such an extent that by 1887 the country was on the verge of class warfare. The resulting reaction on the part of a large group of mostly white business and professional leaders against Kalakaua and his predominantly native supporters produced the first serious revolt against the Monarchy, established a new Constitution in 1887 which only increased the tensions in Hawaiian society, and led finally to the overthrow of the Monarchy in 1893. It is difficult to point to any single event during these turbulent years as being decisive in influencing the outcome leading to the revolt of 1887 and the establishment of the new constitution in that year; instead one must consider the cumulative effect of a number of events.¹ Most serious students agree that one of those events was the controversy which developed between the government and the business community over the introduction into the kingdom of a new coinage in 1883.

The main characteristic of the Hawaiian monetary system in 1883 was the fact that for all practical purposes it was an extension of the system of the United States. This in turn was a reflection of the high degree of integration of Hawaii's economy with that of the United States. Although foreign coins other than American—mostly British and Spanish coins—also were in circulation and were recognized as legal tender, the great majority of coins in use were American. That the integration was clearly

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recognized was shown by the Currency laws of 1846, 1859, 1872 and 1876; these laws made U.S. gold coin legal tender at face value to pay all debts in the kingdom, while U.S. silver coin was legal tender for debts up to fifty dollars. Other coins were also legal tender, but were subject to varying discounts.² Yet many felt the need for a new coinage which was distinctly Hawaiian. From the point of view of the bankers and merchants there was nothing to be gained from it in the economic sense, but most agreed it would have high symbolic value by stimulating national pride, which certainly needed stimulating. The native Hawaiian population in particular had been sinking into a deeper apathy for several decades, primarily because of the gradual decline in its numbers but also because the domination of economic and social affairs by the *haoles*, or white men, had largely spelled the end of the old Hawaiian culture, especially in Honolulu itself. Recognition of the low morale of the Hawaiian people was a primary factor in the desire of both Kalakaua and a leading *haole* politician who championed the native Hawaiians, Walter Murray Gibson, to restore the lost glories of the Hawaiians by carrying out projects which appealed to their pride and attempted to restore their heritage.

The legal vehicle for establishing the new coinage was the Currency law of 1880. Pushed by Gibson as chairman of the Finance Committee in the Legislative Assembly, the new coinage would, according to Gibson, “inspire the confidence of the people, and add to the prestige of the Kingdom.”³ The law provided that the Hawaiian government would purchase both gold and silver bullion and would have it minted into coins for general circulation on a par with United States coins, which they would eventually replace. The intention was clearly to maintain the general validity of the currency as it then stood with a balance between gold and silver, and it was upon this understanding that the Ministry of Samuel G. Wilder, the Premier in 1880, supported the passage of the coinage bill.⁴

The coinage law was not immediately implemented. Unlike the native Hawaiians, the *haole* business leaders’ patriotism was not particularly stimulated by the prospect of Hawaiian rather than United States coins in circulation, and there was consequently no significant pressure placed upon the Wilder administration to carry out the law, nor was there any pressing financial reason for doing so. It was not until 1882, when Kalakaua replaced the W. L. Green Ministry with one headed by Gibson as Premier, that any serious attention was given officially to implementing the currency legislation. A “new departure” in Hawaiian politics then began. With Gibson dominating both the government and the Legislative Assembly, several projects were launched “to increase

the prestige of the Kingdom.” One of these was the new coinage, which would be distinctively Hawaiian and would bear the coat of arms and motto of the kingdom and also the profile—admittedly a handsome one—of Kalakaua himself.⁵

What happened next was unfortunate. Most citizens stood either for the coinage or believed it would do no harm, but the assumption was that it would be judiciously administered. At this point another individual appeared on the scene. He had already been a source of unofficial financial aid to both Kalakaua and Gibson, in return for favors, and now he saw another opportunity to demand, and to receive, special consideration from the government. This man was Claus Spreckels, the West Coast sugar magnate. Through his connections with the Hawaiian sugar trade he was now in process of extending his financial empire to include sugar plantations in the islands, a trans-Pacific steamship company, and also a banking institution to be established in Honolulu.⁶ He had already been approached by Gibson to advance the money necessary to pay for the Hawaiian coinage, and soon he hit upon the idea of making even more profit by arranging for the coinage as well as advancing the money to pay for it. Early in 1883 he was authorized by Gibson to provide a million dollars worth of Hawaiian silver coin from the San Francisco mint in exchange for a million dollars worth of 6 per cent gold bonds authorized by the 1882 Loan Act.

It would appear that Spreckels' only profit would be the interest on the bonds, but there was a hidden profit as well. The silver content of the Hawaiian coins which were struck was about 84 per cent, somewhat lower than the normal for U.S. silver coins, and thus Spreckels gained approximately \$150,000 in additional profit from his arrangement. Normally, in such a case the government concerned negotiates directly with the mint, and the difference between the value of the bullion and the face value of the coins is either kept by the mint or returned to the contracting government. The arrangement with Spreckels, however, was unusual and was so recognized at the time.⁷ Gold was not included in the coinage, even though clearly provided for in the law, because the profit on silver would be much higher. In retrospect it is clear that the primary motive of Spreckels was to make a good profit, while the Hawaiian government's main interest was to fulfill an obligation to Spreckels. The financial well-being of the kingdom was of secondary importance.

Another point needs to be made in order to understand fully the nature of the difficulties caused by the Hawaiian coinage. At the time Kalakaua's coins were struck the United States was officially on a bimetallic standard, but practically on a gold standard. Since 1873 the

Treasury had not accepted silver for coinage into United States specie. The purpose of this move was to prevent an excessive amount of silver coin from upsetting the balance between gold and silver. Although after 1878 the government resumed the coinage of some silver under the terms of the Bland-Allison Act, it was convertible into gold, thus putting the country effectively on a gold standard. So long as silver coin was convertible, and so long as the amount in circulation did not rise too rapidly American businessmen were content, for the problem was to maintain business and public confidence in both metals. A failure of confidence in one would quickly drive the other out of circulation.

In Hawaii the situation was more complex. Since the basis of the circulating medium in Hawaii was American specie, it followed that any change in the monetary situation in the United States would have repercussions in Kalakaua's kingdom. As it happened, the balance between gold and silver in circulation in the kingdom was much more precarious than it was in the United States. For one thing, both in the United States and in Hawaii certain kinds of debts, notably customs duties, were payable only in gold. This increased the relative value of gold. For another, silver could be more easily obtained in the financial markets, and also was more easily shipped than gold, and during the late 1870s the importation of silver to meet the expanding needs of Hawaiian business grew so rapidly it was feared that gold might be driven out of circulation.⁸ In 1880 the Hawaiian government placed a 10 per cent import duty on silver to try to control the problem, but this action had little effect.⁹ Finally, overproduction of sugar had been developing, and by late 1883 sugar prices began to fall. By 1884 a serious recession was underway in the islands, continuing until the latter part of 1885.

It was into the midst of this already unstable financial situation that Kalakaua's coins were introduced. The first shipment of the coins arrived in early December, 1883¹⁰ and produced a local furor in the business community. Fearful that the introduction of so much silver into the kingdom would cause a rapid inflation, and probably also seeking a confrontation to embarrass the government, a number of *haole* businessmen sought legal recourse to prevent the Hawaiian silver from going into circulation. Acting as spokesmen for the businessmen. William R. Castle, Sanford B. Dole and William O. Smith petitioned for a writ of *mandamus* to compel the Minister of Finance to take only gold coin for the gold bonds which the government was to give Spreckels as payment for his silver. If successful this move would effectively kill the introduction of the silver coin. The writ was granted on December 18, but on appeal the government secured a reversal on the ground that

mandamus was not the proper remedy.¹¹ An injunction was then sought, but on January 7, 1884, was refused on the ground that the Minister of Finance had given public assurances that the gold bonds would be exchanged only for gold or its equivalent value in silver. Since no illegal act was about to be committed there could be no grounds for an injunction.¹² To put the stamp of legality upon the payment of Spreckels' silver for the bonds, the Privy Council had met on December 18 and had declared that the Hawaiian silver was of like fineness to United States silver and therefore legal tender at nominal value.¹³ After the court decision of January 7, there was no recourse for those who feared financial disaster, and over the next several weeks the available Kalakaua silver coin was put into circulation.

In spite of the fears of a large proportion of the business community, it was not necessarily true that the introduction of the Hawaiian silver would bring on a disaster. If the process would be simply one of substituting the Hawaiian coin for foreign and United States silver coin no serious dislocation would result. There would be some difficulty in trade with the United States, caused by the fact that American banks accepted at full face value only United States coin—foreign specie was discounted at various rates—and thus the cost of business with the mainland would be increased if the Hawaiian coin replaced U.S. in the islands. But this problem could probably be worked out by the businessmen themselves, as indeed it was to a large extent over the next few years.

The real difficulty with the Hawaiian specie lay in the fact that it was far more than was necessary to simply replace existing silver in circulation. If all of it was added to the money supply it would upset the gold-silver balance. Gold coin would thus be driven out of circulation, most of it ending up on the mainland through the debt paying process. There was also the real threat of severe local inflation caused by increasing the total money supply by a million dollars worth of new coin, for in spite of the intent of the currency legislation it was evident that the Kalakaua coinage would not go into circulation as replacement for other silver coin but rather would do so through the process of government payments for goods and services.¹⁴ The sad fact of the matter was that in the wake of the revelation of the deal with Spreckels, plus the increasing fears caused by the government's activities and intentions since Gibson became Premier, a large proportion of the business and professional people in the Kingdom had lost faith in the Hawaiian government. This, plus the understanding that the new money was not as valuable as its equivalent in gold coin, and finally the general anxiety brought on by the increasing grip of recession on the kingdom, all combined to produce a general distrust of what in principle should have

caused little trouble.¹⁵ All this could probably have been avoided if the Hawaiian government had contracted directly with the San Francisco mint and if the contract had included a proper proportion of gold coin as well as silver. But this was not done because Spreckels' desires were more important than the financial needs of the kingdom.

With the failure of the anti-Gibson businessmen to stop the introduction of the coinage, the financial situation quickly became the most discussed topic in Honolulu, and the more it was discussed the more unsettled the community became. Many people were simply refusing to take the Hawaiian silver in payment of debts, while United States coins were disappearing from circulation.¹⁶ The pressing financial difficulty seems to have been the biggest factor which gave strength to the new political party which had been organized to oppose Gibson in the legislature.¹⁷ The election campaign reached its peak in late January and early February, 1884, with the election itself being held on February 6. This coincides with the period when agitation over the financial situation was becoming noticeable. It should be noted that the outcome of the election was being anxiously awaited not only in Hawaii but also in the United States and elsewhere. Businessmen in these areas also were clearly distrustful of Gibson and his policies, as was shown by the difficulty the Hawaiian government experienced in selling the bonds of its two million dollar loan program passed in 1882. As of mid-1883 none of its bonds had yet been sold,¹⁸ and its failure to secure enough operating funds to meet the large budget passed in 1882 was largely responsible for Gibson's willingness to make the coinage deal with Spreckels. As late as July 1885 the Hawaiian government was still advertising for tenders on part of the 1882 loan.¹⁹

The Election of 1884 seemed to indicate a solution to the financial crisis in the near future which would be acceptable to the Hawaiian businessmen. Although they did not win outright, the opposition Independent Party gained thirteen seats out of twenty-eight in the House of Representatives, the elective body in the Legislative Assembly. With such strength and with a working alliance with a number of members of the House of Nobles, the other body in the Assembly, the Independents were able to defeat a number of Administration bills and pass some which they favored. Among the latter was a new Currency Act.

The Honolulu Chamber of Commerce, the chief organization of the local businessmen, had naturally become intimately involved in the expressions of concern of the business community. In the period after November 1883, and continuing until the spring of 1885, the monetary question was the subject of more meetings of the Chamber than any other, and at these meetings all kinds of moves to meet the growing

currency crisis were discussed. The ultimate consensus was that little could be done within the existing legal framework, and a solution to the financial difficulties besetting the community could only come after a new currency law was adopted.²⁰ To this end the Chamber devoted considerable effort to securing the passage of such a bill in the 1884 legislative session.

As introduced in the legislative session on May 22 by Sanford Dole, the proposed bill would require United States gold coins or gold certificates to be legal tender for debts above five dollars, while United States and Hawaiian silver were authorized as legal tender for debts up to five dollars. All other silver was to be redeemed at face value by the Treasury, which would pay out gold in exchange. In order to get this gold the Treasury would have to buy it in San Francisco, and the consequent loss caused by paying out gold in exchange for silver would be borne by the government and would be provided for in the 1884 appropriation bill.²¹ The intent of the bill was clearly to favor gold over silver and to minimize the adverse effects of the Hawaiian silver. It involved some financial loss to the government, but the bill's supporters believed that was better than allowing the financial dislocation to continue and probably worsen. It should also be noted that while the bill would supercede the Currency Act of 1880 it would also carry through the intent of several major features of that law, particularly the elimination of the various kinds of foreign silver other than United States then in circulation. The new bill, however, was viewed as an improvement since it would replace that silver with gold.

As finally passed on June 9, the Currency Act of 1884 differed from Dole's original bill mainly in allowing silver to be used as legal tender for debts up to ten dollars instead of five, and in the addition of a provision limiting the exchange of foreign silver for gold at the Treasury to no more than \$150,000 in any one month.²² Even though slightly modified, the new currency law was hailed as a major victory by the Independents.²³ Now, they proclaimed, the financial situation would improve. As gold returned into circulation it would stabilize prices, while the confidence of the people of the kingdom in both the Kalakaua and other silver would grow. Finally the monetary system would become stabilized and systematized, and the Hawaiian silver would find its place within it. In the long run both the nation and the government would gain.

So the comments went. However, it soon became evident that these prophecies would not be borne out by future events, mainly because the government made no serious efforts to carry out the provisions of the new law. It is difficult to understand why the businessmen assumed it

would do so, for Gibson had already shown he was not to be trusted. The government had allowed Spreckels to get his gold bonds, in spite of the ruling of the Supreme Court in January. Furthermore the financial position of the government had weakened considerably since 1882, making it more difficult for it to find funds with which to redeem foreign silver coin for gold. Even with the Independents acting as watchdogs, the 1884 Legislative Assembly had voted a budget of \$3,856,755.50, an amount nearly one and a half million dollars higher than the estimated revenue.²⁴ This meant more future debt rather than less. By the end of 1884 the public debt was approximately \$900,000, and by November 1885 it had climbed to \$1,079,000, an enormous sum for such a small country.²⁵ This was bad enough, but in addition there was the specter of Spreckels, who by virtue of his bank in Honolulu and his position as creditor to Gibson and Kalakaua could keep Hawaiian financial affairs in constant turmoil.

Trouble was not long in coming. Shortly after the Currency Act of 1884 went into effect the Minister of Finance was supposed to make arrangements to buy gold from abroad in order to build up a stock to redeem the foreign silver which would come into the Treasury beginning on December 1. This was not done to any significant degree, however, in spite of the offer of a San Francisco firm, Grinbaum and Company, to provide \$50,000 worth of United States gold coins in exchange for an equivalent value in silver coin.²⁶ The Hawaiian government had already shown its helplessness in September, when it defaulted on the payment of bonds due on that date and stated it would pay six months later.²⁷ Thus by November it was clear to the businessmen that the Treasury would probably not redeem silver coin after December 1, and in order to prevent a financial panic a group of representatives from the Bishop Bank, Theo. H. Davies and Co., and W. G. Irwin and Co., the three leading banks, met and agreed that those banks would continue for the time being to honor Treasury silver certificates and foreign silver coin at par value.²⁸ This move stabilized the situation temporarily, but even so many people refused to accept silver or silver certificates for debts above the legal limit after December 1,²⁹ which caused a suddenly increased demand for gold. Fearing that people would rush to the Treasury to redeem their Kalakaua coins for gold, Gibson had his Attorney General, Paul Neumann, ask the Supreme Court for an opinion on the meaning of certain provisions of the Currency Act. Neumann argued that these provisions exempted the Hawaiian silver from conversion, but the Court disagreed. In an opinion handed down on December 10 it said the intent of the law was to replace silver with gold for all but the smallest coin denominations, but this could not be

done if Hawaiian silver were required to remain in circulation.³⁰ Thus blocked, the government had no choice but to comply with the law for the time being. It began paying out what little gold was in the Treasury in exchange for silver, but the gold soon ran out. The banks' agreement to accept silver prevented a disaster, but people began to hoard gold. Confidence in the government and in the Kalakaua silver was now almost completely gone. Gibson accused the banks of conspiring to bring down his government by deliberately aggravating the financial situation,³¹ but the charge could not be substantiated. In any event he did not admit the degree to which the government's actions up to the end of 1884 had contributed to the financial crisis in which the kingdom now found itself.

As far as the businessmen were concerned, the root of the problem continued to be the excessive amount of silver in circulation. Nearly everyone seemed to have something to say on the subject. In discussing the money bill before the 1884 Legislature, the *Daily Bulletin* had struck the theme when it said that even if the bill passed there would still be too much silver in circulation—according to the *Bulletin* about \$1,200,000 worth, or more than twice as much as necessary.³² The Chamber of Commerce much more conservatively estimated the right amount of silver to be about \$350,000, in view of declining price levels.³³ P. C. Jones, a respected businessman, thought \$400,000 was about right.³⁴ So it went, and distrust bred distrust, further adding to the financial woes. Businessmen's lack of faith in silver caused them to keep gold in San Francisco in order to meet their debts without having to pay the 7 to 8 per cent premium charged against silver. This further reduced the gold supply in Hawaii.³⁵ Several people, including U.S. Minister Daggett, earlier had urged that the Hawaiian government should require the payment of customs duties in gold as provided in the law, and this was done for five months in 1884. But by 1885 Daggett at least voiced no protest when the government decided to continue to accept silver in payment for customs duties and to endeavor to hold the money thus collected out of circulation.³⁶ This did no good, for the government was forced to pay out the silver to meet obligations about as fast as it was collected, and after only a short time it went back to accepting only gold for duty payments.³⁷

By mid-February of 1885 business confidence in the government had reached nearly the vanishing point. The more exasperated business leaders were now saying that businessmen should have no further dealings with the government on the financial question. Instead they should turn in all their silver certificates for coin, thus drawing silver entirely out of the Treasury, and afterwards should work out among

themselves some solution which would adjust the amount of silver in circulation to conform with the law.³⁸ The more conservative businessmen did not favor such a drastic step, and favored instead continued negotiations with the government; drastic action, they felt, would bring about a complete financial collapse.

By this time trust in the government had fallen another notch as a result of the Treasury's decision to suspend payment of gold coin in exchange for gold certificates. This was a major blow, for gold certificates were the most important part of the money supply which still commanded confidence. But the Treasury's action was made necessary by the low state of its gold stock, which in turn was mainly caused by its accepting silver instead of gold in payment of customs duties.³⁹ A gold crisis had now been reached. On February 13, the day after the Treasury announcement, the Chamber of Commerce met and announced that it was rescinding its previous agreement to accept Treasury certificates as gold. In view of the Treasury's action, most businessmen felt the Chamber's announcement was necessary. The businessmen now turned to silver, of which the kingdom had a plentiful supply, to solve the problem of the gold shortage. The main necessity was to keep up the confidence in gold certificates, and the Bishop Bank offered to issue gold certificates in exchange for silver coin if the Treasury would agree to maintain a stock of silver equal to 25 per cent of the value of the gold certificates.⁴⁰ In a further development of this idea, the Chamber of Commerce met with the Minister of Finance on February 25 and offered to continue to accept silver certificates in payment for debts above the legal limit if the Treasury would agree to keep in a special account a silver margin of 16 per cent to make up for the difference in exchange value of the two metals.⁴¹ The adoption of these proposals would accomplish essentially what the 1884 Currency Act required—provision of a silver margin in the Treasury to guarantee in terms of gold all the silver coin in circulation. The government reluctantly agreed to take this step, and on February 27 the Treasury announced it would hold about \$550,000 in Hawaiian silver coin, plus an additional margin of 16 per cent, in order to secure the approximately \$550,000 in gold certificates then in circulation. It was generally believed this step would do much to restore confidence in the Hawaiian government.⁴²

Confidence may indeed have been restored for the time being, but the government was not helped much by the agreement. The implementation of it pulled out of circulation about half the silver coin then outstanding. This seems to have curbed inflation but left the Treasury with little money to pay government bills. Luckily the renewed confidence in the government allowed it to begin borrowing on short-term

notes, but even so it often had difficulty in meeting its bills.⁴³ The public debt, already high, continued to climb though not at anywhere near the fantastic rate of 1882-1884, when it jumped from \$299,200 to about \$900,000.⁴⁴ By demonstrating a degree of good faith for the first time in the monetary crisis the Gibson government laid the foundation for solving it, for regardless of the reasons for the crisis, it was clear that it could be overcome only with the restoration of confidence in the government.

As it turned out the crisis was practically at an end. By the spring of 1885 sugar prices began to rise, so within a short time the local recession was reversed and prosperity returned to the plantation economy. This development, together with the easing of the monetary crisis by the February 25 Agreement, quickly brought stability and gave time to develop a full implementation of the 1884 Currency Act. As customs receipts and other government revenue began to increase it was possible to meet expenses with less recourse to borrowing, and also to begin gradually to build up a gold stock once again. By March 1886 the amount of gold or gold certificates in circulation was about \$1,000,000, just about balancing the amount of silver.⁴⁵ The gold had come partly from increased receipts from customs duties and partly from the sale of silver held by the Treasury.

With the stabilizing of the monetary situation local confidence in silver increased. Over the next year or two the foreign silver was gradually withdrawn from circulation and replaced with Kalakaua silver coins which no longer by their mere sight produced fits of rage among the local businessmen. After the fall of the Gibson government on June 30, 1887, the last man who was felt to be an evil influence upon the king and a detriment to the government was eliminated, with consequent further expressions of joy from the businessmen.⁴⁶ The Hawaiian silver continued in circulation during the remaining years of the kingdom. Even after the overthrow of the monarchy in 1893 and annexation by the United States in 1898, the coins continued to circulate, though after annexation they could not be used in payment of United States duties or taxes. Finally, in 1902 the Chamber of Commerce recommended that they be redeemed by United States silver, and the following year Congress passed a law providing for such redemption.⁴⁷ Thereafter the coins with the benign countenance of Kalakaua, which had caused such controversy, passed from the stage of history and into the furnaces of the San Francisco Mint, except for those which remained in numismatic collections throughout the world.

REFERENCES

- ¹ Probably the best general account of the period leading up to the 1887 revolt is Ralph S. Kuykendall, *The Hawaiian Kingdom*, Vol. III, 1874-1893: *The Kalakaua Dynasty* (Honolulu, 1967) Chaps. 8-14. For a more detailed account see Ernest Andrade, Jr. "The Hawaiian Revolution of 1887" (Master's Thesis, University of Hawaii, 1954).
- ² The most comprehensive law was that of 1876. *Laws of His Majesty Kalakaua I, King of the Hawaiian Islands, Passed by the Legislative Assembly at its Session, 1876* (Honolulu, 1876), pp. 114-116. Hereafter cited as *Session Laws*, with date. All public documents cited in this article are in the Hawaii State Archives, unless otherwise stated.
- ³ *General Report of the Committee on Finance, Session of 1880*, p. 16.
- ⁴ Kuykendall, *Hawaiian Kingdom*, III, 88; *Session Laws, 1880*, p. 15.
- ⁵ Other projects included a grand Coronation ceremony for the king, expansion of the Royal Household Guard, the sending of a diplomatic mission to Samoa to construct a Polynesian federation, and a two million dollar loan to help finance these and other projects. For details see Kuykendall, *Hawaiian Kingdom*, III, 258-59; Andrade, "Hawaiian Revolution of 1887," pp. 21-28.
- ⁶ The most comprehensive study of the Hawaiian career of Spreckels is Jacob Adler, *Claus Spreckels: The Sugar King in Hawaii* (Honolulu, 1966).
- ⁷ Both John Mott Smith and Henry A. P. Carter, the Hawaiian ministers in Washington, urged the government to negotiate directly with the mint. Carter told John M. Kapena, the Hawaiian Minister of Finance, that the Washington Treasury officials "regard the whole arrangement as very queer." Carter to Kapena, June 7, 1883, as quoted in Kuykendall, p. 89.
- ⁸ Clarence L. Hodge and Peggy Ferris, *Building Honolulu: A Century of Community Service* (Honolulu, 1950), p. 10. This is an interesting history of the Honolulu Chamber of Commerce.
- ⁹ Adler, p. 132.
- ¹⁰ PCA, December 19, 1883. This newspaper was owned by Gibson and was recognized as the official mouthpiece of the government, in fact if not in name. The first shipment amounted to \$130,000 in silver coin.
- ¹¹ HG, December 19, 1883; January 2, 1884. This weekly newspaper was the most prominent spokesman of the opposition to the Gibson-Kalakaua regime.
- ¹² HG, January 9, 1884; *Gazette Supplement*, January 9, 1884; *Reports of Decisions Rendered by the Supreme Court of the Hawaiian Islands: Admiralty Criminal, Divorce, Equity, Law and Probate. July Term 1883 to October Term 1886 Inclusive* (Honolulu, 1887), pp. 27-28.
- ¹³ PCR, XIV (December 1883).
- ¹⁴ Adler, p. 148. Spreckels also aided the process of putting the Kalakaua silver into circulation by founding his own bank in Honolulu early in 1884.
- ¹⁵ Adler, pp. 135-137, 155, 307n. Adler believed the constant drumfire of criticism of the Gibson regime was probably the most significant cause of the lack of confidence in Hawaiian finances. He confuses cause with effect, for he failed to note the basis of the criticism.
- ¹⁶ HG, January 30, 1884; PCA, May 27, 1884.
- ¹⁷ Andrade, pp. 41-43; Kuykendall, 269-272.
- ¹⁸ Rollin M. Daggett (U.S. Minister to Hawaii) to F. T. Frelinghuysen (U.S. Secretary of State), May 7, 1883. Dispatches 566/T21 (microfilm, University of Hawaii Library).
- ¹⁹ HG, July 8, 1885.

- ²⁰ Hodge and Ferris, pp. 9-11.
- ²¹ The text of Dole's bill is in HG, May 28, 1884.
- ²² *Session Laws, 1884*, pp. 20-23. See also Adler, pp. 148-153.
- ²³ See comments, HG, June 11, 1884.
- ²⁴ *Session Laws, 1884*, pp. 105-121: *Report of the Minister of Finance, 1884* (Honolulu, 1885), p. 4.
- ²⁵ HG, October 20, 1885, quoting figures in various Finance Department biennial reports. Also, PCA, November 7, 1885.
- ²⁶ Grinbaum and Co. to Minister of Finance, October 9, 1884, as published, HG, February 25, 1885.
- ²⁷ Government statement as published, HG, September 24, 1884.
- ²⁸ PCA, December 1, 1884. W. G. Irwin and Co. was Spreckels' bank established early in 1884.
- ²⁹ PCA, December 2, 1884.
- ³⁰ "Opinion of the Justices of the Supreme Court on the 'Act to Regulate the Currency'", HG, December 24, 1884.
- ³¹ PCA, February 14, February 15, 1885.
- ³² PCA, June 13, 1884.
- ³³ DB, December 4, 1884.
- ³⁴ DB, December 6, 1884.
- ³⁵ Daggett to Frelinghuysen, May 31, 1884. Dispatches 566/T21.
- ³⁶ *Ibid.*; Daggett to Frelinghuysen, January 14, 1885. Dispatches 566/T22. The *Gazette* denounced the decision to continue accepting silver for duty payments. It noted that Wells, Fargo & Company had just shipped \$17,000 worth of gold coin to San Francisco, and said that soon hardly any gold would be left in the kingdom. Issue of January 21, 1885.
- ³⁷ Daggett to Frelinghuysen, February 25, 1885. Dispatches 566/T22.
- ³⁸ HG, February 18, 1885.
- ³⁹ Daggett to Frelinghuysen, February 14, 1885. Dispatches 566/T22.
- ⁴⁰ PCA, February 14, 1885.
- ⁴¹ HG, March 4, 1885; Hodge and Ferris, p. 13.
- ⁴² Daggett to Frelinghuysen, February 28, 1885; Dispatches 566/T22.
- ⁴³ Andrade, p. 68n.
- ⁴⁴ Figures in the biennial reports of the Finance Department for 1882 and 1884.
- ⁴⁵ G. W. Merrill (U.S. Minister) to Thomas F. Bayard (Secretary of State) March 30, 1885. Dispatches 566/T22.
- ⁴⁶ Spreckels had already been eliminated by the end of 1886. A loan act was passed by the Legislative Assembly of 1886 authorizing the borrowing of \$2,000,000. The money, borrowed mainly in London, was used to pay off Spreckels.
- ⁴⁷ Hodge and Ferris, p. 14; *United States Statutes at Large, 1903*, pp. 770-771.