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# HAWAIIAN HISTORICAL SOCIETY



## SIXTY-SEVENTH ANNUAL REPORT

FOR THE YEAR  
1958

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ANNUAL REPORT  
OF THE  
HAWAIIAN  
HISTORICAL SOCIETY  
FOR THE YEAR  
1958

HONOLULU, HAWAII  
PUBLISHED, 1959

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# CLAUS SPRECKELS' RISE AND FALL IN HAWAII WITH EMPHASIS ON LONDON LOAN OF 1886\*

By JACOB ADLER†

NOTE. *This paper is adapted from a larger unpublished study of Claus Spreckels' Hawaiian career. The author is indebted to many persons for help, including the following members of the Hawaiian Historical Society: Dr. Ralph S. Kuykendall, Dr. Charles H. Hunter, and Mr. Meiric K. Dutton, for criticism of all or parts of the work; Miss Agnes Conrad, head of the Public Archives of Hawaii, Miss Janet E. Bell, head of the Hawaiian section, Gregg M. Sinclair Library of the University of Hawaii, Mrs. Willowdean C. Handy, librarian of the Hawaiian Historical Society, and Miss Bernice Judd, librarian of Hawaii Mission Children's Society, for help in gathering material.*

*"And whosoever shall not receive you, nor hear your words, when ye depart out of that house or city, shake off the dust of your feet." MATTHEW 10:14.*

CLAUS SPRECKELS, the future "sugar king" of California and Hawaii, was born on July 9, 1828, in the village of Lamstedt, Germany. He was the eldest son of Diedrich and Gesche Baack Spreckels. Father Diedrich was a *Köthner*, a person who supplemented his livelihood as a villager by farming a small plot of ground. After meager education, young Claus went to work for neighboring farmers, receiving bed and board and little more. In the poverty of his youth one might find the motivation for his later drive to wealth and power.

In the revolutionary ferment of the 1840's Claus Spreckels decided to emigrate. He became a part of that process by which some of the most energetic and resourceful persons in Europe reached America. Borrowing steerage-passage money from a friend, he sailed for Charleston, South Carolina.

He went to work in a grocery store, and, though he had arrived with only two or three dollars in his pocket, in a few years he was able to buy the store from his employer. In 1855 he moved to New York, where he was also in the grocery business. Then his brother Peter, who owned a grocery store in San Francisco, gave him a firsthand account of the opportunities in California, still seething with the gold-rush fever. Claus Spreckels bought his brother's store in 1856, and also started a brewery in San Francisco. Soon he sold both the store and the brewery for over \$100,000.

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\* A Paper Given before the Hawaiian Historical Society, December 4, 1958.

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He next turned to a field in which he was to reach his greatest fame—sugar refining. Together with his brother Peter and his brother-in-law Claus Mangels, he started the Bay Sugar Refinery in 1863. The firm was successful from the start, but when the directors demurred at expanding Spreckels sold out his interest. From this time on he seldom got involved in any business that he could not control. Essentially, he was a lone operator who prized his independence of action.

In 1865 he went back to Germany to advance his knowledge of sugar refining. Already a rich man, he nevertheless worked for several months as a common laborer in a Magdeburg beet refinery. After his return to San Francisco he founded the California Sugar Refinery, and soon became the leading refiner of the West Coast. For raw material he relied mainly on Hawaiian cane sugar.

Spreckels came to Hawaii in 1876 on the same ship that brought news of the Reciprocity Treaty with the United States. By admitting Hawaiian sugar duty-free—and in effect giving the island planters a price increase of two cents a pound—the treaty set off an economic boom. Spreckels had originally opposed reciprocity because he feared the competition of high-grade Hawaiian-milled sugars with the second-grade refined sugars of his California refinery. He moved quickly, however, to take advantage of the treaty when it passed. He would adapt himself to what he could not change.

In a three-week stay in the islands Spreckels bought up over half the estimated 14,000-ton crop for 1877, before the full price rise caused by the treaty could take effect. He also explored the barren central plains of Maui and decided they would be suitable for a sugar plantation if he could get water.<sup>1</sup>

Two years later, in 1878, he returned with an able California irrigation engineer, Hermann Schussler. The engineer made a survey for a ditch on Maui. Spreckels bought a half interest in 16,000 acres of the Waikapu Commons, and also leased 24,000 acres of crown lands on the adjoining Wailuku Commons. By a loan of \$40,000 and a "gift" of \$10,000 to King Kalakaua, Spreckels brought about the downfall of the Mott-Smith ministry. A new cabinet granted him, at \$500 a year, certain water rights necessary to build the ditch on Maui.<sup>2</sup> This incident marks the beginning of Spreckels' interference in Hawaiian political affairs for the purpose of gaining economic ends.

At a cost of about \$500,000 Spreckels built the largest irrigation project that had ever been undertaken in the Hawaiian Islands. The ditch made possible the Spreckelsville plantation, which soon became the largest and most productive in the world. The plantation, controlled by Hawaiian Commercial and Sugar Company of California, was the first link in Spreckels' eventual almost complete monopoly of Hawaiian sugar from growing to marketing. Spreckelsville also furnished the best example at the time of the advantages

of large-scale sugar production with complete integration of mill and field practices.

In 1882 Spreckels bought, for \$10,000, the doubtful claim of Princess Ruth Keelikolani to a half interest in all the crown lands of the kingdom. By threatening a lawsuit, and by exerting undue influence over the first Gibson cabinet (Walter Murray Gibson became premier in May 1882), Spreckels got the legislature to "compromise" his claim. The compromise consisted in giving him outright title to the crown lands he had leased on Maui in return for a quitclaim to his "interest" in the remaining crown lands.<sup>3</sup>

In 1880 Spreckels became sole partner of William G. Irwin in Irwin and Company, a sugar agency which had been founded in 1874. Aided by Spreckels' wealth and influence, this firm soon became one of the leading sugar agencies in the kingdom, and thus formed the second link in the sugar king's chain of control. In the 1880's and 1890's Irwin and Company marketed one-third to one-half of the entire crop.<sup>4</sup>

Irwin and Company was also Honolulu agent for the Oceanic Steamship Company, the third link in the chain. Spreckels and his associates founded Oceanic in 1881, and in 1883 the line started a semimonthly steamer service between San Francisco and Honolulu. A few years later the service was extended to Australia. Oceanic dominated the transport of Hawaiian sugar until the early years of the twentieth century. Then William Matson's company, whose first ship Spreckels had helped to finance, became the leading carrier in the California-Hawaii trade.<sup>5</sup>

The fourth link in Spreckels' control was his California Sugar Refinery. Despite abortive attempts by Hawaiian planters to break this important final link, Spreckels dominated the refining of Hawaiian sugar until 1905. In that year the Hawaiian planters finally established their own cooperatively owned refinery at Crockett—the California and Hawaiian Sugar Refinery.

Through the Spreckelsville plantation, Irwin and Company, Oceanic Steamship Company, and the California Sugar Refinery, Spreckels dominated the Island sugar industry more completely than any man before or since his time. He might well be designated as the "Big One" of Hawaiian sugar in the late nineteenth century.

Besides sugar, Spreckels concerned himself with Hawaiian finance and banking. In 1883 he became agent of the kingdom to mint \$1,000,000 of silver coins in the United States. The transaction was in effect a loan by Spreckels to the Hawaiian government at a huge discount, and he is said to have made a profit of about \$100,000. There were loud outcries from the Honolulu business community against flooding the country with silver, and against Spreckels' influence in government. In the argument over the coinage one can see the beginnings of a strong reaction against Spreckels' hold on the kingdom.

This reaction was intensified by the sugar king's attempt, in 1884, to push a national bank bill through the legislature. The bill was really one for a private central bank to be controlled by Spreckels and his associates. After vigorous protests, the bill failed. This was the first major setback for Spreckels in his rise to power in Hawaii, and was a precursor of his downfall over the London loan in 1886.

In spite of his failure with the national-bank scheme, Spreckels established a commercial and savings bank, Claus Spreckels and Company. This firm furnished competition for the bank of Bishop and Company, which had been alone in the field since 1858. The competition of the two banks helped to create a banking atmosphere suitable to the expanding economy of Hawaii in the post-reciprocity boom.

At the beginning of 1886, Spreckels' influence in the Hawaiian government was considerable and notorious. This influence resulted from loans to the kingdom which Spreckels used as a basis for political manipulation to further his own enterprises. Of the public debt of \$1,300,000, he held \$700,000. In the election campaign and in the legislative session of 1886, the Independents (opposition) attacked Spreckels as the power behind the throne. King Kalakaua, weary of his dictation and disturbed by references to him as the second king, looked for a loan in London to pay him off.

At the opening of the legislative session Kalakaua mentioned the need for a government loan, with no reference to possible source. A \$2,000,000 loan bill was later introduced by the chief minister, Walter Murray Gibson. Under pressure from Spreckels, Kalakaua reversed himself by sending an economy message to the legislature. Talk of loans died down for a while. Spreckels tightened his hold on the government by maneuvering two of his recently arrived California friends, R. J. Creighton and J. T. Dare, into the cabinet. With assurance from Premier Gibson that no loan bill would be passed, Spreckels then departed for San Francisco. King Kalakaua was at the wharf to see him off, and the Royal Hawaiian band played.

After Spreckels' departure, the loan bill was revived through the efforts of H. R. Armstrong, a representative of a London syndicate, who got the ear of King Kalakaua. Armstrong joined forces with George Macfarlane, an Englishman, a member of the Hawaiian House of Nobles, and a close friend and adviser of Kalakaua. Despite assurances given to Spreckels, Gibson dared not openly oppose a London loan because he feared the king's displeasure and the loss of his position.

A special committee on the loan bill, with Lorin A. Thurston as chairman, returned it on August 26, 1886, without recommendation because "the introducer of said bill [Gibson] has, on behalf of the Government . . . stated to the Assembly that the Government no longer considered a loan necessary and . . . no change of such policy has since been announced by the Government."<sup>6</sup>

The next day Thurston said it was a waste of time to consider a loan bill until Gibson made clear the policy of the government. At first there had been a lot of talk about loans, then it had died down. The reason for this, said Thurston, was "that Mr. Spreckels had declared . . . a loan was unnecessary."<sup>7</sup>

Gibson replied that this was just "street talk." To be sure, after the king's economy message the legislature had been for a time in the mood for retrenchment. Now the mood had changed. Gibson denied that the government's course was being dictated by the gentleman from San Francisco. "Mr. Spreckels had told him, about the time he introduced this bill, that he thought it advisable for the Government to borrow money, and he [Gibson] believed the whole amount could be obtained in San Francisco."<sup>8</sup>

In an attempt to get a statement of government policy, Sanford B. Dole asked Gibson if he now favored the loan bill. Gibson answered that he did, with some amendments, and he favored it more now than he had two months before. He also said that \$1,000,000 of the loan would be to pay debts, and the government might not want to borrow more than \$750,000. Presumably this was a net figure, Gibson having in mind a loan of \$1,750,000. Thurston said: "They could depend on it that this Government would borrow every dollar it could get anybody to lend it." He believed what Gibson had said several days before—that no loan was needed.<sup>9</sup> Despite opposition of the Independents, led by Thurston and Dole, the Gibson ministry, with a majority in the legislature, was able to keep the loan bill alive.

In the final debate on the original loan bill, August 31, it became clear that the government intended to float at least part of the amount in London. There was much argument over provision for a 5 per cent commission, or \$100,000 on the \$2,000,000 to be borrowed. Both Thurston and A. S. Cleghorn argued against this provision, and Cleghorn moved it be stricken. Macfarlane said a loan could not be floated in London except through a syndicate, and a 5 per cent commission would be needed. Cleghorn said that if the commission were left in the bill "some one would get it." There was no need to go abroad. The loan could be raised locally. Honolulu had two banks whose credit was good. It looked as if Macfarlane had some connection with the gentlemen who were interested in this bill.<sup>10</sup>

Macfarlane denied that he had any personal interest in the loan or that any money had been promised to him. If the loan could be floated locally he had no objection, but he "understood it was the intention of the Government to place a portion . . . on the London market." That could not be done without the commission. Thurston moved the commission be allowed only on portions of the loan placed abroad, and not on bonds sold within the Hawaiian kingdom or to its residents. This provision passed.<sup>11</sup>

Gibson moved that section 4 of the act be amended by substituting a new schedule of twelve items for which the \$2,000,000 was to be used.<sup>12</sup> Both

Thurston and Dole objected to hurried consideration of the uses of the loan, but the bill was passed on second reading and placed on the calendar for third reading the next day, September 1.<sup>13</sup> On that morning the measure passed by a vote of 30 to 7. By two o'clock in the afternoon the act had been approved and signed by the king.<sup>14</sup>

There were good reasons for haste in approval of the loan act. The steamer *Australia* was clearing for San Francisco on the afternoon of September 1. Macfarlane wanted to be on that ship with a copy of the act in his pocket, so he could reach Armstrong who was waiting in San Francisco for news of the loan before he returned to London. Macfarlane also wanted to get to Spreckels and "explain" to him what had happened, before that short-tempered gentleman got the news from other sources. The steamer was held up for half an hour to permit Macfarlane to hurry aboard.<sup>15</sup> King Kalakaua came down to see the ship off, and was closeted with Macfarlane for a while on board, presumably for the purpose of giving him last-minute instructions.<sup>16</sup>

Clearly, there was considerable dissension within the government about the desirability of a loan in London. Just a few days after Macfarlane left for San Francisco, a columnist of the *Gazette* who signed himself "Zip" wrote: "'Times are out of joint,' and if you don't hear of a political earthquake before this day month, then I can't tell when payday comes."<sup>17</sup> The earthquake came to pass—and the author missed the date only by a week.

On the surface, nevertheless, Macfarlane's mission to the coast was successful. He conferred with Armstrong and also with Spreckels. Spreckels was to put in with the London syndicate and take part of the loan. He was evidently friendly but wanted some amendments to the act, particularly with respect to uses to which the funds were to be put.<sup>18</sup> The original act provided \$300,000 for redemption of 7 and 9 per cent bonds, and \$1,700,000 for public improvements. Spreckels wanted an amended act to provide \$1,235,000 for redemption of all outstanding bonds, and only \$765,000 for public improvements.<sup>19</sup>

From Spreckels' viewpoint the amendment had potential advantages both financially and politically. Financially, he would get his \$500,000 worth of outstanding 6 per cent bonds paid off at par. Then, putting in with the London syndicate, he could subscribe for \$500,000 worth of new 6 per cent bonds. These would cost only \$475,000 under the proposed arrangement that bonds would be issued at a commission of 5 per cent—a neat, quick profit of \$25,000 for Spreckels. He would also share in any other syndicate profits. Politically, the reduction in amount for public improvements from \$1,700,000 to \$765,000 would mean less "pork barreling" and would force the government to economize, as Spreckels wanted.

The amended bill was drawn up in San Francisco to the apparent satisfaction of Spreckels, Macfarlane, and Armstrong<sup>20</sup> and was sent to Honolulu



some time after the middle of September. According to Gibson, Spreckels wrote that he had agreed to share the loan with the London syndicate. He had no objection to plans for borrowing part of the money in England.<sup>21</sup>

Before long Spreckels had some misgivings about the loan act, even with the contemplated amendment. No doubt he began to feel that the London loan was a move by King Kalakaua to rid the kingdom of the Spreckels influence. As will be seen later, he was also worried that the loan would have priority over existing debts to him if the government should fail to pay these off immediately from the proceeds of the new loan. In the last week of September Spreckels sailed for Honolulu, intent on freezing out the syndicate and taking the whole loan for himself.<sup>22</sup> He arrived on October 2 with the aim of improving his position and stopping the loan in England. The *Gazette* columnist "Zip" reported: "He had blood in his eye. I am told that he spent two hours and a half in the palace Sunday [October 3]." <sup>23</sup> It may be inferred that Spreckels used every item of cajolery and every threat he could muster, in an attempt to dissuade the king from borrowing in London.

Spreckels' arrival in Honolulu was unexpected. Several days earlier, Gibson had received the letter containing the amended loan bill as drawn up on the coast. Harkening to the apparent wishes of Spreckels, Macfarlane, and Armstrong, Gibson gave notice to the legislature on September 29 that he would introduce the amendment.<sup>24</sup> He must have felt relieved that a compromise had been reached which would remove him from the cross fire between Kalakaua and Spreckels over the proposed loan.

Again, there was much evidence of haste. The bill was introduced the very next day, though it had been previously agreed that no new business would be introduced. Representative Kalua objected to introduction of the amendment only one month after passage of the original loan act without any reason being given. Gibson said the proposed amendment was more in line with the ability of the kingdom to pay. The borrowing would be solely on the good name of the country, without the need to offer security. Refunding of debt out of the proceeds of the new borrowing would now be larger, and the country would have but one creditor.<sup>25</sup>

Representative Dole quickly noted that there was little point in redeeming outstanding 6 per cent bonds from proceeds of the loan (in addition to 7 and 9 per cent bonds as provided in the original act) when the new bonds were also to be at 6 per cent. He said: "We are asked to pass the bill so that the capitalists can pocket 5 percent on \$2,000,000. . . . Our Government is controlled by an alien capitalist."<sup>26</sup> He thought that the "member for Molokai," Thurston, had been right when he asked the question about which king—Kalakaua or Spreckels.<sup>27</sup>

C. R. Bishop said that the loss in borrowing money to pay off debt which was not at all pressing would be \$50,000 or more. He also noted that the

original loan act had prevented payment of a 5 per cent commission on bonds issued within the Hawaiian kingdom or to its residents. In the amended act this restriction had been removed.<sup>28</sup> Bishop thought "His Excellency's remark about the advisability of the whole debt being held by one strong person [is] a new idea of public debt."<sup>29</sup>

Despite these objections the legislature swiftly passed the amended loan bill on second reading, ordered it to be engrossed, and to come up for third reading the next day, October 1. For lack of a quorum, the bill did not come up for third (and final) reading on that day. As already indicated, Spreckels arrived on October 2 and soon made it known that he wanted another amendment to the loan bill, in addition to the one pending on the floor of the legislature. Though under severe pressure from Spreckels, Kalakaua was still anxious for a loan in London. No doubt the king was disturbed by the tone of the debate in the legislature, particularly by the references to Spreckels as the second king and as the capitalist in control of the kingdom. Under pressure from both Kalakaua and Spreckels, Gibson now found himself once more in a quandary. He had made it all too clear in the debate on September 30 that he favored a loan from Spreckels.

Nothing more was heard of the loan bill in the legislature for several days. King Kalakaua tried to gain time pending the return of his adviser Macfarlane, who arrived in Honolulu on October 9. He had stayed on in San Francisco for a few days, probably to be in cable communication with potential members of the London syndicate. He was unaware until his return to Honolulu that Spreckels had become hostile and was trying to take the whole loan for himself.

There came a last day of ostensible good fellowship between King Kalakaua and Spreckels before the storm broke. On October 7 Kalakaua held a reception at the palace, and awarded several decorations. He made Spreckels a Grand Officer of the Royal Order of Kapiolani, and W. G. Irwin, his partner, a Knight Commander of the same order. Afterward there was lunch with the king. Several toasts were drunk. When a toast was offered to Spreckels he looked back over the fruitful years in the islands, and he looked to the future. He was full of plans:

There was ample room on these islands for one million of people, and he hoped to see more than a quarter of that number domiciled in the country in his own time. He was identified with the Hawaiian Kingdom and would always endeavor to promote its best interests. There were many new industries to be started and he hoped to be instrumental in making the wine industry as prosperous as that of sugar which now took the lead.<sup>30</sup>

When the amended loan bill came up for third reading on October 12, Spreckels overreached himself by supporting a further change in it. He sat watchfully in the visitors' gallery as Attorney General Dare moved the bill be



amended as follows: "Provided that hereafter no bonded debt shall be incurred nor any bonds issued prior to the maturity of the bonds issued hereafter, unless provision be first made for the payment of bonds issued under and in accordance with the provisions of this act."<sup>31</sup>

Representative Thurston remarked that what they did not know about this loan bill would fill a book. The ministers had not explained things. There were rumors that Spreckels was going to take the loan, and also that a London syndicate was going to take it. Were we a lot of sheep to be led around? What was the policy of the ministry? It seemed they had no policy at all.

Gibson answered that if they wanted to borrow there were two sources: first, the creditor they already had in San Francisco (Spreckels), which might be considered a domestic market; second, the syndicate in London, a foreign market. Spreckels was willing to lend without security; the London syndicate wanted a pledge of the "consolidated revenues" of the country.

They [the Hawaiian government] were in the position of an individual who had borrowed money on the strength of his good name, and then went somewhere else and borrowed on his property as security. That would certainly damage his first creditor and would not be fair. The first creditor would naturally say, give me an assurance that you will not borrow from someone else on the pledge of all your resources. As far as he could see there was only one source—that from which they had already borrowed [Spreckels]—from whence they could be sure of being able to borrow money.<sup>32</sup>

Upon a motion for postponing action on the Dare amendment, Gibson said he had no objection provided that nothing else was added to the bill. Spreckels should have assurance if he lent the money that nothing would be done to hurt his interest. Following an unsecured loan from him there should not be another loan elsewhere with a pledge of security. A motion to postpone consideration of the amendment to the following day was then carried.<sup>33</sup>

The official account of the legislative proceedings for the next day, October 13, contains only the following about the loan act:

"At 12 M., the House took a recess to 1:30 P.M.

"On reassembling, the Loan Bill was then taken up for consideration, amended and passed."<sup>34</sup>

These two sentences mark the virtual end of Spreckels' political influence in Hawaii. In them is recorded the downfall of a man who had been, for some eight years, a power behind the throne of the Hawaiian kingdom. Behind them lies the story of the immediate cause of that downfall. As finally passed, the amended loan act did *not* include the Dare amendment on which Spreckels had staked his political future.

When it came up for consideration, Representative Aholo said he could not support Dare's amendment, and he moved for a different one. The principal feature of Aholo's amendment was that interest on the bonds should be a

charge on the consolidated revenue of the kingdom.<sup>35</sup> This provision was intended to "secure" any lenders under the act. It was obnoxious to Spreckels because his bonds were unsecured. The "charge upon the consolidated revenue" later raised questions, also, in the United States about impairment of the sovereignty and independence of Hawaii.

In support of his measure, Representative Aholo attacked a statement by Gibson that the only security needed was the good name of the government. On the contrary, Aholo thought it better to give security, as implied in his amendment. This would force the government to economize. If Dare's measure passed they would not be able to borrow without first paying what they already owed. The hands of the government would be tied. Dare's amendment was solely in the interest of one man, though section 13 of the constitution prohibited any such action in the interest of an individual. Aholo said his amendment was not contrary to the constitution. His amendment was for the benefit of all; Dare's was for the benefit of Spreckels. Aholo mentioned rumors of a meeting the day before between Gibson and Spreckels. He was not accusing the ministry of dishonesty, but he himself was not under the influence of any one man. "Now is the day and this is the hour, let [us] all stand together and oppose the amendment of the Attorney General."<sup>36</sup>

Representative Kaulukou did not think it wise to follow Aholo's advice blindly, though he too deplored outside interference. Yes, it was bad to have talk of two kings. But he did not want any borrowing in England. Soon England would control Hawaii as she controlled Egypt. In event of default on a loan British officers would take over the customs house.

"Who was Mr. Armstrong?" asked Kaulukou. He did not know, nor did anyone else. All he knew was that he was a newcomer, a comparative stranger. On the other hand, who was this person Spreckels, supposed to be standing behind the ministry?

They all knew who he was. He was a man having a large interest in the island of Maui. He [Kaulukou] understood the Government owed Mr. Spreckels \$600,000 or \$700,000. He had lent them money in the past, and were they prepared to go and say to him we have found new friends in England—to give him a slap in the face? He did not see much wisdom in action of that kind. This amendment of the Attorney-General provides that if they want to borrow money they must pay Mr. Spreckels first. He considered it a good amendment; that is what they ought to do.<sup>37</sup>

Attorney General Dare denied his amendment was in the interest of one man. It was, rather, in the interest of the whole country. "A loan act had been passed without providing for repayment of loans already outstanding. Then an amended loan act had been brought in providing for such repayment. This injured no one, unless it be political adventurers"<sup>38</sup> (those supporting a loan in London). Now, his latest amendment merely provided that if they wanted

to borrow, they could not do so *in addition* to what was provided under the latest act without repaying what was owing.

Then Macfarlane remarked: "The amended schedule read by the Minister of the Interior [Gibson] when this bill was introduced was drawn up in San Francisco by Mr. Armstrong, Mr. Spreckels, and [myself]." If one were to select a turning point in the debate on the Dare amendment, this admission on the floor of the legislature might be a logical choice. What must have been the reaction of the assembly to this public confession of legislation by remote control?

Dare moved to smooth things over. He claimed his proposal originated with Gibson. He added:

What does the opposition to this amendment want—indiscriminate borrowing and still more indiscriminate squandering? Do they want the financial affairs of this Government administered with wisdom and integrity, or by political adventurers who had not money enough to pay for the whiskey with which they attempted to debauch those who backed them?<sup>39</sup>

Noble J. E. Bush wanted to know which political adventurers were meant—those recently arrived (the London Crowd), or those who had been here for some time (the Gibson-Spreckels crowd). Dare said heatedly he was not Mr. Spreckels' slave, and added that he thought "the House was being led astray. If they killed this amendment it would be like killing the goose with the golden egg." The debate was almost over. The points at issue were well summarized by Representative Kaunamano:

The great trouble seemed to be with Mr. Spreckels, who had lent money and, it was said, had gone back to San Francisco boasting that he held the government of this country in his fist. He [Kaunamano] understood that was what had given rise to a great deal of the opposition. If honorable members objected to Mr. Spreckels being in the position towards the Government in which he was they had better raise some money, pay him off, and let him go. The Government owes him a great deal of money and how were they going to pay him? They would be prevented by the amendment from borrowing money until they had made provision for what they already owe. If they wanted to keep their good name they must pay their debts—pay their first creditors first. A great many people complained about Mr. Spreckels having the Government in his power, but they put themselves in his power. They put the ring in the nose themselves, tied a cord to it, and gave him the end, and when he pulls they have to go. It was wrong to blame him for it.<sup>40</sup>

The assembly then defeated the Dare amendment by a vote of 23 to 14. In this vote the Independents formed a coalition with one wing of the Government party, the latter having been split into pro- and anti-Spreckels factions. Representative Baker said he had seen a great many newspaper references to "a certain gentleman as a second King." The Hawaiians did not want any foreigner to be called king. Therefore he had voted against the amendment.

Representative Aholo's amendment was then passed, together with another one by him providing that bonds could be issued at a discount of 2 per cent in addition to the commission of 5 per cent.<sup>41</sup>

After defeat of the Dare amendment, the cabinet fell—Gibson, Creighton, Dare, and Kanoa resigned that night. Never again was Spreckels, the cabinet maker, to pull the strings. Gibson is said to have gone on his knees to King Kalakaua and begged for reappointment.<sup>42</sup> Next day he was again premier, with three native Hawaiians as colleagues, but he no longer had his former influence. Perhaps the best first hand account of what happened to the amendment supported by Spreckels is that of Gibson in a letter to H. A. P. Carter, Hawaiian minister at Washington:

You will . . . have in mind that the Legislature passed a Loan Act, and subsequently an Amended Loan Act. The latter was actually framed by Mr. Spreckels and by parties representing London capitalists, and was sent here for the approval of His Majesty and the Ministry. Being accepted it was submitted to the Legislature and would undoubtedly have been passed in the form in which it was presented. It had been passed to engrossment when Mr. Spreckels unexpectedly arrived in Honolulu. He then brought forward an additional amendment in the shape of a restrictive clause [the Dare amendment]. . . . This new amendment was after deliberation accepted by the Ministry, yet with a reluctance which was fully shared by Mr. Spreckels' own particular friends in the Cabinet [Creighton and Dare]. His Majesty also fully concurred, and I have no doubt that this restrictive clause would have passed the Assembly. But Mr. Spreckels on one or two occasions, and especially at my residence on October 13th, ventured to express himself in such a dictatorial manner to His Majesty in the presence of several members of the Assembly—saying that his views must be carried out or he would "fight," and exclaiming that this meant a withholding of financial accommodation and an immediate demand for what was owing to him—that he aroused then and there a determination on the part of the native members present to resist the dictation of "ona miliona" [multi-millionaire] (Mr. Spreckels), and as they themselves avowed, to see whether their chief Kalakaua or Mr. Spreckels were king. This occurred during the noon recess of the Legislature and at 2 P.M. of the same day the opposition to the proposed amendment was open and manifest. This amendment devised and insisted upon by Mr. Spreckels was voted down by a large majority. It will be claimed there were other influences at work, especially that of parties representing London Capitalists. The influence existed and had been brought to bear to some extent on the Government, yet I can say positively that this influence had ceased to command attention, that His Majesty and His Ministers had distinctly decided to accept Mr. Spreckels' amended Loan Act as transmitted from San Francisco by him, and that they had agreed to permit the loan to be floated by his agency. . . . It was through Mr. Spreckels' offensive dictatorial manner arousing the sensitive native members to indignation, that these arrangements were thrown aside at the last moment.<sup>43</sup>

Spreckels' failure to put the Dare amendment through the legislature was, for him, a major political disaster. He prepared to turn his back on the wreck-

age. Going in person to the office of the king's chamberlain, he returned all his royal decorations and "declined, on persuasion, to retain them."<sup>44</sup> The *Gazette* commented: "It is reported that a few second-hand decorations may be had at a low figure by those who desire to decorate their persons with these gorgeous baubles."<sup>45</sup> There were also other indications of Spreckels' anger. He expressed his contempt for the future credit of the Hawaiian kingdom by hawking his outstanding bonds of \$500,000 at a discount of 10 per cent on the streets of Honolulu. He found no takers, either in the government or elsewhere. He was offered at 93 (100 less discount of 2 per cent and commission of 5 per cent) any part of the loan to be floated in London. He refused.<sup>46</sup> He filed a lawsuit against Macfarlane, on a business matter unrelated to the loan act, in a vain attempt to prevent him from leaving Honolulu as an agent of the kingdom for the London loan.<sup>47</sup>

On October 23 the sugar king sailed for San Francisco. Usually when he left Hawaii, King Kalakaua was at the wharf to bid him *aloha*, and almost always the Royal Hawaiian band played. This time Kalakaua was not there and the band did not play. The *Mariposa*, scheduled to sail at 5 p.m. was delayed for about a half hour. Then Mr. and Mrs. Spreckels hurried aboard.<sup>48</sup>

Under the loan act about \$700,000 was raised in Honolulu and \$1,000,000 in London. The latter amount was raised at a cost of over \$200,000, exclusive of interest. Debts of \$700,000 to Spreckels were paid, and his political power in the kingdom was now at an end.

A special committee of the 1887 legislature, investigating the cost of the London loan, reported that a Mr. Wildy, an English stockbroker visiting in Honolulu, had testified: "They don't do nothing for nothing in London!" The committee commented: "This seems to have been our experience. . . . We are buying our experience pretty dearly."<sup>49</sup>

There were also threats of international complications as a result of the London loan, which were, however, quickly resolved. The United States feared a resurgence of British influence in Hawaii. Some persons in both Hawaii and the United States thought the loan might endanger the reciprocity treaty between the two countries, which had given immense stimulus to the Hawaiian sugar industry. These fears proved groundless, and the treaty was renewed in 1887.

In 1893, following the overthrow of Queen Liliuokalani, Spreckels unsuccessfully attempted a political comeback. He called the island planters together, and urged them to oppose annexation to the United States, because he felt this would mean curtailment of Oriental immigration and the end of contract labor. The planters rebuffed him. After some differences with the Provisional Government, he suddenly called a \$95,000 loan which had been made to the monarchy by Spreckels and Company bank. The government

went out on the streets of Honolulu and quickly raised the money by appeals to businessmen.

Spreckels now became an out-and-out royalist. He favored restoration of Queen Liliuokalani, but this failed. An annexationist placed a sign on the gate of his Punahou home, inscribed: "Gold and Silver can not stop Lead." In fear of his life, Spreckels sought police protection. A few weeks later he left vowing that he would return to see grass growing in the streets of Honolulu.

Twelve years later, in 1905, he returned. This was not a business trip; he was only in search of health and relaxation, because a few years earlier he had suffered a stroke. Newspaper accounts of his visit were full of praise. The old animosity toward him had mellowed.

He opened up his Punahou home and brought his family down from San Francisco. There was some talk that he would spend the rest of his days in Honolulu. In a few months, though, he became restless to get back to California, back to work. He left Honolulu for the last time. Three years later, in 1908, he died, leaving a fortune of ten million dollars. Before his death he had disposed of an additional forty millions, mostly by gift to his sons John and Adolph.

The story of Claus Spreckels in Hawaii is that of a great entrepreneur interacting with a somewhat isolated island community. He was the outlander in the Veblenian sense, the interloper, the invader from the mainland. Despite the ruthlessness of his methods, he was one of the most important persons in the late nineteenth century economic development of the island kingdom. In Hawaii, sugar was a dominant fact of economic life; and in sugar, Spreckels was king.

## NOTES

1. *P. C. Advertiser*, Aug. 26, Sep. 16, 1876; *Haw. Gazette*, Sep. 13, 1876.
2. "Kalakaua Cash Book," July 1878, p. 51, Archives of Hawaii; J. H. Wodehouse to "My Lord," July 8, 1878, FO 58/162, pp. 78-9, British Public Records Office; J. M. Comly to Sec. of State, No. 43, July 8, 1878, Desp. from U. S. Ministers in Hawaii, National Archives; C. C. Harris to E. H. Allen, Oct. 4, 1878, "E. H. Allen papers," Library of Congress.
3. "Journal of Legislative Assembly, 1882," proceedings of July 11, 1882, Archives of Hawaii; *P. C. Advertiser*, July 19, 1882; *Haw. Gazette*, July 26, 1882.
4. *Pac. Coast Comm. Record*, May 1882; *P. C. Advertiser*, Dec. 2, 1882; W. D. Alexander, *History of Later Years of the Hawaiian Monarchy* (Honolulu, 1896), p. 238.
5. *Haw. Gazette*, Aug. 1, 1883; *P. C. Advertiser*, Aug. 4, 1883; *Haw. Gazette*, Oct. 7, 1885; *P. C. Advertiser*, Oct. 20, 27, 1885; "With Matson down to Melbourne," *Fortune*, XVI (Sep. 1937), 104.
6. *Bulletin*, Aug. 28, 1886.
7. *P. C. Advertiser*, Aug. 30, 1886.
8. *Ibid.*
9. *Ibid.*
10. *Bulletin*, Sep. 1, 1886.
11. *Ibid.*

12. On uses of loan, see section 4 of original loan act, *Session Laws*, 1886, pp. 19–20.
13. *Bulletin*, Sep. 1, 1886.
14. *Hawaiian Hansard* (unofficial account of legislative proceedings of 1886: Honolulu, 1886), p. 557.
15. *Haw. Gazette*, Sep. 7, 1886.
16. *Bulletin*, Sep. 1, 1886.
17. *Haw. Gazette*, Sep. 7, 1886.
18. See amendment to loan act, *Session Laws*, 1886, pp. 57–9. The amendment as finally passed was not the same as that drawn up by Spreckels, Macfarlane, and Armstrong in San Francisco, but the schedule of uses of the funds was as they had recommended.
19. Cf. original and amended loan acts, *Session Laws*, 1886.
20. Gibson to H. A. P. Carter, Oct. 22, 1886, "Hawaiian Officials Abroad," Archives of Hawaii.
21. Gibson to Carter, Dec. 17, 1886, "Hawaiian Officials Abroad," Archives of Hawaii.
22. *Ibid.*
23. *Haw. Gazette*, Oct. 5, 1886.
24. *Hawaiian Hansard*, p. 655.
25. *Ibid.*, p. 656.
26. *Ibid.*, p. 657.
27. When R. J. Creighton and J. T. Dare became members of the cabinet, Gibson indicated their choice was that of "His Majesty." Thurston asked whether Gibson meant "His Majesty Kalakaua or His Majesty Spreckels." *Bulletin* Aug. 13, 1886.
28. Removal of this restriction was to the advantage of Spreckels because he might be held to be a resident (he had a home in Hawaii), although he was not a citizen of the kingdom.
29. *Hawaiian Hansard*, p. 657.
30. *P. C. Advertiser*, Oct. 8, 1886.
31. *Bulletin*, Oct. 13, 1886.
32. *Ibid.*
33. *Ibid.*
34. "Journal of the Legislative Assembly, 1886," p. 380, Archives of Hawaii.
35. See section 2 of amended loan act, *Session Laws*, 1886.
36. *Hawaiian Hansard*, pp. 698–9.
37. *Ibid.*, pp. 699–700.
38. *Ibid.*, p. 700.
39. *Ibid.*, p. 701.
40. *Ibid.*, p. 701.
41. *Ibid.*, p. 702.
42. Alexander, *History of Later Years of the Hawaiian Monarchy*, p. 15.
43. Gibson to Carter, October 22, 1886, "Hawaiian Officials Abroad, 1886," Archives of Hawaii.
44. *Bulletin*, Oct. 23, 1886; *Haw. Gazette*, Oct. 26, 1886.
45. *Haw. Gazette*, Oct. 26, 1886.
46. *Haw. Gazette*, Dec. 7, 1886, citing San Francisco *Weekly Herald of Trade*, Nov. 11, 1886; *Bulletin*, June 27, 1887.
47. *Bulletin*, Nov. 19, 1887.
48. *Haw. Gazette*, Nov. 23, 1886.
49. Report No. 100, *Special Committee, Legislative Assembly, Extraordinary Session*, 1887, Dec. 2, 1887.



## MINUTES OF THE 67TH ANNUAL MEETING

March 30, 1959

The annual meeting of the Hawaiian Historical Society was held in the Mission-Historical Library on Monday evening, March 30, 1959, at eight o'clock. President Charles H. Hunter presided.

The reading of the minutes of the last annual meeting was waived since they had been printed in the last annual report.

The Treasurer, Dr. Ferris F. Laune, read his report. It was moved and seconded that the report be accepted subject to audit. The motion was carried. The Librarian, Mrs. W. C. Handy, read her report, and the President, Dr. Charles H. Hunter, gave a resumé of his. These reports were placed on file.

The following resolution was approved by a standing vote:

WHEREAS on the 24th day of March, 1959, SAMUEL WILDER KING, one of the Society's most beloved and illustrious members, died at the age of seventy-two years; and

WHEREAS he had been a member of the Society continuously since 1915, having served as a Trustee from 1925 to 1935, as Treasurer from 1926-1931, and as President in 1946, and having read at the 1926 Annual Meeting a paper of his composition entitled "The Hawaiians as Navigators and Seamen;" and

WHEREAS, by his passing, the Society has lost one of its most able and public spirited members and one who has brought honor to the Society through his distinguished record in the service of the United States Navy and as a statesman; now, therefore,

BE IT RESOLVED that the Hawaiian Historical Society assembled on the occasion of its sixty-seventh Annual Meeting that this Society expresses and records its esteem and respect, its deep sense of bereavement and regret at the passing of the Honorable Samuel Wilder King; and

BE IT FURTHER RESOLVED that the Corresponding Secretary of the Society present a copy of this Resolution to the bereaved family as an expression of the deep sympathy of its members, and that the said Resolution be spread on the minutes of the meeting.

The Secretary read the report of the nominating committee (Pauline King, Dolla Fennell and George Bacon), recommending the following persons for election:

President (for one year)—William R. Norwood; Trustees (for two years)—Charles H. Hunter, Meiric K. Dutton, Donald D. Mitchell, and Janet Bell.



Holdover Trustees are Agnes C. Conrad, Bernice Judd, Simes T. Hoyt, and Roswell M. Towill.

This report was adopted and the Secretary instructed to cast the ballot which unanimously elected the officers nominated by the committee.

Mr. Norwood, the incoming President, then took the chair.

Mr. Dutton, Program Chairman, introduced the speaker of the evening, Dr. Charles H. Hunter, who spoke on "Hawaii's Statehood Story."

A social hour followed, during which punch and cookies were served.

Respectfully submitted,

AGNES C. CONRAD

*Acting Recording Secretary*

## MEETING OF DECEMBER 4, 1958

The Hawaiian Historical Society held an open meeting on Thursday evening, December 4, 1958, at the Mission Historical Library.

Dr. Jacob Adler, associate professor of economics and business at the University of Hawaii, presented a paper on "London loan: Dowfall of Claus Spreckels."

Refreshments were served at the social hour under the direction of Miss Agnes Conrad.

## REPORT OF THE PRESIDENT

TO THE MEMBERS OF  
HAWAIIAN HISTORICAL SOCIETY:

In this, my third report to the membership and even at the risk of being redundant, I must remind you of the need to increase our membership in order to bolster our finances. If we do not bolster our finances we must of necessity further limit our services and thereby run the risk of losing more members. It is not of vital concern to your Society alone but to each one of us and to the Territory as a whole. I do not intend a lecture on the importance of History but I wish each of you would regard it as an individual challenge to produce one new member during the current year.

We are quite proud of the Sixty-sixth Annual Report and believe you, our members, received your money's worth therein. We would like the opportunity to make more of our rich resources available to you and at the same time add to our invaluable collections. We have here in this territory, potentially, one of the finest state and local history collections in the country. It would be shameful not to make it the finest. I had an opportunity to show a visiting historian something of what we have. He is the Executive Secretary

of the Western College Accrediting Association and was so impressed with our primary materials that he left vowing that at its next visitation to the University of Hawaii, the Association would recommend that our local University grant the Doctor of Philosophy degree in Hawaiian and Pacific History.

We can all help to save our heritage from the past. If you know anyone who has old letters, diaries, newspapers, or pictures let them know we stand ready to give assistance and advice. We can help restore damaged materials and can make permanent facsimiles of even the most fragile material if it is intact. We have the facilities for preserving material from mildew, worms and weather. Once lost these documents are gone forever.

The Society's newspapers are being collated with a view to completing the microfilming job started several years ago and interrupted from time to time. While our Librarian, Mrs. Willowdean Handy, has enumerated the materials added to our files during the last year, I would like to call your especial attention to the unique gift from Mr. John F. G. Stokes, consisting of two pencil drawings by Jules Remy, who was known to have made a portrait of Emma Rooke on December 31, 1851, two days before her sixteenth birthday. Thus, one of the two portraits appears to be that of Emma but the identity of the other is still in doubt.

For the Society, as well as for myself, I take this opportunity to express the most sincere appreciation to those faithful volunteers, Mrs. Agnes C. Bickerton and Mrs. John M. Lind, who have labored so faithfully. They will never know how much their work has been appreciated. To the Trustees, the Librarian, and the members of committees your Society's grateful "Thank you."

Respectfully submitted,  
CHARLES H. HUNTER, *President*  
Hawaiian Historical Society

## REPORT OF THE AUDITOR

### OFFICERS AND TRUSTEES OF

#### THE HAWAIIAN HISTORICAL SOCIETY:

In accordance with your request, I have examined the documentary evidence of transactions of the Hawaiian Historical Society for the two year period ending Dec. 31, 1958.

For the most part, formal accounting records were not available for the two years covered, and none had been set up to record residual asset and capital values prior thereto. Accordingly, an audit, in the usual sense of the term, was not possible.

The Statement of Financial Condition and the Statement of Income and Expense that are Exhibits A and B of this report were compiled from source material available. In my opinion, except as to the limitations of the foregoing that could result in minor inaccuracies in valuations given, these statements do fairly present the results of operations for the two years ended December 31, 1958, and the asset and capital values resulting from transactions and gifts in prior years.

The Hawaiian Historical Society is a non-profit organization founded in 1892 and incorporated without stock-issuing privileges in 1924, under the laws of the Territory of Hawaii. Over the years, it has accumulated a library of about 8,500 books and pamphlets now of practically inestimable value and has maintained them and a research center for their use. In 1950-'52 the Society acquired a one-third interest in the building at 560 Kawaiahao Street and moved its books and documents to this location from the Library of Hawaii. There appears to be no part-ownership in the land on which the building is, however. Membership has grown from 29 charter members to almost 250 at December 31, 1958.

Important additions to the library each year have been discussed by the Librarian in her annual report to the Trustees. In setting up an asset value for the books, etc., the cost of purchases only from 1892 was used, plus binding costs over the same period insofar as the binding costs could be identified by fairly large remittances for same. The total thus arrived at for Balance Sheet purposes, \$8,033.90, is believed to be a fairly large understatement of the true value of the collection.

No insurance is carried on the books or on the pictures (Schedule 3), although the latter are valued on the Balance Sheet at Grossman-Moody's appraisal in 1951 for insurance purposes.

Thanking you for the privilege and pleasure of serving, I am

Yours very truly,

(MRS.) VIVIEN K. GILBERT, C.P.A.

Honolulu, Hawaii  
March 10, 1959

## EXHIBIT A

### HAWAIIAN HISTORICAL SOCIETY

#### STATEMENT OF FINANCIAL CONDITION

December 31, 1958

##### ASSETS

###### Current assets:

Cash in Bank and Savings & Loan Ass'n.....	\$ 3,925.28	
Investments at market value (Sch. 1).....	4,560.00	
Books and pamphlets for resale (Sch. 2).....	7,529.24	
Total current assets.....		\$16,014.52

###### Capital assets:

Library of books and pamphlets at cost, exclusive of donations of same.....	\$ 8,033.90	
Pictures, photographs and maps (Schedule 3).....	1,995.00	
Furnishings & equipment less allowance for depreciation (Sch. 4).....	962.84	
Building at 560 Kawaiahao Street, Honolulu; one-third interest at cost less allowance for depreciation based on 25-year life from 1952 (\$10,000 less \$2,800).....	7,200.00	18,191.74
Total Assets.....		<u>\$34,206.26</u>

##### LIABILITIES AND CAPITAL

###### Liabilities:

Accounts and taxes payable.....	\$ 203.43	
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###### Restricted reserves:

Microfilming fund.....	\$ 1,247.04	
Maude Jones Memorial Fund.....	216.82	
S. N. & Mary Castle Fund.....	138.05	1,601.91

###### Capital:

Estimated balance at Dec. 31, 1956.....	\$32,986.51	
Net income 1957 (Exhibit B).....	552.95	
Net income 1958 (Exhibit B).....	(1,138.54)	32,400.92
Total liabilities and capital.....		<u>\$34,206.26</u>

## EXHIBIT B

### HAWAIIAN HISTORICAL SOCIETY

#### STATEMENT OF INCOME AND EXPENSE

December 31, 1958

*(for the two years ending on the above date)*

	1957		1958
<b>INCOME:</b>			
Dues (Schedule 5).....	\$ 1,480.00	\$	\$1,380.00
Contributions (Schedule 6).....	1,481.74		334.93
Dividends & Interest (Sch. 7).....	350.37		367.73
Sales: Books & Publications less estimated cost of sales (Schedule 8).....	116.68		139.74
Total income.....	<u>\$3,428.79</u>		<u>\$2,222.40</u>
<b>EXPENSES:</b>			
Printing annual report.....	\$ 539.24	\$	\$1,138.50
Less allocation to inventory per cost in prior years.....	(132.21)		(344.93)
	<u>\$ 407.03</u>	\$	<u>\$ 793.57</u>
Librarian's salary and payroll tax expense*.....	1,226.25		1,233.75
Library supplies.....	74.79		160.82
Building maintenance.....	450.00		360.00
Telephone expense.....	116.16		140.58
Depreciation.....	326.22		326.22
Office supplies and expense (Schedule 9).....	210.78		88.94
Miscellaneous expense (Sch. 10).....	64.61		257.06
Total expense.....	<u>\$2,875.84</u>		<u>\$3,360.94</u>
Net income over expense (to Exhibit A).....	<u>\$ 552.95</u>		<u>(\$1,138.54)</u>

\* including \$6.00 and \$6.75, respectively, from prior years.

## REPORT OF THE LIBRARIAN

The acquisitions of the library since the last annual meeting have come from three sources: The Maude Jones Memorial Fund; the S. N. and Mary Castle Foundation; and from other members and friends.

In memory of Miss Jones, we have added four rare items: "The New Zealand Journal, 1842-1844, of John Brown Williams of Salem, Massachusetts," who was United States Consul at the Bay of Islands during those years; "The Journal of a Cruise Made to the Pacific Ocean in the United States Frigate Essex in the Years 1812, 1813, and 1814," by Captain David Porter, who harassed British whaling in the Pacific, and who made himself dictator of Nukuhiva, Marquesas Islands, which he took possession of for the United States; "The Diary of the First Japanese Embassy to the United States of America," written by one of the ambassadors, translated into English, which contains a naive account of their stay of one week at the port of Honolulu in February, 1860; and a tiny pamphlet outlining the "Constitution and By-laws of the Sandwich Island Institute," which was founded in 1838 "for mutual instruction and collection of information," a library and a museum being planned.

The generous sum given for books some years ago by the Castle Foundation is not quite exhausted, though it has been drawn on for a number of acquisitions since my last report. It has added materially to our collection regarding the northwest coast. We now have Gordon Speck's "Northwest Explorations"; F. W. Howay's "Voyages of the Columbia"; John S. Galbraith's "The Hudson's Bay Company." There is also the "Empire of the Columbia," by D. O. Johansen and Charles M. Gates; as well as the pictorial maritime history of San Francisco Bay by John Haskell Kemble. Two valuable sociological studies were obtained: the analysis of kinship in primitive Polynesia, "We, the Tikopia," by Raymond Firth, and "Social Change in the South Pacific," by Ernest Beaglehole.

Gifts from members covered a variety of subjects—voyages, travel in the Hawaiian Islands, history, legends, and poetry. For these gratitude goes to Miss Janet Bell, Meiric K. Dutton, Kenneth Emory, Mrs. Simes T. Hoyt, E. B. MacNaughton, and Robert Van Dyke, as well as to our faithful donors, the presses of the Bishop Museum and the University of Hawaii.

An outstanding item is "The Voyage of the Racoon, a 'Secret' Journal of a Voyage to Oregon, California, and Hawaii, 1813-1814," edited by John A. Hussey and beautifully published by the Book Club of California. This was the vessel sent by Great Britain to seize Astoria, a coup which did not materialize because the American fur-trading post had been sold to the Canadian-

owned North West Company. We were glad to receive, also from Mrs. Hoyt, another Book Club of California publication, "Charles Warren Stoddard's Diary of a Visit to Molokai in 1884, with a Letter from Father Damien to his Brother in 1873." We would like also to mention "The Victorian Visitors," by Alfons L. Korn, received from the University of Hawaii Press.

Three mainland friends added thoughtful gifts. Robert Haines of the Argonaut Bookshop, from whom we purchased the Turrill correspondence last year, sent us a kind of sequel, the account of Turrill's trip to Hawaii on the U. S. Frigate, "Congress," written by his daughter, Elizabeth Douglas Denburgh, who accompanied him. Captain Fred Klebingat, a frequent correspondent upon ships and shipping, sent us all available numbers of the file of "The Annual Dogwatch" which is published by the Shiplovers' Society of Australia, a veritable mine of tales of ships and their masters who have sailed the Pacific. Mr. E. B. MacNaughton had photostats made for us of correspondence between Theophilus Metcalf and a lumber merchant of Oregon in 1852 and 1854 regarding shipments for the Hawaiian Government and the difficulty of paying for them.

Loans have been received from Robert Van Dyke—a scrapbook of B. F. Dillingham for the years 1903-1905, 11 albums of photographs taken by the Inter-Island Steam Navigation Co., and a map of Honolulu in 1887.

Into another but prized category fall the current publications of records of local developments and histories of organizations which were received from such sources as the Chamber of Commerce of Honolulu, the Hawaiian Telephone Company, the Pearl Harbor Shipyard, the Territorial Conservationist, the Territorial Planning Board, and the Bishop National Bank. The centennial book of the Bishop National Bank is the most elaborate and artistic. This is "The Islands of Hawaii," with photography by Ansel Adams and text by Edward Joesting.

Aside from additions to the library and a steady progress in cataloguing, the Librarian would like to report on the work of two volunteers. Mrs. Agnes Bickerton continues her care of biographies from clippings. Mrs. John M. Lind now gives two mornings a week to help with several pressing matters, chief among which is the expansion of the sale of our own publications. Thanks to the generosity of Miss Bell and Dr. Hunter, various helpers and machines at the University, we were provided with revised mimeographed price lists which Mrs. Lind has mailed to a selected list of mainland libraries and historical societies. We await the results with bated breath, hoping that statehood will inspire fresh interest in our historical articles published since 1892.

Respectfully submitted,  
WILLOWDEAN C. HANDY, *Librarian*

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*Na Himeni Hawaii*, by Ethel M. Damon, for \$1.00.

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