hands. Mr. Spreckels called on the King, returned all his decorations, and shook off the dust from his feet. The Legislature appropriated $100,000 for a gunboat and $15,000 to celebrate the King’s fiftieth birthday.

In this brief sketch it is impossible to give any idea of the utter want of honor and decency that characterized the proceedings of the Legislature of 1886.

The appropriation bill footed up $3,856,755.50, while the estimated receipts were $2,336,870.42.

W. D. ALEXANDER.

[Second part.]

SKETCH OF POLITICS IN KALAKAUA’S REIGN—continued.

THE SEQUEL OF THE LONDON LOAN.

From the report of the Minister of Finance for 1888 we learn that Mr. H. R. Armstrong, who had come to Honolulu as the agent of a London syndicate, was appointed agent of the Hawaiian Government to float the loan. He was also appointed Hawaiian Consul-General for Great Britain, while Mr. A. Hoffnung, previously referred to, was made Chargé d’affaires.

In the same report we find that the amount borrowed under the loan act of 1886 in Honolulu was $771,800 and in London $980,000. Of the former amount $630,000 was used to extinguish the debt owed to Col. Spreckels. By the terms of the loan act the London syndicate was entitled to 5 per cent of the proceeds of the bonds which they disposed of as their commission for guaranteeing them at 95 per cent. But it appears that in addition to this amount £15,000, or about $75,000, was illegally detained by them and has never been accounted for. The Legislature of 1888 appropriated the sum of $5,000 to defray the expenses of a lawsuit against their financial agents to recover the $75,000 thus fraudulently retained. The matter was placed in the hands of Col. J. T. Griffin, who advised the Government that it was not expedient to prosecute the case. The $75,000 has therefore been entered on the books of the treasury department as a dead loss. Since then Mr. Armstrong’s name has ceased to appear in the Government directory among those of the Consuls-General.

ROYAL MISRULE.

As before stated, the King now acted as his own prime minister, employing Gibson to execute his schemes and defend his follies. For the next eight months he rapidly went from bad to worse. After remaining one month in the cabinet Mr. Kaulukou was transferred to the Marshal’s office, while Mr. Antone Rosa was appointed Attorney-General in his place and J. M. Kapena made Collector-General. The limits of this brief sketch forbid any attempt to recount the political grievances of this period. Among the lesser scandals were the sale of offices, the defrauding of the customs revenue by abuse of the royal privilege, the illegal leasing of lands in Kona and Kau to the King without putting them up to auction, the sale of exemptions to lepers, the gross neglect of the roads, and misapplication of the road money, particularly of the Queen street appropriation.

F. O. 84, APR. 20, p. 43.