

Mr. DE ARMOND. Will the gentleman yield for one more question?

Mr. KNOX. Certainly.

Mr. DE ARMOND. Can the gentleman point to the provision in the Constitution that gives authority to extend it in pieces or parts to any Territory, or any part of a Territory?

Mr. KNOX. I think I can.

Mr. DE ARMOND. I would like to have the gentleman do it.

Mr. KNOX. I will cite the gentleman to the Revised Statutes, Title XXIII, chapter 1, section 1891, which says:

The Constitution and all laws of the United States which are not locally inapplicable shall have the same force and effect within all the organized territory or in every Territory hereafter organized as elsewhere in the United States.

Now, either all the Congresses that have sat in this Hall from 1850, when the Territory of New Mexico was organized, have believed that the Constitution did not go to the Territories of its own force, but must be extended by an act of Congress, or else that declaration of the Revised Statutes is mere empty babble and boys' play.

The question being taken on the amendment offered by Mr. DE ARMOND, there were—ayes 65, noes 77.

Mr. RICHARDSON. I call for tellers.

Tellers were ordered; and Mr. DE ARMOND and Mr. KNOX were appointed.

The House again divided, and the tellers reported—ayes 78, noes 87.

So the amendment was rejected.

Mr. McRAE. I move to amend by striking out the proviso beginning with the word "Provided," in line 2, page 53, and ending with the word "Hawaii," in the fifth line, same page.

The Clerk read the words proposed to be struck out, as follows:

Provided, That sections 1850 and 1890 of the Revised Statutes of the United States shall not apply to the Territory of Hawaii.

Mr. McRAE. Mr. Chairman, I do not see any reason why the sections named in this proviso which apply to other Territories of the United States should not apply to Hawaii. The first of the sections cited—section 1850 of the Revised Statutes—is as follows:

All laws passed by the legislative assembly and governor of any Territory, except in the Territories of Colorado, Dakota, Idaho, Montana, and Wyoming, shall be submitted to Congress, and if disapproved shall be null and of no effect.

The other and more important section referred to in this proviso is as follows:

SEC. 1890. No corporation or association for religious or charitable purposes shall acquire or hold real estate in any Territory, during the existence of the Territorial government, of a greater value than \$50,000; and all real estate acquired or held by such corporation or association contrary hereto shall be forfeited and escheat to the United States; but existing vested rights in real estate shall not be impaired by the provisions of this section.

Now, sir, I can not understand why these laws, which are applicable to other Territories, should not be applicable to Hawaii. If the gentleman from Massachusetts [Mr. KNOX] can give any good reason for exempting Hawaii from the operation of these provisions, I should like to hear it.

Mr. KNOX. Mr. Chairman, there are at the present time in Hawaii a number of charitable institutions now possessing larger amounts of real estate than section 1890 permits to be held by a religious or charitable institution in the Territories heretofore established. According to the universal testimony—testimony to which there is no dissent—these institutions in Hawaii are now doing a very great and noble charitable work.

It was thought not wise to extend to those institutions the provisions which the gentleman has read, either as to property which these institutions of Hawaii now hold or as to that which they may hereafter acquire. Very careful examination was made in regard to all these institutions. I have a list of them here, which it would take sometime to read; but according to the universal testimony they are all of a commendable, unsectarian character, and are engaged in performing the highest class of charitable work.

Mr. McRAE. Mr. Chairman, it is against the theory and policy of this Government to permit large landed estates to be held by religious and charitable institutions; and as this has been our policy with respect to all Territories in the old United States, I think our new possessions should not be exempt from this rule.

Mr. KNOX. The gentleman will allow me to suggest what I think is possibly an answer to his objection. When we have formed Territories heretofore, they have always been sparsely settled, generally inhabited largely by the natives or aborigines. In the present case the conditions are entirely different from those which have existed in respect to Territories formerly organized, conditions which lay at the foundation of the provisions of law heretofore applicable to such Territories.

In the present case we have an ancient country, embracing a monarchy that has existed for years and a republic that is already four years old. Charitable institutions have grown up there; and we have in that respect a condition that has never existed in any of our Territories formed under the Constitution heretofore. Hence it seems to us neither proper nor necessary that the same

provisions which have been extended to other Territories should be applied to Hawaii.

The CHAIRMAN. The time of the gentleman from Arkansas [Mr. McRAE] has expired.

Mr. KNOX. I ask that his time be extended for five minutes. There was no objection.

Mr. McRAE. Mr. Chairman, I think that the sooner the people of Hawaii learn that the religious or charitable institutions now existing there, however laudable and worthy they may be, must be divorced from their government and that the old conditions can not continue the better it will be for them. I do not agree that as a matter of Government policy we should continue to permit any associations of the character contemplated to acquire unlimited amounts of real estate that go untaxed. The true rule is that no such institutions should own more real estate than is necessary for the actual use of them.

Now, this section, from which this exemption is sought, protects all vested rights up to this time; but it permits them to go on acquiring real estate indefinitely and large sums of money without limit, all free from all taxes, and the sooner we stop this the better. So I hope that the gentleman in charge of the bill will accept the amendment, but if he does not, that the House will vote for the amendment and let this Territory stand exactly on the same footing as other Territories.

Mr. NEWLANDS. Mr. Chairman—

The CHAIRMAN. The gentleman from Nevada.

Mr. HAMILTON. I can make a statement which will make plain to the gentleman—

Mr. NEWLANDS. Mr. Chairman, was I recognized?

The CHAIRMAN. No member of the committee appearing to desire the floor, the Chair recognized the gentleman from Nevada [Mr. NEWLANDS].

Mr. NEWLANDS. I yield, then, to the gentleman from Michigan for a moment.

Mr. HAMILTON. Perhaps I can be of assistance to the gentleman in throwing some light upon the subject. There are several institutions which are of charitable or educational nature, among which should be first named the Lunalilo Trust. This trust was established under the will of King Lunalilo, who devised all of his property to establish a home for indigent Hawaiians. Under the provisions of his will the Lunalilo Home was established and has been in operation for about fifteen years.

The property which Lunalilo left consisted mainly of tracts of land in various parts of the islands, which at the time were not of very great value, and he directed that when the property became of the value of \$25,000, the home should be established, his views being that if his property was sufficient to establish the home, the maintenance of it would have to be provided largely by the public. The value of the lands, however, increased very much, and now the home, which was established at a cost of over \$30,000, has been maintained for a number of years, and the funds derived from the proceeds of the sale of the land amount to over \$200,000, which are invested in securities subject to approval by the judges of the supreme court.

This institution has proved of great benefit to the aged and dependent Hawaiians.

Second. The Princess Pauahi Bishop devised her property, consisting of a large number of lands, for the establishment of industrial schools for the education of Hawaiian boys and girls, also making provision for certain charities. Later, and after her death, her husband, the Hon. Charles R. Bishop, made large provisions by various deeds of trust for the establishment of a museum, and also for aiding the various charitable organizations in the islands. The property devised by Mr. Bishop for these charitable and scientific purposes is now worth more than \$1,000,000 and will probably increase in value. These institutions, maintained by the munificent provisions made by these friends of the Hawaiian race, are of the greatest value to those people.

Third. The Young Men's Christian Association of Honolulu owns property in excess of \$50,000 in value and is an undenominational organization exercising a great influence for good in that community.

Fourth. Efforts are being made in Honolulu to establish a home for incurables. The public hospital in Honolulu, known as the Queen's Hospital, can not receive persons afflicted with consumption or other similar incurable diseases, and the need for a home for such persons is becoming very great.

Consumption is not very prevalent among the natives of the country, but many people come to that climate hoping to recover their health. Many of these people have limited means, and some of them have no more than sufficient to enable them to reach the islands. The care of these people devolves upon the residents of the islands, and the responsibility has reached a stage where it is deemed necessary that a home should be provided for them.

Funds or endowment sufficient to provide an income to maintain such an institution would have to be more than \$50,000.

The insular and isolated situation of the islands is such that the