

about, but I suppose there is an indebtedness accumulating there which has to be paid by the Government.

Mr. MASON. Just a moment. There is no possible claim that the Government of the United States would be bound by any new deposits after the passage of the act of annexation.

Mr. CULLOM. Yes.

Mr. MASON. They might deposit \$40,000,000.

Mr. MORGAN. All their laws were continued in force.

Mr. MASON. You only agreed—

Mr. CULLOM. Oh, no.

Mr. MASON. If I do not interrupt you—

Mr. CULLOM. Not at all.

Mr. MASON. As I understand, we only agreed when we voted for annexation—

Mr. CULLOM. I will read this provision of the statute, if the Senator from Iowa will allow me.

Mr. ALLISON. I will yield to both Senators to elucidate this question.

Mr. CULLOM. It is as follows:

The public debt of the republic of Hawaii, lawfully existing at the date of the passage of this joint resolution—

Mr. MASON. That is the point I made—the date of the passage.

Mr. CULLOM (reading)—

including the amounts due to depositors in the Hawaiian Postal Savings Bank, is hereby assumed by the Government of the United States; but the liability of the United States in this regard shall in no case exceed \$4,000,000. So long, however, as the existing government and the present commercial relations of the Hawaiian Islands are continued as hereinbefore provided said government shall continue to pay the interest on said debt.

Including the postal savings debt.

Mr. MASON. Certainly; that no deposit shall be made after annexation.

Mr. ALLISON. That is immaterial for the purpose I have in view. I do not wish to make any point on that. Now I will ask the Senator from Illinois, who I supposed had charge of this bill—his colleague did not seem to think he has.

Mr. MASON. He has.

Mr. ALLISON. If he had, he made some criticism.

Mr. MASON. He did not.

Mr. ALLISON. I should like to ask the Senator from Illinois how much of the government of Hawaii will be left after this bill passes?

Mr. CULLOM. Does the Senator mean the laws?

Mr. ALLISON. No; I do not mean the laws. They have a government there now, and we propose here, if I understand this bill, to change in some ways the form of that government and to make it a Territory of the United States.

Mr. CULLOM. Let me read a section to the Senator.

Mr. ALLISON. I only want—

Mr. CULLOM. It is a short section.

Mr. ALLISON. Very well.

Mr. CULLOM. Section 8 provides:

That the offices of President, minister of foreign affairs, minister of the interior, minister of finance, minister of public instruction, auditor-general, deputy auditor-general, surveyor-general, marshal, and deputy marshal of the republic of Hawaii are hereby abolished.

That much of it goes out.

Mr. ALLISON. That is enough for my purpose, if the Senator will allow me.

Mr. CULLOM. And a good deal more, in one way and another.

Mr. ALLISON. As I understand these provisions, we propose to annex Hawaii as a Territory of the United States and extend our Constitution and laws over that Territory.

Mr. MORGAN. We have already done that.

Mr. ALLISON. Yes.

Mr. MASON. That has already been done.

Mr. ALLISON. That has been done. Now the Senator from North Carolina proposes that we shall continue the savings banks of Hawaii. I want to submit to him that that is an impossibility. The effect of what he proposes is that the United States Government shall establish a savings bank in one of its Territories, and whatever savings deposits there may be in that Territory, of course, if it is a postal savings bank, must go into the postal system in some form and the Post-Office Department is to be responsible.

Now, Mr. President, I submit that it is an impossibility. In the first place, you can not amend this law in any way so as to do it unless you establish a postal savings bank system for Hawaii alone, this Territory of ours which we are legislating for. Then I submit further that if that would be possible it would be a manifest injustice for the Government of the United States, which is about to transfer its own public debt to an interest-bearing debt of 2 per cent, to pay 4½ per cent to the depositors in the post-office service in Hawaii. So, not perhaps fully sympathizing with and realizing the great importance of this universal postal system for all the United States, I submit now that it is better for us to await the report of the Senator from North Carolina and his Post-Office Committee, and get a general system, and when we get it all perfected and all in good play and shape we shall extend it, of course, to Hawaii.

Mr. MORGAN. Mr. President, when the commission got to Hawaii they found themselves confronted with a proposition of law enacted by Congress that the postal savings debt should be paid, and paid first. Naturally, therefore, the commission concluded that that establishment was to be wound up; and so in making a report of their bill for the purposes of carrying into effect what we thought was proper in changing the government of Hawaii, two bills were reported here, one for the repeal and winding up of the savings-bank system in Hawaii, and the other for regulating the currency between the two countries. One of those bills went to the Committee on Finance, the one relating to the currency. They were put in separate bills because they were not supposed to be actually necessary to the reinstatement of a new government or a Territorial government in Hawaii. I do not know to what committee the other bill went.

Mr. CULLOM. I think both bills went to the Committee on Foreign Relations during the last session, but no action was taken there on either.

Mr. MORGAN. The bill relating to the postal savings bank went to the Committee on Post-Offices and Post-Roads of the Senate in December, 1898. It was expected, of course, that these three bills—the one for establishing the government, the one for regulating the coinage, and the other regulating the postal system and the winding up of the savings bank—would be reported either simultaneously, or pretty nearly so, and acted upon in the Senate according to their merit and according to the precedence they were entitled to.

Now, what we ought to do to carry out the intention of Congress as expressed in the act of annexation, is to take up the bill of the Committee on Post-Offices and Post-Roads and make it a part of this bill for the government. I will read it. It is very short:

That the laws of Hawaii relating to the establishment and conduct of any postal savings bank or institution are hereby abolished. And the Secretary of the Treasury, in the execution of the agreement of the United States as expressed in an act entitled "A joint resolution to provide for annexing the Hawaiian Islands to the United States," approved July 7, 1898, shall pay the amounts on deposit in Hawaiian postal savings banks to the persons entitled thereto, according to their respective rights, and he shall make all needful orders, rules, and regulations for paying such persons and for notifying such persons to present their demands for payment. So much money as is necessary to pay said demands is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to be available on and after the 1st day of July, 1899—

It would be now the 1st day of July, 1900—

when such payments shall begin, and none of said demands shall bear interest after said date, and no deposit shall be made in said bank after said date. Said demands of such persons shall be certified to by the chief executive of Hawaii as being genuine and due to the persons presenting the same, and his certificate shall be sealed with the official seal of the Territory and countersigned by its secretary, and shall be approved by the Secretary of the Interior, who shall draw his warrant for the amount due upon the Treasurer of the United States, and when the same are so paid no further liabilities shall exist in respect of the same against the Government of the United States or of Hawaii.

SEC. 2. That any money of the Hawaiian Postal Savings Bank that shall remain unpaid to the persons entitled thereto on the 1st day of July, 1899, and any assets of said bank, shall be turned over by the government of Hawaii to the Treasurer of the United States, and the Secretary of the Treasury shall cause an account to be stated as of said date, between such government of Hawaii and the United States in respect to said Hawaiian Postal Savings Bank.

Mr. MASON. Will the Senator from Alabama yield to me for a moment?

Mr. MORGAN. Certainly.

Mr. MASON. That is simply to wind up the savings bank.

Mr. MORGAN. That is exactly what it does. The commission were compelled to make a provision of that kind, because the Government of the United States has assumed the whole of the outstanding debt of the postal savings bank.

Mr. MASON. Will the Senator from Alabama yield to me for a moment?

Mr. MORGAN. Certainly.

Mr. MASON. But you do not assume any debt beyond the date of annexation?

Mr. MORGAN. No; we do not. We could not do that. Now, I will read the report of Mr. Damon, who was the minister of finance of Hawaii, in which he says:

HAWAIIAN POSTAL SAVINGS BANK.

This institution was established, by act of the legislature in 1884, to encourage the deposit of small savings at interest, with the security of the government for repayment thereof, and was opened for business July 1, 1886, with His Majesty Kalakaua as the first depositor.

On the 12th day of August, 1898, the amount due to 10,555 depositors, classified by nationalities as follows:

Americans.....	602
British.....	526
Germans.....	329
Hawaiians.....	1,291
Portuguese.....	495
Sundry nationalities.....	221
Chinese under the board of immigration.....	7,001

Total..... 10,555
Amounted to..... \$836,297.34
And to 68 special depositors for sums exceeding \$500, the sum of..... 77,750.00

A total of..... \$914,047.34