Thirdly. The native population is decreasing so rapidly as to produce the general, if not the universal, belief that within a short period, say from twenty to forty years, there will not be enough of them remaining to perpetuate this Government. This being the case, these islands must, of necessity, pass into other hands and their destiny be controlled by other people. The question then is, to what nation shall they belong, and to whom ought they belong, the English or the Americans? They are the only competitors.

Fourthly. An Englishman a little over a year ago loaned this Government $80,000 for ten years at 10 per cent per annum, interest to be paid annually. This Government, in all probability, will not be able to pay more than the interest, if that, and will be more likely to hypothecate lands to Englishmen or to the English Government for more money. Such an event would be a sufficient excuse for Great Britain (Napoleon-like) to take and hold these islands as an indemnity, and everybody knows what the result would be. The payment of this debt by the United States, and, if need be, the loan of half a million more, together with presents both ornamental and useful to their majesties and to the heir apparent, cautiously and wisely bestowed, might be the means of giving Americans the vantage ground in point of court influence and other interests which may come up in the future.

I beg leave to further say that American interests greatly predominate here over all others combined, and not less than four-fifths of the commerce connected with these islands is American. The merchants, traders, dealers of all kinds, and planters are principally Americans. The English have no commerce here worthy of the name and but one or two retail stores; the Germans about the same amount of business as the English. Many American merchants here are doing quite a large business, and would extend their business still more but for the danger of British rule over this group, which, if it should become the dominant or governing power, American interests would be crushed out with eagerness and dispatch. Such is the universal belief of all American citizens with whom I have conversed, and such is my own opinion. It would be a flagrant injustice to American citizens, after they have labored for the good of these islands for the last forty years, after they have brought these people out of barbarism and taught them civilization, science, and religion; in a word made them an intelligent and Christian nation, and have done all that has been done in the development of the resources of the country, and given it a world-wide popularity, to be either driven out or so treated and harassed as to make it necessary for their interests to sacrifice their property and leave, which is believed would be the case provided the English obtain greater influence with the King than they now have; which influence it is the desire of Americans here and for the interests of the American Government to avert. Some merchants and planters are contracting their business, so that they may not suffer so heavy a loss in the event of the change which seems probable at no very distant day.

I am also informed that the British Government since the commence ment of the rebellion in the United States sent a deputation to examine and report on the cotton-growing capacity of this group, and the report is said to be remarkably favorable. This may aid in explaining the lively interest which Her British Majesty's Government takes in this Government and the final disposition of these islands so far as conduct is a faithful index to design. The cotton-growing capacity of these islands has been sufficiently tested to demonstrate it as a fact