growth and power of their country in the Pacific. The bearing which the continuance of the terms and advantages of the present reciprocity treaty has on the political relations of the Hawaiian kingdom with the United States renders it proper for me to inform the Department of State of the present alarm caused here by the sugar provisions of the tariff bill reported by the Committee on Ways and Means of the Washington House of Representatives. The production of sugar is the principal business of these islands, as the figures of the nearly $14,000,000 of exports to the United States in 1889 plainly show. Sugar is the chief source of the financial life—is the banking capital—on which the present and future prosperity of this country depends. To destroy this productive industry and chief source of wealth is to spread ruin and disaster throughout the islands.

It is certain that the present treaty is the chief cause of the present large dimensions of sugar production, having already more than doubled the entire property of the islands. In the opinion of all well-informed persons here, to place sugar on the free list would be the virtual annulment of the reciprocity treaty and the destruction of the prosperity of the islands. Thus it is easy to understand why there is so deep an anxiety among the business men of Hawaii as to the present aspect of the sugar question in Congress. They clearly understand that it is a matter of life and death to the Hawaiian kingdom. To all sincere Americans here it is especially alarming, as they see plainly that the virtual destruction of the chief productive industry of the country is to weaken essentially its fraternal relations with the United States. It would have been better never to have had the treaty than now to annul its chief financial advantage and knock the main props from the business of the islands. I am sure that these fears are not exaggerated. The business men here have no more faith in the "bounty system" than have the business men of the United States.

It certainly seems highly inopportune to abandon the protective principle as to sugar just at the time when in various sections of the United States extensive arrangements are being made to invest large sums of money to produce sugar from cane, beet, and sorghum. That the sugar tariff has not already led to a large production of sugar in the United States is no conclusive reason why it will not in the future, now that greatly improved methods of producing sugar have recently come into use and capital is much more available for sugar-raising than formerly. There are strong reasons to believe that if sugar-raising can be protected in the future, say by a specific duty of 50 per cent on the raw product, it will increase on a large scale and become a very important interest in eight or ten States of the Union, and that at no distant day the United States and its dependencies and allies will produce sugar sufficient to supply the increasing demands of the American people. Logically and practically there seems to be no stronger reasons for abandoning the protective principle as to sugar than as to any other agricultural interest or productive industry of the country. Believing the commercial and political relations of these islands to be of inestimable importance to the United States, duty impels me to state the grave injury and danger there are involved in the proposed annulment of the sugar tariff. I am sure I have not overestimated the calamity it would bring to Hawaii, and I am clearly of the opinion that a 50 per cent specific duty on raw sugar would be well for the ultimate interests of the United States.

I have, etc.,

JOHN L. STEVENS.