Mr. Stevens to Mr. Blaine.

No. 32.] United States Legation, Honolulu, September 5, 1891.

Sir: The Hawaiian cabinet, with the approval of the responsible citizens and the Queen, is about to renew the effort for a revision of the treaty with the United States, and the aim will be to secure entire free trade, with the exception of opium and distilled liquors. Believing that such an extension of the trade relations would be beneficial to both countries, I will endeavor to condense what seem to me the chief reasons why such a treaty as proposed should be made and carried into effect with reasonable promptness. The present reciprocity treaty has been highly advantageous to this country, has largely developed its resources, added to its wealth, and much increased American interests and influence here. It is just to say that it has had a tendency to carry investments and business enterprise too exclusively in a single channel. The repeal of the sugar duty by the United States has struck the principal material product of Hawaii a very severe blow, and with the most favorable estimate it now looks as though bankruptcy must be the inevitable fate of more or less of the sugar-planting firms and corporations.

It is fair to state that a large proportion of the liberal profits of sugar-raising made under the present treaty while the United States maintained the sugar tariff recently repealed has been expended in starting new plantations, in the building of expensive mills, purchasing improved machinery, and securing expensive methods and means of irrigation. It is obvious enough that no probable legislation or treaties can give the production of sugar here the prosperity it has had in recent years. It is equally obvious that a more diversified industry, a more varied business and development, would be for the ultimate welfare and civilization of these islands whose resources are much greater than the present population and the general American estimate of them seem to indicate. But reconstruction of business, like reconstruction in architecture and in government, is expensive to those who make it, whether by choice or compulsion.

A new, enlarged, and liberal treaty with the United States would aid the present business men and holders of property here to parry the blow which the free-sugar policy of the United States has dealt their chief industry and means of commerce, and would tend to foster other agricultural products and commercial interests. A liberal and comprehensive policy, in the direction indicated, is absolutely necessary to save these islands from grave disaster and secure the American interests and influence here which our Government has so long held of vital importance. In default of such a treaty and policy, Americans and the sons of Americans, who reside and have their investments here, will be driven to California, to Oregon, and Washington, in the desire of benefiting their fortunes and of enjoying the full citizenship of the United States. Much as Americans may desire the rapid growth and great prosperity of these splendid Pacific States, whose great future is so well assured, it is manifestly not for the best interests of the United States to have their population of business men increased by depleting these islands of those who are now the very best sentinels and supporters of American interests here. Bear in mind that the prospects and prosperity of the American Pacific States are becoming more and more attractive to Americans here, and it is no imaginary danger of which I speak.