Mr. Stevens to Mr. Foster.

[Confidential.]

No. 74.] United States Legation, Honolulu, November 20, 1892.

SIR: Fidelity to the trust imposed on me by the President, the Department of State, and the Senate, requires that I should make a careful and full statement of the financial, agricultural, social, and political condition of these islands. An intelligent and impartial examination of the facts can hardly fail to lead to the conclusion that the relations and policy of the United States toward Hawaii will soon demand some change, if not the adoption of decisive measures, with the aim to secure American interests and future supremacy by encouraging Hawaiian development and aiding to promote responsible government in these islands. It is unnecessary for me to allude to the deep interest and the settled policy of the United States Government in respect of these islands, from the official days of John Quincy Adams and of Daniel Webster to the present time. In all that period, we have avowed the superiority of our interests to those of all other nations, and have always refused to embarrass our freedom of action by any alliance or arrangement with other powers as to the ultimate possession and government of the islands. Before stating the present political condition of the little kingdom, it is well to review the substantial data as to its area, its resources, its financial and business condition, its capabilities of material development, its population, the status of its landed property, its government, revenues, and expenditures, etc.

PHYSICAL DIMENSIONS.

The total area of the kingdom is about 6,000 square miles. Not including several small islands of little importance, the chief value of the land area is in the six islands of Oahu, Kauai, Maui, Molokai, Lanai, and Hawaii, the last named being nearly the size of all the rest of the group. The plains, valleys, and lowlands are fertile, while the highlands are adapted to the raising of extensive herds of cattle, horses, and sheep. The arable lands are adapted to the production of sugar, coffee, rice, bananas, oranges, lemons, pineapples, grapes and maize. Of the arable lands only such as are fitted for the production of sugar and rice have been much brought into use. The coffee raised is of superior quality, and finds ready market for home consumption and in San Francisco. There is no doubt that this product can be greatly extended. This opinion is sustained by the examination of experts and has been verified by successful results in coffee-raising, to which there is now being given special attention.

The banana culture can be greatly extended, and the opportunities for the production of oranges are large and promising. Ripening at a time in the year different from those of southern California, the Hawaiian oranges can find a ready market in San Francisco, and especially in the cities of Oregon and Washington, where these islands procure most of their lumber for buildings and fences, and from which they procure coal, the consumption of which will necessarily increase for use in the sugar mills and the supply of steamers. For a quarter of a century the profits of sugar-raising have tended to divert capital and enterprise almost exclusively to the cane culture, to the neglect of the other industries and interests of the islands. Good government