married to a half-caste sister of the Crown Princess, another son is in the Honolulu post-office, and a daughter also is married to a resident of one of the islands. The death of the present Queen, therefore, would virtually place an English princess on the Hawaiian throne, and put in the hands of the ultra English the patronage and influence of the palace.

In the existing state of things, with non-American intervention, these palace influences, skillfully handled, are nearly equal, frequently superior, to the power of the Legislature. Add to this palace power, in British hands, the influence of an adventurous, impecunious, and irresponsible mob of "hoodlums," and there results a state of things which would put it in the power of Canadian and ultra-British schemers, with a subsidy fund of $50,000, to secure control of the Legislature, and by prompt and vigorous action secure Canadian and British franchises, privileges, and rights entirely legal, to get rid of which would cause embarrassment and expense to the United States and her allies here. As is well known to the Department of State, Secretary Marcy, with the approval of President Pierce and Cabinet, authorized the negotiation of a treaty for making these islands a Territory of the United States. Commissioner Gregg was authorized to facilitate the negotiation by the promise to pay $100,000 for pensions to the King, chiefs, and other official persons, on condition that the sovereignty and property of the islands should be transferred to the United States.

Commissioner Gregg exceeded his instructions by stipulating to pay, in all, three times the sum which Secretary Marcy named in his instructions. These terms were deemed onerous and unacceptable by the Washington Department of State, and consequently the treaty was dropped, after all negotiations had been completed, the King finally being induced by his Scotch minister of foreign affairs not to sign it, though the King and cabinet had previously given their support to the spirit and terms of the negotiations and the conclusions reached. The embarrassments and objections that then existed as to the number of the royal princes and chiefs, the small number of the American population, the want of ready communication with the United States, and distance from Washington, now no longer stand in the way of making Hawaii a well-governed and prosperous United States Territory. The reasons for annexation in 1854 were certainly much less adequate and pressing than they are now.

THE EXISTING BUSINESS STATUS.

It is well to consider the existing state of things here resulting from the change in the United States sugar tariff. Only personal observation and a careful investigation of the facts can give one an adequate idea of the severe blow sugar raising here has received. The production of sugar being the main business of the islands, the great reduction of the market price has affected powerfully the entire affairs and condition of the islands. I think it understating the truth to express the opinion that the loss to the owners of the sugar plantations and mills, etc., and the consequent depreciation of other property by the passage of the McKinley bill, wise and beneficial as that measure is proving to be for the vast interests of the United States, has not been less than $12,000,000, a large portion of this loss falling on Americans residing here and in California. Unless some positive measures of relief be granted, the depreciation of sugar property here will continue to go on. Wise, bold action by the United States will rescue the property