

Mr. Wyllie then read the following brief memorandum, submitted to him yesterday by Mr. Gregg, for consideration, viz:

"1. The cession of the sovereignty of the Hawaiian Islands to the United States.
 "2. The most ample guarantee of all the personal and private rights of the King, the chiefs, and people, securing to them the footing of citizens of the United States, on terms of perfect equality with all other American citizens.

"3. As a consideration in part for such cession, a suitable provision for the King, the Queen, the Crown Prince, those declared next in succession, the chiefs, etc.

"4. A provision for the support of schools and education.

"5. A provision for the fulfilment of all engagements lawfully incumbent upon the King's Government to fulfil or discharge. Mr. Gregg said he had submitted the preceding brief memorandum for Mr. Wyllie's consideration in order to elicit his views on the subject and as a very general basis of the discussions between them, which must necessarily arise in providing for the objects expressed in the King's commands of the 6th and 21st of February last.

"Mr. Wyllie then presented and read a memorandum, which he proposed as a basis for negotiation in the following terms:

"1. The admission of the Hawaiian Islands as a sovereign State into the American Union, subject to the Federal Government, the same as the State of Massachusetts, and extending to the King and chiefs, and all his subjects, the same rights, civil, political, and religious, as are enjoyed by that State.

"2. A provision to be made for the King, the Queen, the proclaimed heir to the throne, those declared next in succession by the King's will, the high chiefs enjoying salaries, all the salaried officers of the King, with some regard to the length of service, and for the exercise of the King's bounty in those cases where he may wish to exercise it.

"3. All rights of possession, inheritance, or expectancy to be respected and provided for.

"4. All engagements, of whatever kind, lawfully incumbent upon the King or the nation to discharge, to be religiously fulfilled.

"5. The existing constitution to be maintained, subject only to those alterations without which the islands could not be admitted as a sovereign State into the Union."

(Signed)

R. C. WYLLIE.

D. L. GREGG.

Protocol No. 5.

FRIDAY, April 21st, 1854—9 a. m.

The undersigned met in the house of the commissioner of the United States, and signed protocol No. 4.

Mr. Wyllie submitted the following bases of arrangement which had been framed by the King's chief justice and had been approved of by the Princes of the blood, the Kuhina Nui, and the members of the King's cabinet, viz:

"1. The admission of the Hawaiian Islands into the American Union as a sovereign State, subject to the Federal Government, the same as any other State of the Union.

"2. The most ample guarantee of all the rights of the King, the chiefs, and the people, whether civil, political, or religious, and securing to them all the privileges of citizens of the United States, on terms of perfect equality with other American citizens.

"3. A suitable provision to be made for the King, the Queen, the proclaimed heir to the throne, those declared next in succession by the King's will, the chiefs, and all other persons for whom provision should be made.

"4. A provision for the faithful fulfilment of all engagements of whatsoever kind lawfully incumbent upon the King's government or the Hawaiian nation to discharge.

"5. A provision for the support of schools and education."

Mr. Wyllie stated that the members of the King's cabinet on the 29th of March had agreed to refer the amount of compensation to be determined by a select committee composed of the two Princes of the blood, the Kuhina Nui, and the King's chancellor and chief justice, the Hon. W. L. Lee, who had reported yesterday as follows:

"The undersigned, a committee appointed to fix upon the amounts to be asked for compensation to the King and chiefs, under the new treaty contemplated with the United States, beg to report: That they have found great difficulty in every attempt they have made to fix a just compensation for the several chiefs, who, including the second class, number upwards of thirty persons; and therefore they would respectfully recommend that a gross sum, say three hundred thousand dollars, be asked for, to be distributed among the King and chiefs, in the form of annuities, as they may determine, it being expressly understood that from the above sum of three hundred