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DEPARTMENT OF STATE,
Washington, December 1, 1881.

JAMES M. COMLY, Esq., Honolulu:

SIR: In my formal instruction of this date I have reviewed the general question of the relationship between the United States and the Hawaiian Islands, and the position of the latter, both as an integral part of the American system and as the key to the commerce of the North Pacific. As that instruction was written for communication to the Hawaiian secretary of state, I touched but lightly on the essential question of the gradual and seemingly inevitable decadence and extinction of the native race and its replacement by another, to which the powers of Government would necessarily descend.

A single glance at the census returns of Hawaii for half a generation past exhibits this alarming diminution of the indigenous element, amounting to 1½ per cent per annum of the population. Meanwhile the industrial and productive development of Hawaii is on the increase, and the native classes, never sufficiently numerous to develop the full resources of the islands, have been supplemented by an adventitious labor element, from China mainly, until the rice and sugar fields are largely tilled by aliens. The worst of this state of things is that it must inevitably keep on in increasing ratio, the native classes growing smaller, the insular production larger, and the immigration to supply the want of labor greater every year.

I have shown in a previous instruction how entirely Hawaii is a part of the productive and commercial system of the American States. So far as the staple growths and imports of the islands go, the reciprocity treaty makes them practically members of an American zollverein, an outlying district of the State of California. So far as political structure and independence of action are concerned, Hawaii is as remote from our control as China. This contradition is only explicable by assuming what is the fact, that thirty years ago, having the choice between material annexation and commercial assimilation of the islands, the United States chose the less responsible alternative. The soundness of the choice, however, evidently depends on the perpetuity of the rule of the native race as an independent government, and that imperiled, the whole framework of our relations to Hawaii is changed, if not destroyed.

The decline of the native Hawaiian element in the presence of newer and sturdier growths must be accepted as an inevitable fact, in view of the teachings of ethnological history. And as retrogression in the development of the Islands can not be admitted without serious detriment to American interests in the North Pacific, the problem of a replenishment of the vital forces of Hawaii presents itself for intelligent solution in an American sense—not in an Asiatic or a British sense.

There is little doubt that were the Hawaiian Islands, by annexation or distinct protection, a part of the territory of the Union, their fertile resources for the growth of rice and sugar would not only be controlled by American capital, but so profitable a field of labor would attract intelligent workers thither from the United States.

A purely American form of colonization in such a case would meet all the phases of the problem. Within our borders could be found the capital, the intelligence, the activity, and the necessary labor trained