in the rice swamps and cane fields of the Southern States, and it may be well to consider how, even in the chosen alternative of maintaining Hawaiian independence, these prosperous elements could be induced to go from our shores to the islands, not like the coolies, practically enslaved, not as human machines, but as thinking, intelligent, working factors in the advancement of the material interests of the Islands.

I desire, therefore, that you will give this subject due attention. An examination and report will be valuable if showing the proportion of occupied rice and sugar lands to the unoccupied and undeveloped territory, the capacities of production, the peculiarities of climate, the wages of labor, and the cost of living. It will also be well for you in conversation with the leading men of Hawaii to turn their thoughts discreetly in the direction of inviting American colonization there. A Hawaiian homestead act for the benefit of actual American settlers, with remission of taxation during the time necessary to establish new plantations on a paying basis, might be in turn supplemented in the United States by voluntarily organized emigration schemes and cooperative aid to bona fide settlers. Throughout the continent, north and south, wherever a foothold is found for American enterprise, it is quickly occupied, and this spirit of adventure, which seeks its outlet in the mines of South America and the railroads of Mexico, would not be slow to avail itself of openings for assured and profitable enterprise even in mid-ocean.

Commending this aspect of the subject to your earnest and immediate attention.

I am, etc.,

JAMES G. BLAINE.

Mr. Frelighuysen to Mr. Comly.

DEPARTMENT OF STATE,

SIR: Your No. 217, of the 8th instant, in which you report the political tendencies now making themselves manifest in the Islands and the movement in the direction of onerous taxation of capital and property to a degree which can not fail to work injury to the foreign interests and enterprise which have built up Hawaiian prosperity, has been read with attention.

It can not be doubted that indiscriminate and reckless exercise of the tax-levying power by those portions of the native element who have little or no taxable interests at stake must react harmfully on the essential elements of insular prosperity. Independently of the consideration that a large part of the operating capital and mechanical enterprises of Hawaii has been contributed by citizens of the United States, this Government feels itself so kindly bound to Hawaii by the traditions of past intercourse that it would not hesitate to remonstrate with the Hawaiian Government against the adoption of a shortsighted policy which would be alike harmful to existing vested interests and repellant of the further influx of capital from abroad.

While this Government recognized from the first the constitutional sovereignty of Hawaii, and still recognizes her right to adjust internal matters of taxation and revenue on constitutional principles, yet it can not permit to pass, without very urgent protest in all proper quarters, a measure subversive of the material interests of so many of its citizens.