

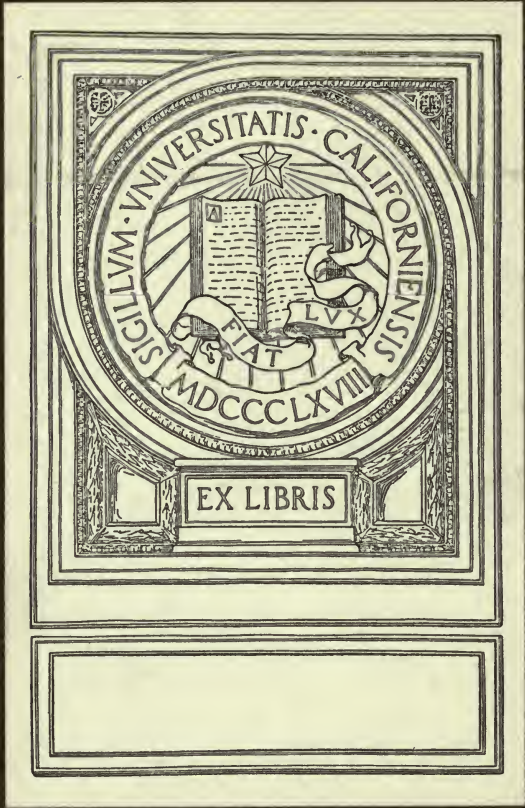
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Hawaiian Reciprocity Treaty Blunders.

IMMEDIATE ABROGATION A NATIONAL REQUIREMENT.

WASHINGTON, D. C., June 12, 1886.

To United States Senators and Representatives in Congress assembled :

First: There was no commercial advantage for the United States to gain by negotiating the treaty of 1875-'76; that the trade of the Sandwich Islands had long been controlled by Boston merchants prior to that time, and could have been increased by them ad libitum without this Government subsidy, is too well known to require proof. The United States Government knew this, Daniel Webster's statement upon this topic as Secretary of State in 1842, to the House of Representatives, being as follows :

Mr. Webster said: "Considering therefore that the United States possess so very large a share of the intercourse with those islands, it is deemed not unfit to make the declaration that the Government seeks nevertheless no peculiar advantages, no exclusive control over the Hawaiian Government;" and these views were acted upon when Daniel Webster made the treaty of 1849 with Hawaii, to which I shall refer later.

Charles Nordhoff, in his volume of travels in California, Oregon, and the Sandwich Islands prior to the treaty of 1875-'76, says: "It is plain the island trade is so largely in our hands that no other nation can be said to dispute it with us; if our flag flew over Honolulu we could hardly expect to have a more complete monopoly of Hawaiian commerce than we now enjoy; moreover, almost all the sugar plantations and the greater number of stock farms are owned by Americans; what the islands are," continues Nordhoff, "they are because of American enterprise and Boston capital, which established the sugar culture and other important industries."

There being no commercial advantage for the United States to gain by the treaty of 1875-'76, it is evident that the treaty was a job put up by American merchants who controlled Sandwich Islands commerce, and captured a good-natured ring "to march at the head of their triumphant procession through the country to advocate the treaty at our expense." Although our market for Hawaiian sugar was

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and is the best and the principal market they had or can have, treaty or no treaty, those enterprising merchants wanted the duty on Hawaiian sugar in their own pockets, and got it by the treaty at public expense.

This snug little enterprise of 1875-'76, which transferred three cents or more per pound duty from the United States Treasury to the pockets of its projectors, quickly assumed gigantic proportions. The records of the Bureau of Statistics furnish evidence about Hawaiian sugars as follows :

Quantities and values of dutiable Hawaiian sugar imported from 1868 to 1876, inclusive.

Year.	Pounds.	Dollars.
1868-----	18,241,062	956,898
1869-----	16,314,482	1,087,433
1870-----	14,016,181	901,645
1871-----	15,018,469	935,909
1872-----	15,357,784	923,441
1873-----	15,743,146	934,824
1874-----	13,575,674	740,786
1875-----	17,888,000	938,676
1876-----	20,978,374	1,051,987

Quantities and values of free Hawaiian sugar imported from 1877 to 1885, inclusive.

Year.	Pounds.	Dollars.
1877-----	30,642,081	2,108,473
1878-----	30,368,328	2,274,430
1879-----	41,693,069	2,811,193
1880-----	61,556,324	4,135,487
1881-----	76,909,207	4,927,021
1882-----	106,181,858	6,918,084
1883-----	114,132,670	7,340,033
1884-----	125,148,680	7,108,292
1885-----	169,652,783	8,198,144

The Hawaiian Islands contain about 4,355,000 acres of land ; 80,000 acres—the lowest Spreckels estimate—to 150,000 acres or more are available sugar lands ; the average yield is five tons of sugar per acre of cane every eighteen months, or 3½ tons per annum ; 80,000 acres will produce 266,000 tons of 2,240 pounds, or 595,840,000 pounds per annum ; 95,000 tons of sugar were produced in 1885 against about 65,000 tons in 1884. At this *pro rata* of increase a product of 266,000 tons per annum will be reached in five years.

But we are informed by Mr. Spalding, a treaty advocate, in his pamphlet of 1882, that "it is supposed that no more than from 100,000 to 150,000 acres in all the islands can be used for the culture of the sugar cane." If we split the difference and say 125,000 acres, the product would reach 416,666 tons of 2,240 pounds or 933,331,840 pounds per annum in about ten years at the present *pro rata* of increase. Even this does not limit the capacity of the Hawaiian Islands, known to be "the finest sugar-producing country in the world."

According to official records B. S., Feb. 26, '86, Hawaiian sugars averaged 93° crystals in 1884-'85 and about 13 D. S. in color. According to hundreds of tests made for this writer they averaged 94° crystals and above 13 D. S. in color. Taking the official average, 93°, the present duty on which is 2.12 cts. per lb., and when above 13 D. S. in color 2.75 cts. per lb., and when above 16

D. S. in color 3 cts. per lb., we find the official report of loss of duty on Hawaiian sugars imported in 1884 and 1885 to be as follows:

194,615,199 lbs., average 93°, at 2.12 cts. per lb. -----	\$4,125,842
97,187,710 lbs., above 13 D. S., at 2.75 cts. per lb. -----	2,672,662
2,998,554 lbs., above 16 D. S., at 3 cts. per lb. -----	79,956
<hr/>	
294,801,463 lbs., av. 93° and 13 D. S. Loss, 2½ cts. per lb. -----	\$6,878,460

The actual average grade of Hawaiian sugars imported in 1884-'85 was, however, known to be above 13 D. S. and the loss of duty under the 1883 tariff in 1884-'85 was 2.75 cts. per lb. on 294,801,463 lbs., or \$8,107,070. Prior to the tariff of March 3, 1883, the average loss of duty per pound was greater. At present rates the annual loss of duty on an annual Hawaiian product from 80,000 acres would approximate 2.75 cts. per lb. on 595,840,000 lbs., or \$16,385,000, and on an annual product from 125,000 acres the annual loss of duty would approximate 2.75 cts. per lb. on 933,331,840 lbs., or \$25,666,625. Towards this condition the nation is hastened by the Hawaiian treaty.

With a normal capacity for producing beet, cane, and sorghum sugar sufficient for home consumption, with modern inventions which secure ten (10) per cent. of the sucrose contained in beets, cane, and sorghum, and the knowledge that in 1861 Louisiana produced 528,300,000 lbs. of cane sugar, and is again increasing her production, while in 1885 we obtained in quantities at Alvarado, Cal., 190 lbs. of refined sugar per ton of beets and in the West 100 lbs. of sugar per ton of sorghum, it would be monstrous to thus overslaugh our struggling sugar industries by continuing the treaty.

During eight years ending June 30, 1884, under the treaty the duty lost on sugar amounted to more than our exports to the Hawaiian Islands, as follows: Total imports of merchandise, \$42,072,264; total exports of domestic merchandise, \$20,162,798; sugars, imports, consumed, \$37,623,013. Duty lost on sugar, at least 60 per cent. ad valorem, \$22,573,806. Of the \$42,072,264 of merchandise imported only \$364,994 was dutiable. Thus, during eight years, we received less duty in the aggregate from Hawaiian merchandise imported than we annually remit on Hawaiian rice.

Our trade with Hawaii in the year ended June 30, 1885, was as follows: Total imports for consumption, \$8,857,497; total exports domestic merchandise, \$2,709,573; sugar imports consumed, \$8,198,144; duty lost on actual grades imported, at least 60 per cent. ad valorem, or \$4,918,886. Of the total imports of merchandise from Hawaii, in 1885, \$8,817,067 was free of duty; in the year ended June 30, 1876, we imported from Hawaii \$1,376,681 merchandise,

of which \$1,184,610 was dutiable, whereas our imports from Hawaii in 1885 amounted to \$8,857,497, of which only \$40,430 of merchandise was dutiable.

Our imports of merchandise from Hawaii increased from \$8,238,461 in 1883 to \$8,857,497 in 1885, while our exports of merchandise to Hawaii decreased from \$3,683,460 in 1883 to \$2,709,573 in 1885; it is therefore evident that the maximum capacity of the Hawaiians for consuming our merchandise has been reached, and that the capacity of Hawaii for producing "free" sugar not only costs the people additional millions of dollars annually, but is sufficient to destroy our sugar producing and refining industries and cripple our commerce with all other sugar-producing countries, unless the treaty in its present iniquitous form is ended speedily.

Second: There was no political advantage to be gained by the treaty of 1875-'76. Mr. Nordhoff, in his volume of travels (prior to the treaty) in Hawaii, &c., before quoted herein, says: "Our political preponderance in the islands is as complete as our commercial." Even had this not been the case the Webster treaty of 1849, made with the King of the Hawaiian Islands, which is still in force, covers the entire political ground, and, as regards the Hawaiian Islands, gives the United States (in common with England) security for their Pacific Ocean commerce, and Pacific Ocean harbors for their navy whenever they have any.

It has been well said that, under the Webster-Hawaii treaty of 1849, "it seems almost too clear to admit of argument that any attempt to lease or otherwise dispose of, or create any lien upon, any port, or grant any special privileges or rights of use therein to any other power, State, or Government, would be a palpable violation of the terms of this (1849) treaty." Thus article IV of the reciprocity treaty of 1875 is simply humbug; the king had no power to lease, dispose of, or create any lien upon any port, harbor, or territory, or grant any special privileges to the United States in 1875, and has no such power at the present time.

By the treaty of 1849 all the rights and advantages this nation has a right to or can claim in the Islands are secured and will be retained if the reciprocity treaty of 1875-'76 should be terminated; besides, in 1851 Great Britain concluded a treaty with Hawaii in terms similar to the Webster treaty of 1849, but made it perpetual except as regards duties on imports. Not only is the reciprocity treaty of no avail politically, but any cession of Pearl river to the United States by King Kalakaua and any attempt of the United States to fortify or occupy Pearl River or any other Hawaiian port as

a naval station would be rightly resisted by Great Britain as a violation of the treaty of 1851.

Charles Nordhoff, in his volume of travels in Hawaii, &c., from which I have already quoted, says: "As I write, a negotiation has been opened with the United States Government for the purpose of offering us Pearl river in exchange for a reciprocity treaty," but Pearl river was neither ceded to us nor heard from again until abrogation was favored by the Ways and Means Committee, House of Representatives, this session, and the recent advent of the new treaty job at the doors of the United States Senate.

Pearl river is situated on the south side of the Island of Oahu; the entrance to the river is about six miles west by north of Honolulu, the capital of the Hawaiian Islands; being narrow and abrupt the river can be easily blockaded effectually; a bar of solid rock crosses the entrance, which would have to be removed to enable vessels of any size to enter the river safely. Millions of dollars would be required to render Pearl river of any value to any nation as a naval station.

In the new Hawaiian treaty recently formulated by treaty advocates with Senatorial aid, for Senate action to counteract any movement of the House towards abrogation of the present treaty, it is proposed to usurp the prerogative of the House, and not only adjust but barter away the customs revenue of the country for Pearl river harbor, 2,100 miles from home, to which we can have no right that Great Britain is not entitled to share, and which, if accepted, would cost this country millions of dollars to open out and fortify, while our great Atlantic and Pacific ports and harbors are at the mercy of almost any nation.

The rumor that a syndicate of European capitalists propose to buy the Hawaiian Islands for \$10,000,000, *i. e.*, to loan the kingdom that sum and gobble the islands for payment, is another Pearl river dodge intended to influence Congress. Cursory consideration of the topic presents reasons why the Spreckels and Pacific coast free-sugar rings would give double the money named for the islands which they already virtually control, to say nothing of the existing treaty bars of 1849 and 1851.

Third: Not only was the job treaty of 1875-'76 a fraud which has culminated in a gigantic public swindle, but the provisions and language of the treaty have been outrageously subverted. The language of the treaty is clear as to what sugars are entitled to free entry, to wit: "Muscovado, brown, and all other unrefined sugar," but was subtly qualified by adding "meaning hereby the grades of sugar heretofore commonly imported from the Hawaiian

Islands, and now known in the markets of San Francisco and Portland as Sandwich Island sugar."

More or less clayed and clarified—in other words, refined—sugars, known as Sandwich Island sugars, were imported from those islands prior to the treaty; this fact led to the free admission of sugar refined and grained in vacuum pans and centrifugals, from 98° to 99.9° pure crystals, shadowed outwardly in order not to exceed No. 20 D. S. in color, albeit white sugars above No. 20 D. S. have also been entered free of duty under the above qualification subterfuge.

Large quantities of Hawaiian sugars arrive in San Francisco that polarize 99° and over; the crystals are colored outwardly below 20 D. S., and these refined sugars are fraudulently entered free of duty; thousands of tons of Hawaiian sugars testing 96° to 99.6°, in some cases 100°, pure crystals, having only a film of outside coloring, have been entered free as "Muscovado, brown, and unrefined (or raw) sugar." The writer has hundreds of samples of Hawaiian sugars intrinsically equal to white granulated sugars, some of which samples polarize higher than hard refined sugars.

Although Hawaiian sugars are admitted free of duty, the remitted duty is added to the first cost of such sugars sent to this country, while the sugars are sold to California refiners at parity of value with duty-paid sugars, and two to three cents per pound above New York prices of refined sugars has been regularly filched from Pacific coast consumers of duty-free sugars.

This writer was recently informed by an ex-member of King Kalakaua's cabinet that he had "seen Canton and Philippine Island sugars in mats transferred from vessels at the Hawaiian Islands, without landing, to schooners which, when thus loaded, cleared for San Francisco." Certainly the opportunity for such treachery is supplied by the sugar treaty, and merchants of Hawaii are no more exempt from the allurements of illicit sugar traffic than are merchants in other countries, notwithstanding the servile report in 1883, made by the commission appointed by the late Secretary Folger to investigate treaty frauds, which declares everything lovely, but savors of Spreckel's dictation and missionary intrigue throughout.

The following is from testimony at the hearing before the Committee on Foreign Affairs, H. R., March 9, 1882: "My opinion, based upon observation (in the islands), is that the treaty has resulted in the demoralization and impoverishment of the natives to a fearful extent." One of the anonymous writers for the treaty recently inadvertently proved that the Hawaiians are grossly swindled for our profit; although they sent us more than three times as

much as they bought from us, we are told for buncombe that the Hawaiians still owe us millions. Assuredly such a treaty should end for humanity sake.

The Hawaiian minister to the United States, who appears in an advertisement in the *Daily Bulletin* of Honolulu, March 27, 1886, as a director of the "C. Brewer Co. Honolulu, Limited, General Mercantile and Commission Agents," represents his patron, the Sugar King *de facto*, who opposed the treaty in 1875, and now, with millions gained thereby at public cost, defends it, rather than his legal sovereign, Kalakaua, the King *de jure* of Hawaii, who, through this job-treaty enterprise, of which he is known to be heart-sick, has become a mere nominal king with a nominal kingdom, utterly dependent upon the sugar king dynasty and the new California sugar ring, which, with reason, claims to have United States Senatorial influence and support.

Whatever advantages our Pacific coast shipping and other local industries or the people of Hawaii may have derived from our treaty of commerce with Hawaii, are accomplished facts, and will remain so. Having been dearly bought by the American people, through an expensive legislative treaty blunder, they are nevertheless permanent local advantages now held by a clique of sugar-food monopolists, and they certainly are not entitled to further protection of their engagements at public expense.

Having by means of the treaty annually fleeced the United States Government and people of millions of dollars—having robbed Pacific coast consumers by compelling them to pay for duty-free sugars two and a half to three cents per pound above New York prices for duty-paid sugars, and having absorbed or impoverished and financially enslaved most of the native planters of Hawaii, thereby gaining control of the king, demoralizing his kingdom, decimating his subjects, and substituting therefor a Chinese colony—this stupendous job-treaty enterprise, which enriches a few sharp traders at public cost and at the expense of our home industries, should be terminated forthwith by Congress.

It is known that large sums of money have been sent to Washington to prevent abrogation of the present treaty, and failing that to secure a new Senate treaty. Advocates of the treaty claim to rely upon secured Senatorial influence in a Republican Senate to defeat the action of a Democratic House, and thus, against public interests, to continue this treaty monstrosity or perpetuate the evil by a new treaty device.

It is also known that a Pacific coast combination has recently been formed between the railroad companies, the American re-

finery, and the Hawaiian planters. The amount of duty, \$5,000,000 per annum, now donated by this country, is to be divided between the aforesaid parties, and the movement, it is alleged, has potent Senatorial influence not entirely unconnected with recent controlling investments in the said refinery.

Thus, between the reigning Hawaiian sugar dynasty and the new Pacific coast free-sugar ring, it is proposed to silence the United States Congress or carry that body in favor of a treaty or revenue measure that menaces American sugar industries and dutiable sugar commerce, engenders and protects revenue frauds, and compels the people to pay enormous annual tribute apparently to a foreign country—in reality to a handful of Pacific coast sugar-food monopolists who maintain an army of *claquers* and other emissaries to tempt legislators and infest the lobbies and halls of Congress.

The reciprocity treaty of 1875-'76 is a tariff and revenue measure that "curtails the boundaries within which revenues are or can be raised," and a measure that "regulates foreign and domestic commerce." Thus in making this treaty the forever-inherent power and prerogative of the House of Representatives to originate all revenue bills, and of Congress to regulate foreign and domestic commerce, were usurped with disastrous results.

Regardless of our sugar-producing industries, of justice to the people, and of its own rights, Congress has calmly suffered this treaty to continue its ravages, thus sanctioning a gigantic public abuse for the sole enrichment of Pacific coast monopolists who, already gorged with wealth, employ their surplus millions about the capital of the nation to maintain an expensive treaty blunder, the continuance of which by Congress will be a legislative crime.

Numerous unimpeachable statistical exposures, based upon expert knowledge and official evidence of Hawaiian treaty chicanery, have been presented to Congress by this writer. Will Congress perform an act of public justice by the speedy enactment of the bill to abrogate the treaty recently approved and reported to the House by its Committee on Ways and Means, or shall legislative justice be subverted or silenced by the mercenary *claquers* and golden-coated sophistries of Hawaiian sugar monopolists and national parasites, who boast of power in Congress and gobble millions of dollars annually by the treaty at the expense of sixty millions of American consumers, producers, and tax-payers?

HENRY A. BROWN,
Ex-Special Treasury Agent, Saxonville, Mass.

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