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of the world. The commercial relations binding together the two countries will hereafter become still closer. At this time we are especially anxious to have the commercial treaties between the two countries revised under the principle of reciprocity. On account of the necessity to protect her own products, the United States had once to prevent foreign goods from coming in by erecting a high tariff wall. However, her industries have made long strides, her national strength has increased, and her manufactures are more than enough for home consumption. The surplus of supply over demand has to be exported, and there is no necessity of clinging to the time-honored policy of protection. Now it is to the interests of the United States to do so. For these reasons, we hold that it is to the interests of both countries to revise their commercial treaties upon the basis of reciprocity and to try to develop the trade between them. The remarkable growth of wealth in the United States makes it necessary for capital to flow out of the country, while the investment in this country of the abundant resources of our friendly neighbor will be most welcome.

The two countries have one and the same mission to fulfill; their policies and interests are common to each other. We hope, and indeed we have reason to hope, that, in addition to this fact, the two countries be bound by ties of commerce and of capital, their relations will grow still more intimate. Their fair-minded people of both countries are one in entertaining this hope. Should any small complication or question arise in the future and should any persons take advantage of the occasion to attempt to treacherously estrange the one country from the other, we sincerely hope that those fair-minded people will not be moved or misled thereby but endeavor to maintain the friendly intercourse that has long existed between the two countries.

IN ANSWERING REFER TO
No.

Department of Commerce and Labor
BUREAU OF IMMIGRATION
AND NATURALIZATION
Washington

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October 31, 1906.

Mr. Chas. Denby,
Chief Clerk, Department of State,
Washington, D.C.

CHIEF CLERK
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My dear Sir:

In conversation with the President and the Secretary of State yesterday some discussion was had on the Japanese situation. I intimated that in my opinion the trouble on the Pacific coast was largely attributable to the fact that there was a large immigration of Japanese into that section, and that Honolulu was used as a base of supply by those interested in getting labor. I thought possibly that the Secretary of State might be interested in the figures for the fiscal year ended June 30th, 1906. The Japanese arrivals at the port of Honolulu was 9,055; at San Francisco 676, and at Seattle 1,438. We are informed from reliable sources that the number of Japanese which have left the Hawaiian Territory for the same period for the mainland was 11,617. That the latter figures are approximately correct, I have no doubt, and you will therefore understand why some alarm is expressed by the people in California, Washington and Oregon on account of the large number of Japanese arrivals. Over one year ago this matter was brought to my attention while I was on the Pacific coast. During my visit to Hawaii a year ago steamers were leaving Honolulu direct for Puget Sound ports with a large number of Japanese on board.