

FISHER HEARING

(Continued from Page 2)

homesteaders and corporations, the Secretary asked if he thought there should be a limit to the amount of land a corporation might hold. To this Mr. Bishop replied that he would rather not express an opinion at this time.

The hearing then adjourned to 9:30 o'clock tomorrow morning.

Mr. E. Faxon Bishop was called upon by Secretary Fisher, and the hearing was as follows:

Fisher: Mr. Bishop, would you mind making a few statements?

You are connected with the house of Bishop & Co.?

Bishop: No, I am connected with the house of C. Brewer & Co.

Fisher: How long have you been a resident of these islands?

Bishop: Since February, 1883.

Fisher: How did your connection begin here?

Bishop: My connection began here as office boy for C. Brewer & Co.

Did you come here in that capacity or were you connected with that firm on the mainland?

I came here as a protegee of a relative and began working for that company only after coming here.

And that concern is largely interested in sugar plantations?

Yes sir.

How extensively?

Last year I think we acted as representatives and agents for about 130,000 tons of sugar.

Fisher: You have heard the discussion here with Mr. Goodale. Would you say the interest charge would have to be on money borrowed?

Bishop: Well, assuming that everything was going along favorably there would be no difficulty in raising 50 per cent of the bond issue on some of these plantations. Of course if a great many plantations desired to raise money, there might not be enough money in the Territory to supply it. But if the Waialua Agricultural Company wanted money I don't think there would be any difficulty in raising a bond issue of 5 per cent or 50 per cent of the value of the capital stock.

Fisher: But if you wanted to raise 50 per cent you might have to pay as high as 6 per cent.

Bishop: I think so.

Fisher: Current rates of interest, here, were told the other day, are higher than that for good commercial paper.

Bishop: I think good commercial paper can be generally discounted at the bank for 6 per cent.

Have you given consideration to the question of the general policy of homesteading here?

I have.

What do you think about it?

The more I think about it, Mr. Secretary, the worse I get fuddled on this proposition.

Fisher: What seems to be the matter?

Politics Play Part.

Bishop: I think that what is the matter with the situation is largely due to the consequence of misrepresentation. After annexation here, campaign orators started the ball rolling by inculcating into the people here the idea that it was the American policy to divide up the public lands among the people—putting them on it. And as is frequently the case when people are conducting a campaign, they tell people what they like to hear, regardless of whether the policy they outline can be carried out satisfactorily. And people started in on the homestead idea under those conditions. Then the law was enacted; but that law was not a good one in many respects, to my mind, the law on that question is topsy-turvy. If you are going to have a homesteading policy, I think it has to be fairly alike. People do not like the idea of waiting ten years for a title to their lands, and I don't blame them; and then under some of our forms of land division here they still have a string on it at the end of ten years.

This idea that the public lands, under the American policy, would be divided amongst the people took hold very strongly; then came the law providing for the homesteading policy. Well, the people jumped in and signed the petitions for homesteads; got on to the land without realizing what they were up against—they thought it was a snap. And when it came to getting a title, which involved their complying with the provisions of the law—well, they ran up against obstacles and somebody had to be the goat—the goat was the Governor and the planters. Another bad feature of the situation has been this: My idea of homesteading was to get the people out onto the land and take up land which was almost valueless unless somebody did take it up and develop it, as for instance the lands in the West. In Hawaii these people looked around for public lands and naturally picked out the best of them. These lands were leased to the plantations years ago in order to get them

developed, and have now become very valuable; and it seems to me when people went after those lands they were not going after a homesteading proposition as much as going after speculation. Those cane lands were appraised, up in the Hilo District, and turned over to the homesteader for \$35.00 an acre. Now when a man can get good cane land for \$35.00 an acre he is naturally out to realize on his venture. I don't think that homesteading on those lands is normal. There is more money in it for the man that gets them to sell out. I don't see how you can get away from the temptation to sell out.

Fisher: Well now you can understand, I suppose, the difference between having a lot of small land owners, and the system of having a few large land owners. There is a fundamental difference between the policy of allowing the land to be owned by a few people or splitting it up among a larger number of people?

Theory and Practice.

Bishop: I think that theory is absolutely correct; but when it comes to working it out, you get into great difficulties. Now take the Waialua lands for instance. Those lands are the finest lands in the Territory for growing pineapples. They were opened up; and what happened—a Settlement Association went down there and for 8 or 9 years almost starved to death. And when they finally got a crop there was no market for it. They tried various crops, all of a perishable nature, and finally landed on pineapples. And now the finest pineapple fruit of the world is being grown there. What happened—these men turned around and consolidated—organized in a way where they could get credit, in order that they could build canneries. And that homesteading proposition which had the best promise in the beginning resolved back to corporate ownership.

Fisher: Suppose the law provided that they could not sell to a corporation or a man who had more than a certain aggregate member of acres—what would be the trouble of that system?

Bishop: If those holdings were in the hands of one or two individuals suppose it would be an easy matter for them to put the fruit on the train and ship it to town to the canneries.

Fisher: Now what that means then is this, Mr. Bishop: that these people did not understand what was the most profitable or practicable crop for them to raise; and when they did find that pineapples was the most profitable, and could be raised with the least effort, they turned the whole thing over to a corporate manager.

I don't think that was it. They had the fruit. These came the question of a cannery. No one of these men was able to put it up. The interests were more or less consolidated, down there, and so they finally got into a corporate form and the canneries were built and the thing went along with a boom.

So you think it was just a natural outcome of the financial conditions of the profit?

Bishop: I think so.

Fisher: Is it necessary to consolidate lands and pineapples?

Bishop: It might be necessary in another locality.

Do you think it would or would not as a rule?

I think it would. They made a failure of it in Hilo where homesteads were opened up to individuals.

You have spoken of the pineapple industry. It would look, then, as if lands adapted to that might be practically homesteaded. What do you think of the cane lands?

Pineapples is a much more attractive proposition for a homesteader than cane is.

Now tell us why.

Because of the cultivation of it, Mr. Secretary. The cultivation of pineapples is not considered to be as laborious as cane cultivation. I am talking somewhat at random, as I have never been in the pineapple business.

Fisher: Then you don't think the people that are doing laborious work on the cane plantations would make good homesteaders, would you care to take up homesteads? Maybe this is due to the fact that the law does not encourage them. What do you think of that?

Bishop: Perhaps so.

Well, they or their children will in time be entitled to citizenship. Would those people make good homesteaders?

I don't know; they might or they might not.

Fisher: Do you think there is a substantial difference between homesteading cane lands and pineapple lands?

Bishop: There seems to be to me, from my superficial knowledge of pineapples.

Fisher: Now with regard to the cane business generally, you are familiar with the financial history of the plantation with which Mr. Goodale is connected?

Bishop: Yes.

Waialua Finances.

Fisher: What are the facts with regard to the expenditures on that plantation's capital account? Is there an estimate of \$7,000,000 investment?

Bishop: Yes sir, I don't think you understand just what Mr. Goodale

meant when he spoke of figuring the interest. I think in Hawaii we are not quite as modern as you perhaps are in New York, Chicago and in the East generally. We do not figure interest in the sense in which you speak of it. All of these companies have been organized on a stock capital basis and the stockholders have paid for the stock 100 cents on a dollar. In no plantation with which I have had anything directly to do has there been any "promotion" in the organization. Companies have paid for the capital; and now and again they have miscalculated and have found that they needed more money, so have gone into bond issue and finished; and that accounts for the comparative small amount of bond issue here as compared with institutions elsewhere. There is very little of that thing prevailing in this Territory. We never figure on the interest on that investment in determining our profits. If the balance in the profit and loss account is sufficient, we pay a dividend.

Fisher: Suppose the best you could do was to make a profit of 5 per cent a year—would many go into the sugar business?

Bishop: I don't think they would.

Fisher: Could the figures which Mr. Goodale gave this morning be checked?

Bishop: Most of the companies issue a report to the shareholders every year, which are public property, and which give the figures you wish to obtain.

Turns to Governor.

Fisher: Have you given any attention to the questions of the duties of the Governor, or Chief Executive, of these islands, generally?

Bishop: I don't know as I have thought much about being Governor or anything of that sort. The most I have thought about the Governor is that he has about as hard a job here, or anywhere else, that I know of. It is due to the fact that it is a small community and everybody in the community knows what everybody else is doing. In the Union, like the State of New York, with the Governor sitting in the capitol at Albany, he is not in reach of all the people; here the Governor is pretty accessible to everybody. Almost every official act is scrutinized and criticized.

Fisher: Here you naturally have certain large interests which act more or less together, or having common interests act pretty much along the same lines. Quite naturally those actions affect the rest of the community. Well, of course if the charge is—the suggestion has been made here—that your present Governor being connected by family ties, socially and by way of certain connections with the large interests, he naturally would be supposed to see their side of the controversy?

Bishop: I think that is magnified a great deal.

Q: That is to say the Governor here—that we have to find a man here identified with one or the other of the sides, or do you mean that there are in the community or should be men of sufficient prominence whose qualifications—who are independent of the controversy and would act uninfluenced?

A: I think so; there certainly ought to be. What I am fighting for is this idea of a Governor from the mainland.

Fisher: I understand—you hesitate an opinion on the real facts.

Bishop: I realize that I am being cross-examined to.

Q: No, I don't want it to be put that way. I want you to tell me, and to be perfectly frank with me and tell me what you think—that I cannot understand and appreciate is the general sentiment in favor of having somebody here—there is a general fear of the appointment or appointment—I am calling your attention to some of the difficulties on the other side.

Well, I don't know. Take the men who are usually chosen for executive positions such as the Governor of this Territory, they are usually lawyers. We have a large bar here of able men and they are not connected with the sugar industry.

Fisher: I notice that the attorney for the Delegate was very careful to point out the political affiliation of counsel on this side and counsel on the other side, and they seem to think that those acts are significant.

A: I think, Mr. Fisher, that it is up to the administration in Washington to tell Hawaii she has got to produce a man to be governor of this Territory. I have a deep and rooted prejudice against a governor from the mainland. I don't think the governor from the mainland will help the situation out.

Mr. Fisher: Mr. Ashford, how do you feel about that?

Mr. Ashford: I sympathize with the sentiments expressed by Mr. Bishop; I sympathize with them most strongly indeed; and as I believe I expressed to you in your office in Washington in looking over the list of what would be eligible here for the governorship, it is almost impossible to find one who is not affiliated with the sugar interests in some way. And I would like to say right here that the man I would like to see governor is Mr. Goodale.

Q: Well, that is a mere personality. Mr. Goodale might become ill, or get a better offer on the mainland. What do you think the general opinion is—should the limitation in the Organic Act be maintained or should it not? Ashford: It is extremely hard to answer your question. I would rather see a local man appointed; even though he has some of the faults and disqualifications of which we might complain, than to take the risk of such appointments as we might get from the mainland. My colleague, Mr. Kinney, is quite strongly in favor of the amendment of the act. Still, it is possible that we might expect to get on better with that prospect ahead of the people here. In other words, if a man were appointed from here, even if he had these affiliations, he might so subdue these affiliations as to make him a good governor.

Q: I appreciate the sentiment against a non-resident governor. I am asking you because Mr. Kinney has taken such a decided stand in favor of that position that I would like to know the position the Delegate takes?

A: I understand his position is that there ought to be an amendment.

Q: What do you think about it, Prince?

Kuhio: I take the stand as the rest of them—men available for the position, whose position is such that he can use his office for the interest of the people as a whole. I believe we should have that man from here.

Q: I think we all agree on that.

A: Say then that if we cannot find a man whose position is politically who acts without considering the affiliation that he is connected with, that then I believe the amendment of the Organic Act should be changed—that a man should be imported from the mainland.

Q: That should be the end of the administration or any administration—first to select a man here if there is a man available and if he is not available to select a man from the mainland who will be absolutely impartial and efficient but in order to enable that man to be appointed, it would be necessary first to amend the Organic Act. In order to take care of a contingency of that sort would you believe in the amendment of the Organic Act?

A: I would. If the conditions exist as they do today or have been since annexation, then there should be. I don't think conditions have changed here in this country since annexation. I think we are going into a worse condition, that is, speaking from an American's point of view. I think conditions today in this Territory would not be tolerated in any other State in the United States. The conditions are not such for a small man in this country. There is no such thing as a middle man here. You have got the almighty rich or the poor. If conditions are such as that under a republican administration the last 10 or 11 years of annexation surely something is wrong somewhere. Perhaps the blame is not very much on the administration here—perhaps the fault is in Washington.

Q: Well what do you think about the fault in the conditions themselves so that without regard to the efforts of well meaning and public spirited men here or the desire of the people in Washington—do you think that the man here?

A: I don't quite understand your meaning.

Q: You say there are here either the very rich or very poor. There is no middle class. So long as that condition prevails do you think it will be possible to select a Governor?

A: As the conditions exist today, I doubt whether any homesteading will be a success.

Q: You doubt whether it will be a success?

A: I doubt it.

Q: Well, can you change them?

A: Well, I take my views from the ordinary laborer's standpoint, from the point of view of the laboring man.

Q: Well, what are your views?

A: Encouraging homesteading.

Q: Well, how?

A: In a good many ways.

Q: You mean extend the reclamation act. There isn't anything to that except the appropriation of money. The territory can go into the reclamation act—

Kuhio: Get the territory to do it, then.

Q: I understand you are powerful here politically here. Couldn't you use your political influence?

A: Any efforts I have made here politically are only so far as my election is concerned. The power is not in this territory here—strong as I am politically in elections—when you come down to the power of controlling the legislature, I haven't got that.

Q: I can appreciate that. You are in favor of the adoption of the reclamation system here?

A: I did something in Washington in an attempt to get the money to start reclamation projects here. The truth of the matter is that there are more demands on the mainland, a great many more demands on the mainland for irrigation projects than we have funds available to carry out those projects and I suppose that is the real reason why you haven't had it extended to Hawaii. It is because we are now tied up so that we have hardly enough money to carry out the projects which are already started. Under these conditions I suppose they naturally hesitated to authorize money to start projects here. Do you think it is possible to turn over large tracts of land to be irrigated by private corporations, as is done on the mainland and to charge the cost of irrigation to the land and open the same to homesteaders—Why cannot that system be adopted here?

Kuhio: I think something could be done. I am not in a position as the Governor as men who have had actual experience. I know there is something wrong—I don't know exactly my own point of view in this, I feel that we are drifting—that Congress will take the right of citizens away from us; if conditions exist as such. For instance—take your Japanese question—I don't say this with a feeling against the Japanese, but if our conditions keep on this way, with the millions of dollars that the Federal government is expending, with this rear—there are the millions of dollars that the Federal government is spending in this Territory—

NEW TODAY

BY AUTHORITY.

REGULATIONS GOVERNING USE OF THE 10" FUEL OIL PIPE LINE OWNED BY THE TERRITORY OF HAWAII AND LOCATED ON THE HONOLULU WATERFRONT AND WHARVES.

Adopted by the Board of Harbor Commissioners, September 11, 1912. Control of Pipe Line.

(1) The pipe line shall be under the control of the Board of Harbor Commissioners, whose employees shall work in conjunction with the firms, corporations, or individuals using the pipe line; so that every facility will be secured for the prompt and accurate despatch of the delivery of oil to or from ships or other users of fuel oil.

Charges for Use of Line.

(2) For the first six months of its use, the charge shall be at the rate of .01 1/2 per barrel of oil pumped through the line either from ships to tanks, or from tanks to ships, or other users of fuel oil. After this period, the charge for the use of the line shall be based to cover—

1st. Cost of operation, maintenance and repair.

2nd. Interest on investment and depreciation.

3rd. Refunding annually an amount equal to 1-20 of bonded debt for line, said charge to be determined by the Board of Harbor Commissioners.

Permits to Use Line.

(3) Permits to use the pipe line will be granted only to those firms, corporations or individuals who are in a position to deliver oil to or from vessels berthed at Government wharves at a minimum volume of 1000 barrels per hour.

Delivery of Oil To and From Vessels.

(4) To regulate delivery of fuel oil to ships, berthed at Government wharves, no barge or oil tank, vessel or other container, will be permitted to discharge oil to, or receive oil from any vessel berthed at a Government wharf in the Harbor of Honolulu during such time as the 10" Fuel Oil Pipe Line is in condition to properly receive oil from or deliver oil to ships berthed at wharves owned or controlled by the Territory of Hawaii.

MARSTON CAMPBELL, Chairman, Board of Harbor Commissioners.

EMIL A. BERNDT, Secretary, Board of Harbor Commissioners. 5339-30t.

POLITICAL ANNOUNCEMENTS.

I hereby announce my candidacy for the office of Supervisor for the City and County of Honolulu, subject to the action of the Republican District and County Convention. 5339-7t. J. C. QUINN.

PROFESSIONAL CARDS.

VOICE CULTURE. Miss Annie L. Weiss, 490 S. Beretania; Tel. 3989. Voice production, latest hygienic principle, diaphragmatic breathing as taught in Conservatory of Music, Melbourne University. k-5339-6m.

ROOM AND BOARD. Cool room in Makiki district, with board, suitable for couple of gentlemen. All conveniences. References required. "M. N.", this office. 5339-6t.

Mrs. Reine Roddard has taken The Bougainville, 746 Beretania; High class, select. k-5339-3m.

WANTED.

Man who thoroughly understands tunnel work and operation of air drills, by Alexander & Baldwin, Ltd. 5339-1w.

CLOTHING TALK THE Gotham Clothiers can extend you no more clever styles or fabrics than we. And this is due to our ability to control the agency in this city for the "ALFRED BENJAMIN" CLOTHES "BENJAMIN'S" clothes not only exceed all other ready-to-wear clothes in style and quality, but they COST LITTLE MORE THAN THE ORDINARY KIND

THE CLARION Cor. Fort and Hotel Sts.

there is this fear—there is nothing that has been done to get rid of that or to reduce that. We have brought Portuguese and a lot of Russians, but they come here as laborers. These people are just as good as people from the mainland. Those men have never been encouraged by the plantation or by the administration. They talk a lot about bringing them here as prospective homesteaders. They are brought here as laborers pure and simple, nothing else. Those people, a majority of them, come from agricultural countries. I know this—there are no better men for agricultural purposes than the Portuguese. There is the conditions exist that the small farmer cannot make a success of it here. It may be that we have no market; it may be that the transportation facilities are such that a small man cannot get his produce to market. You take the conditions as a whole. There is something wrong somewhere. Fisher: What I am here for is to find out just what is wrong so that we can intelligently decide how to set it right. After all, the important thing is the constructive suggestion as to what we can do to make something better. We can do that if we talk frankly and decide why it has succeeded and why it has failed. If we are going to follow the system provided by the present organic act of selecting a governor from the islands, and if it is going to be difficult to find a man who is not in some way connected with one of the interests here, where perhaps the difficulties are inherently so difficult, so great that it is a question whether anybody could succeed, whether he is from the mainland or from the islands unless there are some very radical changes in your fundamental laws. Isn't that true? Governor, what do you think about the general proposition that faces any administration in Washington in selecting the governor. Should it or should it not be restricted to the residents of the islands? Fisher: I think it should be restricted to the residents of the islands. Q: Do you think it is possible to find men here who are so disassociated with the interests that they can give a fair administration? A: I think so. Q: What would such men as that be doing here? A: They might be in the legal profession; some of them might be in business. Q: What kind of business is there in this Territory of sufficient size that would enable a man to rise enough to enable him to be appointed? A: Well, I haven't gone into it thoroughly. Q: Well, what kind? A: Stock brokers. Q: They are dealing in stocks, aren't they? A: They would be out of it as soon as they became governor. Q: What else? A: Bankers, grocers and merchants, real estate men. Q: Well, take the bankers—they are all more or less interested in the large interests here? A: Probably. Fisher: How much independent real estate business is there in the islands? A: Considerable. Q: What kind of real estate do they deal in? A: City real estate. Q: In Honolulu or in the other islands? A: In Honolulu. Q: Are those men the more prominent ones among them apt to be agents for landed estates? A: What kind of estates? Q: Large estates. A: In some cases. Q: I have been told that it is difficult to find land to be bought or sold—I have been told of people who have had a great deal of difficulty in finding suitable property. Is there much real estate for sale on the open market here? A: There is considerable in Honolulu, not much in the country. Q: Is there considerable in Hawaii? A: I think so; in the suburbs. Q: Are there any statistics? A: I don't know. Q: Have any statistics ever been compiled so far as you know on the subject? A: I think so—I think the real estate men could inform you of that. Q: Now, what other persons besides real estate persons do you think might be chosen? A: Grocers, and merchants. Fisher: How would they be brought to attain sufficient individual prominence so that their names and personalities would be known as available candidates for Governor. Fisher: I would not pick out such a man if you asked me—I would pick out some man who might be more or less unconnected here, a man of honesty and ability to enable him to hold that position, whose principal acts not once in a thousand times be brought into contact with any of his relationships—a man who, in dealing with any others whom he might have relationships with would be backwards rather than forwards. It would be the same on the mainland. You cannot get a governor or a President who is not interested more or less in some large interest. A: I cannot now recall a President since the Civil War who has been identified commercially with any large interests in the United States.

Ladies' Bathing Suits Ladies' Black Serge Suits, white trimmed—Regular \$2.25; Special \$1.75 Ladies' Black and Navy Alpaca Suits—Regular \$3; Special 2.25 Ladies' Black and Navy Alpaca—Regular \$3.75; Special 3.25 Ladies' Black and Navy Alpaca—Regular \$4.75; Special 3.35 Ladies' Swimming Suits—Regular \$5.50; Special 4.75 Ladies' Silk Alpaca Suits—Regular \$7.50; Special 6.25 Ladies' All-Silk Suits—Regular \$10; Special 8.25 BATHING CAPS AT SALE PRICES

Sachs' Week-End Special Sale of Men's, Ladies' & Children's Bathing Suits Sale Started This Morning N. S. Sachs' Dry Goods Co., Ltd.

Misses' Bathing Suits All sizes, 8 to 18 years. Regular \$1.50, now \$1.15; regular \$3.50, now \$2.95. Men's [2-Pc.] Suits Cotton Knit—Regular \$1.25; Special \$1.00 All Wool, navy, white trimmed—Regular \$2.75; Special 2.25 All Wool, navy, white trimmed—Regular \$3.75; Special 3.00 BOYS' BATHING SUITS—Boys' Cotton Suits: Regular \$1.50; Special 1.15 BATHING SLIPPERS AT SALE PRICES