

MAILS
From San Francisco:
Siberia Maru, Jan. 23.
For San Francisco:
Wilhelmina, Jan. 24.
From Vancouver:
Makura, Jan. 21.
For Vancouver:
Niagara, Feb. 2.

Evening Bulletin, Est. 1882, No. 6885
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GERMAN RAIDER, FREE IN SOUTH ATLANTIC, REPORTED SUNK 8 BRITISH, 2 FRENCH VESSELS; WARNINGS OUT

SALE OF LANAI FOR ABOUT \$600,000 TO PINEAPPLE INTERESTS IS NEAR

Libby, McNeill & Libby and Hawaiian Pineapple Company Men Leave on Mikahala to Go Over Island—Estimated 6000 to 10,000 Acres Available for Production of Fruit

The biggest business deal in the territory for months—the sale of the island of Lanai—is virtually closed, according to authoritative sources in business circles. The Star-Bulletin learns that it is likely to be completed next Monday or Tuesday.

None of those actively interested in either the sale or purchase of the island would talk when seen by the Star-Bulletin today but from other sources comes the information that the purchase price is approximately \$600,000 and that the buyers will be the Hawaiian Pineapple Company.

The Lanai Company, Ltd., owns the island. If the deal is completed, as now seems certain it will mark a very large extension of territory on the part of the big pineapple interests, two of which will virtually form a syndicate to operate the island as a huge pineapple plantation in addition to its considerable ranch operations.

Party Leaves For Islands. Certainty of a big deal being in foot came last evening when the steamer Mikahala took a party of prominent pineapple men to the island. The party included C. V. Judkins and Walter Macfarlane, representing Libby, McNeill & Libby; James D. Dole, president and manager of the Hawaiian Pineapple Company; Lewis E. Arnold, superintendent of the Hawaiian Pineapple Company; and John L. Whitmore, superintendent of plantation for the same corporation.

Mr. Judkins has been in Honolulu a number of months. He is the representative here of Libby, McNeill & Libby, the big Chicago firm which, through the local corporation Libby, McNeill & Libby of Honolulu, Ltd., has recently been developing and expanding until now it is one of the leading factors in the Hawaiian pineapple field.

Reports Gain Definiteness. Reports of the sale of Lanai to pineapple interests have been afloat for months, reaching a rather definite stage when Judkins and C. G. Mallock, associated with the same interests, came to Hawaii, and when, later, Mallock, Robert W. Shilage and John T. McCrossen visited the island.

However, those named by rumor as knowing the details of the matter would not talk today. The passenger list of the Mikahala included the name of H. M. von Holt, a director of the Hawaiian Pineapple Company, but Mr. von Holt did not go. When the report of the sale was brought to his attention today he simply laughed.

The newspapers have been carrying headlines about the sale of Lanai for a year, he said, "and it is nothing new for a party of pineapple men to visit it. I wish it were sold!"

The Star-Bulletin understands from the rumors in financial circles that the Libby Company has secured an option on the island. Presumably the present trip of the intending purchasers is for final inspection.

Island Resources. The island of Lanai is about 21 miles long and 14 wide, and was taken over in 1910 by the present stockholders of the Lanai Company—Cecil Brown, F. E. Thompson, J. T. McCrossen, H. Hackfeld & Co. and C. Q. Yee Hop. The Hackfeld Company is the agency and C. Q. Yee Hop has a meat contract with the ranch.

There are more than 90,000 acres of the island, most of it owned in fee simple. It has now about 3800 cattle and 10,000 head of sheep. It has a mortgage to the W. G. Irwin estate of \$275,000 and overdrafts with the agency are said to run more than \$100,000 besides. The sale will clear away all indebtedness.

Lanai has never been devoted to pineapples on a commercial scale. The island is noted for its fine, sweet pineapples, heretofore raised in small quantities. It is estimated that from 6000 to 10,000 acres of the land are available for pineapple production.

The sale of this island, as Mr. von Holt pointed out, has been a fruitful subject for rumour. Once there was a story that Senator Pittman of Nevada was dickering for it. H. J. Lorentzen, a Nevada and for a short time a deputy internal revenue collector, looked over the island once and it was given out then that he was negotiating for its purchase but comparatively little credence was placed in this report.

PROPOSED INCOME TAX INCREASE IS BAD FOR HAWAII

Eight Per Cent on All Earnings Over 8 Per Cent Would Be Heavy Burden

Hawaiian corporations and their stockholders would severely feel the burden of an 8 per cent additional income tax such as was mentioned in the Associated Press despatch published in the Star-Bulletin yesterday, as being proposed to meet the deficit which confronts the government.

That despatch said that the proposal was for an 8 per cent tax in addition to the present tax on corporations and firms earning more than 8 per cent per annum on their capitalization. The proposal was commented upon freely in business circles and at the office of the internal revenue collector today.

At the office of the internal revenue collector it was said that many corporations here are earning far above 8 per cent on their capitalization, some as high as 50 per cent and a few even near 100 per cent. As an example of the working of the proposed law it was cited that a company with a capital of \$100,000 earned net \$10,000 and now pays a 2 per cent tax on such \$10,000. Such earnings are \$20,000 over 8 per cent, so that the new tax would be 2 per cent on \$10,000 and an additional 8 per cent on \$20,000. If the earnings had been \$20,000 it would entail a tax of 2 per cent on that sum and 8 per cent additional on \$12,000.

A study of stock exchange reports will give one a ready idea of the large sums that would be paid by most of the local companies, for few of them can be found that are not paying well over 8 per cent.

A well-known stockbroker said this morning that it would mean a recapitalization of many corporations here. "Hawaiian companies, especially plantation companies," he said, "have put earnings into improvement and thus piled up and increased the amount that is invested without increasing capitals proportionately. As a result of this they would be in a position to feel such increased taxation materially. Recapitalization is the only way out."

Other brokers expressed the same opinion and cited that present stock prices are largely based on dividend earnings and not on original capitalization.

The internal revenue office said it would take a careful study and considerable time to determine what the proposed new law would mean in increased revenues through that office, but that the sum would be a large one.

Disposing of an important preliminary legal point, the supreme court today decided that Chief Justice A. G. M. Robertson and Associate Justice R. P. Quarles are not disqualified to hear the appeal of the trustees of the B. P. Bishop estate from a recent decision by Judge Ashford appointing Charles E. King one of their number.

This decision leaves the way for a final hearing in the upper court of the trustees' appeal, and argument on the appeal is scheduled to begin at 10 o'clock next Wednesday morning.

Upon the resignation of Samuel M. Damon as a trustee, justices of the supreme court appointed William Williams as his successor in accordance with the will of the late Mrs. Bishop. Judge Ashford declined to confirm the appointment and, in a lengthy decision in which he held that the time was ripe for the appointment of one of Hawaiian blood to the board, named King to succeed Damon.

The other trustees of the estate appealed. The trustees suggested that the chief justice and Associate Justice Quarles were disqualified on the ground that they had a "pecuniary interest" in the case at bar. The two justices hold that they have no such interest.

WHERE ARE CRIMINAL CASES? NO ONE KNOWS. Since Justice James L. Oke was elevated to the supreme bench last Saturday there have been no trials of criminal cases in circuit court, although many are pending, and no movement to set any of these cases for trial. No one seems to know—nor even the two remaining judges—what is to become of the cases or what their status is. When he left the lower bench Justice Oke assigned the criminal cases to Judge Ashford's division, but whether this assignment by a single judge will legally stand, is a matter of conjecture. Judge Ashford says the cases are not in his court.

16-Year Old Youth Murderer of Boys, He Confesses to Police

At 1:30 this afternoon Captain of Detectives McDuffie said: "We have determined the murder of the two little Makiki valley boys. Sixteen-year-old Keawi Keawekane has made a full confession of murdering little George and Kama Kanoa a week ago Monday morning in their little cottage far up Makiki valley, as being proposed to meet the deficit which confronts the government."

Keawekane was arrested by Chief McDuffie when the latter investigated the affair and has been held ever since on suspicion although the boy stoutly declared he knew nothing of it.

This morning when McDuffie heard the boy wanted to confess he sent for County Attorney Brown and a stenographer. Then in the presence of these two, McDuffie and Sergt. Kelleit, Keawekane told the tale.

It was a childish fight, according to his story and he killed them in a frenzy. When they went up to their cottage in the morning with their potatoes Keawekane went with them and stayed to play a kind of a puzzle block game with them. This brought on the fight.

He says they accused him of being a crook and he struck one of them with a stick; the younger then attacked him with an axe (only the larger of the two axes was used) and he snatched it away and killed them.

PICTURES PLAY LEADING PART IN OPIUM CASE. Two pictures, one a photograph and the other a reproduction burned on wood, unearthed during a preliminary hearing Tuesday afternoon before U. S. Commissioner George S. Curry, are playing an important part in the case of Arthur Alsina and Jose Rey, held by federal officials on a charge of smuggling and otherwise handling opium.

Alsina and Rey were arrested in a house in Manoa during a raid by detectives, customs officers and treasury department agents. Later federal officials issued a complaint charging them with trafficking in opium.

In a trunk in the house was found a cabinet photograph of a man and a woman. The reproduction of these portraits, burned in wood, was found in one of the two trunks opened at a Honolulu wharf which contained several hundred cans of opium.

Alsina and Rey are believed to be associated with B. Castoy, who was the owner of the trunk of opium. When Castoy arrived here in the Manoa he was met by Alsina, who walked away with him. Castoy has since disappeared. A man giving his name as Castel, said to be a steward on the Matsonia, recently was arrested by the police on suspicion of being Castoy. He was released, however, and has left the islands. This is all according to the somewhat guarded statements of federal officials and police.

Further hearing of the Alsina-Rey case was to be had this afternoon.

GERMAN OFFICIAL CABLEGRAMS. BERLIN, Germany, Jan. 16.—Official report today says that neither on the west nor the east front is there important fighting. Between Kasinu and the Susita valleys and near Fundel, Rumania, strong Russian attacks have been repulsed.

GERMAN ARMY HEADQUARTERS, Jan. 15.—Western arena: North of the Somme today there was lively artillery fire, which still continues. In several places advances of hostile patrols were repulsed. Our reconnoitering detachments succeeded in bringing in prisoners and machine guns.

Prince Leopold's sector, east front: The weather being cloudy, there was little activity here. Archduke Joseph's sector, Carpathians: North of Susita Valley our recently captured positions were attacked by stronger Russian and Rumanian forces, but the enemy was everywhere repulsed.

On von Mackensen's front: Between the mouths of the Buzau and the Sereth rivers, in spite of unfavorable weather, the last town held by the Russians, Vandeni, was taken by storming. The Macedonian front: Situation is unchanged.

RUSSIAN SAYS JAPAN KEEPS AMERICA OUT. PETROGRAD, Russia.—M. Shingareff, chairman of the defense committee of the Russian duma, in commenting on President Wilson's note to the belligerents, said: "The commercial interests of America will predominate over any move by the military. America's adherence to one or the other of the belligerents is very improbable, especially to Germany, which would result in complications between America and Japan."

4000-TON TIGER OF THE SEAS LOOSE AMONG ALLIED SHIPPING; SAID TO HAVE ELUDED PATROL

Greece Bows to Entente Ultimatum and Accepts all Demands, Probably Averting Crisis--Rumor Famine in Germany Worse

LONDON, Eng., Jan. 17.—Ending the British naval patrol around the British Isles early in December, a fleet German raider, well-armed and provisioned, is believed to be now operating with startling effect among the Allied shipping in the South Atlantic.

Eight British and two French merchant vessels are believed to have been sunk in the last few days in the South Atlantic by this raider. Two other vessels are thought to have been captured.

Hints of the fate of the missing 12 ships, whose failure to reach destination has been watched with anxiety, have come from that part of the seas where the unknown vessel is believed to be operating now.

The British steamers are the Dramatist, the Radnorshire, the Minieh, the Netherby Hall, the Mount Temple, the King George, the George and the Voltaire. The French victims are the Nantes and Asnieres, and two vessels reported captured are the St. Theodore and Yarrowdale.

The whereabouts of the captured vessels are not known. The raider is described as a 4000-ton, very fast vessel, well-armed, with torpedo tubes, her funnel painted black, and two masts.

A warning last Friday that there was a raider loose on the seas placed her probable field of operations then as latitude 7 south, longitude 25 west.

The British admiralty announced December 8 that a disguised German of the mercantile type had been intercepted by a British patrol boat off Scotland and then permitted to proceed, under the impression that it was the Dutch steamer Gamma.

Large Ships Among Those Thought Sunk. Steamers mentioned in the despatch above as sunk or captured are as follows, according to the latest maritime registers here: Dramatist—4415 tons, built at Glasgow 1914, owned by Charente Steamship Company, Ltd.; home port, Liverpool.

Radnorshire—4319 tons, built at Sunderland 1913, owned by Royal Mail Steam Packet Company; home port, London.

Minieh—2061 tons, built at Glasgow, Scotland, 1895, and owned by the Anglo-American Telegraph Company; home port, London. (This is probably the vessel referred to above as the "Minieh.")

Netherby Hall—4491 tons, built at Newcastle 1905, owned by Ellerman Line, Ltd.; home port, London.

Mount Temple—8792 tons, built at Newcastle 1901, and owned by Canadian Pacific Railway, with home port at Liverpool.

King George—3853 tons, built 1906 at Middlesboro, owned by the Freshfield Steamship Company, Ltd.; home port, Glasgow.

Voltaire—8518 tons, built at Glasgow 1907, and owned by the Lamport & Holt Company, Ltd.; home port, Liverpool.

George—10,077 tons, built at Belfast 1895, and owned by the White Star Steamship Company, Liverpool.

Yarrowdale—4652 tons, built at Newcastle 1912, and owned by Mackell Steamship Company, Ltd., with home port Glasgow.

ITALY TAKES STEPS TO CONSERVE FOOD SUPPLY. (Associated Press by Federal Wireless.) ROME, Italy, Jan. 17.—The government today announced the appointment of a special committee to supervise more extensive and rapid distribution of food supplies. The committee is formed in response to complaints from some quarters of the scarcity of provisions.

Market Weak; Metals Drop

NEW YORK STOCK MARKET TODAY. Following are the closing prices of stocks on the New York market today, sent by the Associated Press over the Federal Wireless:

Alaska Gold	Today	Yesterday
American Smelter	106 7/8	108 1/2
American Sugar Rfg.	111	111 1/2
American Tel. & Tel.	123 1/2	125 1/2
Amoco Copper	84 1/2	86 1/2
Atchafalca	105	105 1/2
Atchafalca	56 1/2	57 1/2
Atchafalca	84 1/2	84 1/2
Atchafalca	44 1/2	45 1/2
Atchafalca	25 1/2	26 1/2
Atchafalca	160	161 1/2
Atchafalca	90 1/2	91 1/2
Atchafalca	48 1/2	49 1/2
Atchafalca	80 1/2	81 1/2
Atchafalca	32 1/2	33 1/2
Atchafalca	170	170 1/2
Atchafalca	116 1/2	117 1/2
Atchafalca	48 1/2	49 1/2
Atchafalca	77 1/2	78 1/2
Atchafalca	101 1/2	102 1/2
Atchafalca	86 1/2	87 1/2
Atchafalca	26 1/2	27 1/2
Atchafalca	97 1/2	98 1/2
Atchafalca	108	109 1/2
Atchafalca	232	233 1/2
Atchafalca	144 1/2	145 1/2
Atchafalca	113 1/2	114 1/2
Atchafalca	120 1/2	121 1/2
Atchafalca	106 1/2	107 1/2
Atchafalca	96 1/2	97 1/2
Atchafalca	53 1/2	54 1/2

WILL CONSIDER COMPENSATION

To discuss proposed changes in the compensation act which will be presented to the legislature, all local insurance agencies here will meet this afternoon at the office of the von Hamm-Young Company.

Among the changes which are being considered, one of the most important is the proposal to increase the amount paid for hospital and doctors bills from \$50 to \$100 and extend the time from 14 to 30 days. Compensation, however, will remain the same, starting on the fifteenth day following the accident and amount to 60 per cent of the wages received at the time of the accident. It has also been proposed that a clause be added relieving the employer from all liability if the injured employe refuses to accept compensation within a reasonable time after it is offered.

As a result of the meeting this afternoon it is hoped that the agents, members of the industrial accident board and legislators may get together and reach decisions equitable to all.

MRS. MOORE WINS IN SUIT FOR RECOVERY OF O. R. & L. SHARES

After lengthy litigation in which the plaintiff has appeared only by deposition, Circuit Judge Whitney has decreed that the Oahu Railway & Land Co. shall transfer to Mrs. Mary Moore of Alameda, Cal., 145 shares of the capital stock of the corporation, valued at \$20,000.

Mrs. Moore received the stock from her husband as a gift. After his death she found that none of the shares had been indorsed by him. Her suit to have the stock transferred to her was brought against a number of claimants of the estate, who, it is alleged, claimed that she came into possession of the stock as executrix.

Her claim of the gift of the stock was finally proved by Mrs. Moore, resulting in today's decree. Attorney P. L. Weaver represented the plaintiff.

NOT DISQUALIFIED TO HEAR APPEAL

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COUPON SCHEME IS TURNED DOWN

Believing that it was poor business ethics and would set a bad precedent, the retail trades committee of the Chamber of Commerce at a special meeting this morning turned down a proposition presented by Charles R. Frazier, representing the Elier Music Company.

The scheme as outlined by Frazier was for certain retail stores to issue coupons on purchases, each cent paid entitling the purchaser to one vote, and the five persons receiving the most votes would win premiums, the first of which would be a player piano put out by the Elier Company. Frazier guaranteed that this scheme would increase the business of the store entering the contest 25 per cent and he offered to file bonds to that amount as an assurance.

The members of the committee, however, opposed the proposition on all grounds, particularly as they were against all enterprises in which coupons played a part. It was also voted that both the Chinese and Japanese associations be informed of the decision.

Sing Sing convicts received truckloads of gifts from friends.

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TEUTONS AGAIN SCORE IN AIR-BATTLES, SAYS BERLIN ANNOUNCEMENT

(Associated Press by Federal Wireless.) BERLIN, Germany, Jan. 17.—Official announcement today says that 36 Entente airplanes were shot down on the various battle-fronts during the month of December. Thirty-two machines came into possession of troops of the Central Powers. The latter lost only 17 machines during the month.

Additional Telegraph despatches published on Page 5.