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U. S. TAKES TWO BIG MATSON LINERS

Excise Tax On Sugar To Be Hotly Fought In Congress

Bitter Opposition Developing to Any Form of Consumption Levy—Restoration of Payne-Aldrich Duty May Be Urged

By C. S. ALBERT
(Special Star-Bulletin Correspondence.)
WASHINGTON, D. C., June 2.—Sugar seems destined to receive a double swat from the senate finance committee, now engaged in rigging up a war revenue bill. An agreement reached on this commodity indicates that efforts will be made to bring in revenue from that source without adding to the degree of protection proposed by the house.

The finance committee voted to eliminate the house provision placing an import tax of 10 per cent, in addition to the tariff rates under existing law, which would be of benefit to the sugar producers. In addition, it was voted to impose an excise tax of one-half of a cent per pound on sugar.

The excise tax, it is figured, will be paid by the refiners, although naturally the ultimate consumer will be required to bear the burden. The tax is estimated to bring in \$45,000,000 a year from this source. The tax will be collectible on every pound of sugar made and shipped from each refinery.

The only reason assigned for the acceptance of this tax by the finance committee is that it presents less objectionable features than many others suggested. At the same time it is intended to impose a like levy on coffee and tea, but the figures have not yet been arranged.

The original intention of the finance committee members was to avoid all forms of consumption taxation. They realized that such levies would prove extremely unpopular and would be charged up as coming from the "poor man's breakfast table." Every effort was made to dodge these suggestions and secure sufficient revenue in other ways, but the number of eligible items seemed dwindling and nothing remained but to take up the necessities of life.

The excise tax on sugar will be bitterly fought in the senate and will meet with strong opposition when the bill is returned to the house for concurrence. All Republicans will urge an import tax, the restoration of the Payne-Aldrich rates, or any other feature that does not come in the form of consumption levies. The absolute necessity for raising revenue doubtless will modify the antagonism aroused by the finance committee action. Statements of all parties fully realize that money must be brought into the treasury, because of war conditions, and the choice of taxable articles grows less as they are mulled over.

The finance committee expects to bring in a bill which will raise \$1,500,000,000 in revenue, instead of the \$2,000,000,000 proposed by the house measure. The other half billion dollars must be realized by the sale of additional bonds.

NEW YORK STOCK MARKET TODAY

Yesterday	Today	%
Alaska Gold	5	6 1/2
American Smelter	108 1/2	108 3/4
American Sugar Ref.	122	121 1/2
American Tel. & Tel.	121 1/2	121 1/2
Anaconda Copper	84 1/2	85 1/2
Atchafalaya	102	102
Baldwin Loco.	85 1/2	85 1/2
Baltimore & Ohio	73	72 1/2
Bethlehem Steel	182 1/2	182 1/2
Calif. Petroleum	22 1/2	23
Canadian Pacific	161 1/2	162 1/2
C. M. & St. P. (St. Paul)	75	75 1/2
Colo. Fuel & Iron	53 1/2	56
Crucible Steel	80 1/2	82 1/2
Erie Common	28 1/2	28 1/2
General Electric	152 1/2	153 1/2
General Motors, New	105	108 1/2
Great Northern Pfd.	108	108
Inter. Harv.	100	100
Kennecott Copper	47 1/2	47 1/2
Lahigh R. R.	85 1/2	85 1/2
New York Central	92	91 1/2
Pennsylvania	53	52 1/2
Ray Canal	30 1/2	30 1/2
Reading Common	96	94 1/2
Southern Pacific	93 1/2	93 1/2
Studebaker	80	81 1/2
Texas Oil	215	216 1/2
Union Pacific	137 1/2	137
U. S. Steel	130 1/2	129 1/2
Utah	116 1/2	115 1/2
Western Union	94	94
Westinghouse	83 1/2	83 1/2

ARMY DONATES \$14,000 TO LOAN

As the result of army and navy day last Saturday in behalf of the Liberty Loan, 44 subscriptions totalling \$14,000 were received, of which \$14,000 came from the army. J. I. B. Gries, manager of Bishop & Co. at Schofield, was particularly active in obtaining subscriptions. It is expected, however, that before Wednesday the amount will be

FLOUR JUMPS 80c BARREL

+ This morning the price of flour went up another notch. It is today 85 cents a barrel higher than it was on June 4, a week ago yesterday.
+ Price this morning, F. O. B. Seattle, according to cabled advices to one of the leading wholesale grocery houses of Honolulu, was \$12.60 a barrel. On June 4 it was \$11.80.

CENSORING OF SHIP NEWS HERE MAY BE LIFTED

George Creel Agrees That Modification May Be Made Without Damage to U. S.

Modification of the present strict voluntary censorship agreed upon by the newspapers at the request of the navy department is in immediate prospect, and it will materially benefit Hawaii.

George Creel, chairman of the bureau of public information—which is in effect the censorship bureau, at Washington—takes the position that until there is reason to believe a hostile raider or submarine is operating in the Pacific there is no necessity for suppressing the steamer schedules and dates. He is preparing to make an arrangement whereby Pacific sailing dates may be announced.

Attorney Sydney Ballou, representative of the sugar planters at Washington, member of the Navy League and prominent in other patriotic movements, recently visited Mr. Creel to discuss the possibility of a modification of the censorship. He pointed out that while the postoffice department was suppressing all news of the sailing of mail steamers on the Atlantic, it was still publishing the exact date and hour of the sailing of mail steamers from Pacific ports. At the same time the newspapers of Hawaii, in compliance with the navy department's request, had been suppressing all steamer schedules and dates of sailing, which prove a serious inconvenience throughout the islands.

Mr. Creel, according to information the Star-Bulletin received today from Washington, said that he knew of no reason why sailing dates on the Pacific need be suppressed and that if a raider or submarine should appear, proper steps could be taken at that time.

That the present strict censorship on this character of news will be relaxed is now expected. The agreement not to publish sailing dates, etc., is entirely voluntary with the local newspapers and in line with the policy deemed best by the navy department.

Is Change Planned In Hawaii Government?

By C. S. ALBERT
(Special Star-Bulletin Correspondence.)

WASHINGTON, D. C., June 2.—Delegate Kalaniana'ole of Hawaii today introduced a resolution directing Secretary of the Interior Lane to inform the house of representatives if a change of government for Hawaii is contemplated. He set forth that some confusion has been caused by recent events in the territory. The resolution reads:

"Whereas, Luctus E. Pinkham, governor of the Territory of Hawaii, on April 23, 1917, in vetoing a bill of the legislature of the territory providing for a new charter for the city and county of Honolulu, used the following language:

"The island of Oahu, in other words the city and county of Honolulu, is becoming a trinity of interests which I fear, at times, is being intentionally overlooked and will continue to be until a rude awakening is forced. The components are the Federal Government as represented by the army and navy; the Territory of Hawaii, which is responsible for large and growing indebtedness of counties, and the city and county of Honolulu, differentiated in powers from the other counties. If the present plans of the army and navy now in progress are continued, and there is no indication of a change, but the reverse, the Federal Government will become in expenditures by great odds paramount to any political subdivision, branch of government, or corporate or private interests of the Territory," and

"Whereas, the citizens of the Territory of Hawaii are jealous of the civil liberty guaranteed them by the Congress of the United States, and

"Whereas, the Governor of the Territory of Hawaii is appointed by the President of the United States and is

SMALL HOPE FOR OPENING HAWAII TO CHINESE LABOR

Delegate Kuhio Presents Resolution Following Measure Before Legislature Here. But No Action on It is Likely

By C. S. ALBERT
(Special Star-Bulletin Correspondence.)
WASHINGTON, D. C., June 2.—A plan to solve the labor problem in Hawaii by the introduction of Chinese has been proposed in congress by Delegate Kalaniana'ole. He fixes the number of Chinese laborers to be brought in at 20,000. The chief purpose of this plan is to render material assistance in the increased production of food supplies. The introduction of the resolution here follows the activity on a similar measure before the Hawaiian legislature.

For the purpose of obtaining legislative approval of his proposition the delegate has offered the following resolution:

"That the congress of the United States by appropriate legislation provide for the admission into the Territory of Hawaii from the Republic of China (without right to proceed to any other part of the United States) under such terms and conditions and subject to such rules and restrictions as it deems advisable 30,000 Chinese laborers."

It is set forth in the preamble among other things that since the discontinuance of Chinese immigration the labor supply of the territory has diminished to such an extent that large areas of lands, both public and private, suitable for the growing of rice, garden truck and other edibles, and now lying fallow, idle and unimproved. It is pointed out that the islands have become a most important military base "as the strategic key to the Pacific ocean" with 19,000 troops in the garrisons, and that they have grown materially in industry.

Just what will be done with the delegate's resolution is problematical. Antagonism to the introduction of Chinese laborers has not been essentially lessened with the state of war now prevailing. Arguments for bringing them in are being daily brought forward. The suggestion has been frequently made recently that large numbers of coolies should be brought to the mainland and placed on farming lands. It is known that this idea was seriously considered by the council of national defense, but no recommendation on the subject was made. It is said that the matter was discussed at a cabinet meeting some weeks ago, but congress was not requested to take the plan up for legislative action.

As the situation exists at present the best bet would be non-action on the delegate's resolution. The argument would be advanced that the crops have been planted for this year and there is no haste about looking forward to another season, as the war might end and normal conditions be restored.

GERMANY IN NEW WAR, IS BISSING IDEA

Former Military Governor of Belgium Laid Plans for Attacking France and England Later

(Associated Press by U. S. Naval Communication Service)
COPENHAGEN, Denmark, June 12.—News has been received here that Gen. Von Bissing, former military governor of conquered Belgium, in memorandum which has been made public in Germany, proposed a new war to follow the present conflict.

The memoranda which von Bissing left call for the dethronement of King Albert of Belgium, and the exploitation of Belgium in preparation for a new war against France and England. He warned the German government against the "illusions of possible reconciliation" with these countries.

He demanded that the iron hand be shown by Germany in her relations with other powers, and laments what he calls the mistaken vacillation of the Germans in the conciliation of Alsace and Germanic Poland. This vacillation, he says, must not be repeated in Belgium.

"Reforms," he declared, "must be based on military might."

TANKER IS SUNK; TWO BOATS GONE

(Associated Press by U. S. Naval Communication Service)

WASHINGTON, D. C., June 12.—News reached the state department today that the American oil tank steamer Petrolite has been submerged in the Mediterranean sea and that 18 persons have been saved, with two boats loaded with crew members still missing.

The sinking of the Petrolite recalls the fact that two years ago the shellings of this steamer by an Austrian submarine was the cause of tense diplomatic exchanges between the United States and Austria.

HEAVY FIGHTING LESSENING TODAY

The Associated Press today summed up the land campaigns in Europe as follows:

"There is a lull today in the fierce fighting that has marked the past few days and nights in Belgium.

The British are carrying out some trench raids. German 'feeling' parties have been repulsed by the British patrols.

"Berlin claims that British cavalry charges yesterday at Massines were cut to pieces.

"The French are inactive except for artillery fighting.

"The Italian advance on the Trentino front has been delayed by bad weather."

BIG DINNER FOR PERSHING PARTY

(Associated Press by U. S. Naval Communication Service)

LONDON, Eng., June 12.—A great government dinner tonight, with premier Lloyd George presiding, completes the round of entertainment which England has formally given to Major-General Pershing and his staff.

COMMANDEERS MATSONIA AND MAUI WITHIN 30 DAYS, CABLE FROM CAPT. MATSON TO TENNEY

Maui Expected to Go Into Uncle Sam's Service on Arrival at San Francisco, While Next Trip of Matsonia Will Probably Be Her Last—Action Means Serious Blow to Freight and Passenger Schedules of Company

Two of the biggest and newest liners of the Matson Navigation Company's fleet—the Maui and Matsonia—will probably be running in the service of the United States within 30 days.

A cablegram received this morning from Capt. William Matson, president of the Matson Line, by E. D. Tenney, president and general manager of Castle & Cooke, the Matson agency in Honolulu, reads:

"Your letter 5th received. There is no need to worry about schedule of the Matsonia and Maui. The government has notified us they intend taking these ships. Matsonia will sail this trip."

In making public the news that the United States has decided to commandeer the two big liners, Mr. Tenney said:

"The message plainly indicates that the Maui will be taken over by the government on her arrival at San Francisco from Honolulu, and the Matsonia when she completes her next round voyage.

Schedules and Freight Upset
"With our two largest boats in the service of the United States, our schedules will naturally be very much disrupted." With our present tonnage we have all we can do to take care of San Francisco-Honolulu general cargo and Honolulu-San Francisco sugar.

"Unless the government can give us two of the ex-German freighters—such as the Pommer and O. J. D. Ahlers—we will be unable to fulfill our sugar carrying contracts. These two freighters can carry as much cargo and possibly more than the Maui and Matsonia, but whether we can get them is only surmise."

Commenting on the opposition of Hilo to the announcement that the Honolulu-Hilo service would be discontinued through the summer, due to the cessation of tourist business on account of war conditions, Mr. Tenney said that the needs of the United States are probably considered paramount to those of the territory of Hawaii.

Today's cablegram means that after this month both the Maui and Matsonia will be taken off the island run entirely, so that Hilo will fare no better than Honolulu so far as passenger and freight business is concerned. Two boats less will mean fewer mails to and from the islands.

The local Matson agency has no idea whether the two Matson liners will be taken off the Pacific run, or what use will be made of them by the government. Both the Maui and Matsonia are equipped for conversion into auxiliary naval cruisers under the Act of Congress of 1893, and have bases for four 6-inch guns each.

The Matsonia was built in 1913, but the Maui has only been running for two months. She came to this port on her maiden voyage April 13, from San Francisco. Both liners are of the same size and their cargo capacity is 10,000 tons each. The Matsonia can carry 251 cabin passengers and 78 stowage, while the Maui is licensed to carry 252 cabin and 63 stowage passengers.

Officers are Enrolled
Most of the saloon officers of both liners have been enrolled in the naval reserve since the declaration of war with Germany, as have the officers of the Hill liner Great Northern, news of the commandeering of which may be received any day.

On account of their big cargo space both steamers, it is expected, will be used to transport supplies or munitions. Speculation as to where they will be sent is rife. One theory is that in view of the American mission to Russia they may be placed in trans-Pacific trade, plying between Vladivostok and San Francisco.

If the coastwise laws are suspended, as has been suggested in Congress, the Pacific Mail, Toyo Kisen Kaisha and other lines could then carry cargoes between San Francisco and this port, but it is not considered likely, as all those lines now have all the Orient-mainland business they can handle and more, at rates far more profitable than the \$4.25 a ton now charged by the Matson line for general cargo between San Francisco and here.

May Transport Troops
Manager John H. Drew of Castle & Cooke's shipping department said this morning he believes the two steamers will be used as troop ships and not for carrying war supplies.

"The Maui and Matsonia are ideally adapted for troop ships," he said. "They can carry 300 or 400 soldiers, and their cargo space can be used for transporting complete equipment for the troops. Both liners are also adapted for quick loading and discharging of cargoes."

Capt. Peter Johnson, commander of the Maui, said this morning he has received his commission as a lieutenant-commander in the U. S. Naval Reserve. It is believed here that Captain Johnson, who is the commodore skipper of the Matson fleet, will continue in command of his steamer while she is in the government's service. He has been in the Matson Line's employ for 34 years and commanded the Wilhelmina before his promotion to the Maui.

SEIZURE OF LINERS HITS TOURIST TRAFFIC

"In spite of the war situation summer travel would have been about normal," said A. P. Taylor, secretary of the Hawaii Promotion Committee, today, "but with the announcement of the removal of the Maui and Matsonia from the regular run from San Francisco, prospects do not look bright for a good tourist business."

"Conscription on the mainland will greatly interfere with the travel to the islands this summer. Parents will not want to leave their homes at this time when their sons are being called on for service and I do not look for a large travel until winter."

70,000 More Regulars Wanted

(Associated Press by U. S. Naval Communication Service)

WASHINGTON, D. C., June 12.—The war department today issued a call for 70,000 recruits to fill the ranks of the regulars up to war strength before June 30.

Large Ex-German Freighter Loads Sugar For Coast

That the giant former German freighter Elsass, sister ship of the Pommer, will take a full cargo of island sugar to San Francisco, was learned today from official sources.

This was good news to sugar factors in view of the government's action commandeering the Maui and Matsonia, as announced in other columns of the Star-Bulletin today. The Elsass will help to reduce the congestion. Whether she will be kept on the run to replace the big Matson liners, is not known.

Cargo capacity of the Elsass is well over 10,000 tons. She now has in her holds, however, about 1500 tons of general merchandise remaining from a cargo which she was discharging in Sydney when the European war broke out. She left Sydney harbor at midnight without waiting to complete the discharge of her cargo, and fled to Pago-Pago, an American port.

It is believed it will be from two to three weeks before the Elsass will be ready to steam from this port under her own power.

ESPIONAGE BILL GOES TO PRESIDENT, WITHOUT NEWSPAPER MUZZLING

(Associated Press by U. S. Naval Communication Service)

WASHINGTON, D. C., June 12.—The espionage bill was today approved by the senate, after having been agreed upon by the house and senate conferees, and goes to the president for signature. It does not contain the newspaper censorship provision, this section having been knocked out after much argument.

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