

SHIPPING BOARD DOES NOT INTEND TO OVERTURN COASTWISE POLICIES

Board Makes it Plain That Exceptions Will Be Made Only When War Needs Warrant

In the first annual report of the shipping board it is made plain that the "manifest purpose of Congress is not to overturn the policy of our coastwise shipping laws, but rather to make temporary exceptions to that policy where war needs necessitate such exceptions."

This is directly in opposition to the campaign which is being carried on by Honolulu interests and foreign shipping companies which wish to secure the granting of permits to foreign vessels to enter the coastwise trade under six months' licenses.

The following comment is made in the shipping board's report regarding the admission to the coastwise trade of vessels of foreign registry and foreign-built vessels under American registry:

"On October 6, 1917, an act of Congress was approved authorizing the board to suspend the provisions of law excluding from coastwise trade foreign-built vessels and vessels of foreign construction. This was a war measure designed to make possible a more economical use of tonnage and the replacement of coastwise tonnage which it had been necessary to divert to military service."

Requisition Program. Interesting comment is also made in the report on the requisitioning program of the government, and, in part, is as follows: "Extraordinary war demands on merchant tonnage of the world have necessitated a severe temporary dislocation of existing shipping; and the task of procuring the requisite tonnage for military purposes, with the least possible disturbance of commercial and industrial enterprises, has developed upon the board."

"For obvious reasons the details of this work cannot now be published, nor can statistics be given showing what tonnage has been taken out of existing routes, or to what service it has been diverted. The general purposes which have guided the board, however, may be stated."

The first consideration has been the military necessities of the government, as presented by the military authorities. To supply these needs, it often has been necessary to take vessels out of trades which in normal times would have been regarded as of great importance. The board in this connection is pleased to testify to the patriotic spirit in which shipping interests have met the situation, even where it has entailed serious individual loss.

"The board has continually borne in mind, however, that too drastic a curtailment of commercial transportation would defeat its own ends. Raw materials essential to the production of military supplies and nitrate fertilizers needed to sustain the output of farms could not be neglected. With the acute congestion of rail traffic, coal must be transported by water, so that the war industries of the Atlantic coast shall not be deprived of sustenance."

"In the emergency shipping fund section of the urgent deficiencies act of June 15, 1917, the president was given power to requisition ships, on payment of just compensation; and this power, by executive order of July 15, 1917, was delegated to the board. That this power was essential to a proper performance by the board of its vast service will be vividly realized from an examination of charter and freight rates at the time of America's entrance into the war. A few concrete instances will suffice to illustrate: Charter Rates.

of operation because of the hazardous nature of the service, officers and crew are paid special war bonuses. Post of bunker fuel and supplies advanced. The hazardous nature of the enterprise perhaps justifies what higher returns than usual the capital invested. The cost of risk insurance on the ship is paid in the freight rate. Yet all factors do not justify the proper multiplication of charter rates. The hitherto inconvertible rate to which freight charges advanced.

"The value of a ship bears a close relation to its earning power, hence these of ships, also, has steadily risen, until ships which before the war would have sold for \$50 to \$75, have recently changed hands at over \$100 per d. w. ton. After a full investigation of costs and values at full conference with representative shipowners, the board detected that the inflated war rates, arising therefrom, had become abnormal and due to the submarine and military uses, did not represent fair and just values of the kind that are justifiable in determining just compensation. The board therefore fixed tentative scale of requisitioning rates substantially higher than the prevailing rates, which took full account of increased costs and legitimate increase in ship values, but which nevertheless was substantially under the market rates then prevalent. Rates so fixed became effective for all vessels requisitioned by the board for military service."

"To stipulate certain vessels and to limit their earnings to a reasonable level, and the same time to leave others opening in free trades at rates far above even more fantastic heights by requisitioning of competing tonnage, would have produced manifest discrimination. Moreover, in a war which the mobilization of economic resources is second in importance to the service of arms in the field, the distinction between war service and commercial service scarcely exists. All commercial shipping connected with vital American industries lagged in war work."

"The board has therefore recently adopted a policy of requisitioning for government account all power-driven steel cargo vessels of 2500 tons deadweight or over, and all passenger vessels of 25 tons gross register or over, adapted to ocean service. The operation of these vessels is entrusted in large part to the companies by whom they were formerly controlled, but all reports have been for government account, the owners being credited by the board. The vessels, moreover, are under full control of the board to regulate cargo rates and rates and to safeguard for their protection against the hazards of war zone service. It is hoped that this policy will be the means of achieving two results which in the opinion of the board are necessary: First, complete uniform control over the distribution of shipping, so that war needs may be filled in the order of their emergency; and second, just and effective regulation of rates, so that the nation at war with Germany may not be financially exhausted by extortionate transportation charges."

"Further experience may develop that, consistent with the purposes above outlined, some of the steamers not adapted to war service may profitably be reassembled for requisitioning. As to other lines, more effective methods of regulation and control may prove to be necessary. It should be borne in mind that the requisitioning power of the board at present has no jurisdiction over rates of foreign trade and a jurisdiction over interstate rates, except where vessels are common carriers operating on regular routes. If experience shall prove it to be necessary, the board will recommend draft legislation to meet more effectively the situation arising from the acute dearth of tonnage."

"The freight rates to be charged to shippers on requisitioned vessels left in commercial service or assigned to foreign governments have been the subject of careful consideration. The board, of course, has no desire to profiteer at the expense of any government associated with the United States in the war against Germany, or of the general public. On the other hand existing contracts, particularly those on a c. i. basis, and special market conditions often present a danger that a reaction in rate will not insure to the benefit of the consumer but will be merely transferred from the shipowners to favored shippers. The monopoly earnings which it is intended to eliminate. The policy of the board therefore will be to charge freight rates based on the requisitioning rate whenever it can receive assurance that the benefit of these low rates will accrue to the American or allied government or to the consuming public; and to charge higher rates whenever the fact shall not be so established. The application of this policy will in doubt present difficulties in individual cases but it is believed in principle to be sound."

"The requisitioning program is yet has been in effect for such a short period of time that no accurate statement of receipts and expenditures can now be made. Accounts, however, are being kept with scrupulous care along sound and conservative lines, and in due season will be presented to the congress."

MORAN PROMOTED HEAD OF SECRET SERVICE. (Associated Press) WASHINGTON, D. C., Dec. 30.—Secretary McAdoo yesterday promoted W. H. Moran, who has been assistant chief of the treasury department secret service, to fill the vacancy at the head of that service made by the resignation of Chief Flynn.

Senor Dato, the prime minister, has announced to members of the Spanish press that the reestablishment of constitutional guarantees may be expected very shortly.

CIVIL SERVICE NOMINEES HELD UP BY ARNOLD

Led by Chas. N. Arnold, "the outlaws" won a light wordy battle at the meeting of the board of supervisors at noon today and succeeded in blocking Mayor Joseph J. Fern's appointments for the civil service commission. The mayor's appointments for the city planning commission went through without a break, the leader of "the outlaws" going so far as to make the motion approving of the reappointment of the commission of Hon. J. K. Kahanianovic, Arthur F. Wall, Walter F. Dillingham, Mrs. J. M. Dowsett and Mrs. F. J. Lowrey. But when it came to passing the names put forward by the mayor for the civil service commission—J. B. Lightfoot, John Markham, Democrats, and Naganan Fernandez, Republican—Supervisor Arnold jumped to his feet and asked the mayor for further time to consider the appointments. Supervisor Mott, Smith voted along with "the outlaws" in this particular matter; Supervisor Bellina being absent. The appointments were accordingly laid on the table.

The ensuing argument between the mayor and Supervisor Arnold in which both took even honors. Supervisor Arnold asked the mayor if any more appointments were forthcoming, the civic leader having announced at the beginning of the session that he had fourteen appointments to make. "I have some more appointments, but I suppose it will be the same thing," said the mayor, meaning that opposition would block them.

Supervisors Arnold and Hollinger endeavored to "jolly" the mayor into bringing forth his appointments, but the mayor was morose over the way his appointments for the civil service had been treated and declared he wouldn't.

Supervisor Mott Smith by way of concluding the talk, suggested that as Supervisor Arnold could not agree with the mayor on the appointment of J. B. Lightfoot and John Markham, he and the mayor get together in an informal way and select suitable candidates.

The next meeting of the board will be on Friday night at 7:30 o'clock, but on Wednesday evening a budget meeting will be held to pass the appropriation bill.

VETERAN WITH PERRY IN JAPAN IN 1854 IS DEAD. William Wallace Mackay, a member of the crew under Commodore Perry when he forced Japan to open her ports to world commerce, and a veteran of the civil war, died Sunday at the home of his daughter, Mrs. Oliver H. Walker, Alewa Heights. Funeral services were held this afternoon at the First Methodist Episcopal church, Rev. Leon L. Loofbourow officiating. The remains will be sent to San Francisco for burial tomorrow.

Mr. Mackay was born August 20, 1841, in the city of New York and was 76 years old. He was among the first to answer the call for volunteers in the civil war. At the close of the war he went to California, where he married. He was a prominent church worker in San Francisco and Oakland. He was a popular G. A. R. member, and when he came to Honolulu joined the George W. De Long post, No. 45.

BIG 'Y' DOINGS NEW YEAR'S NIGHT. Col. W. P. Kendall has made arrangements to have his field hospital equipment at the Y. M. C. A. on New Year's night as one of the features of the "Y" open house. New Year's night is always known as Y. M. C. A. night and will in addition to celebrating army life also usher in the new year with the president's reception.

President Frank C. Atherton is at present in the Orient, and Mr. and Mrs. C. H. Atherton and Mr. and Mrs. A. E. Larimer will receive, Sherwood M. Lowrey, chairman of the committee on arrangements, has announced that there will be a real military night for all at the association.

The Red Cross and food commission will have booths at the association building, showing the work which is carried on in war time. The Y. M. C. A. will have a booth and the Boy Scouts will entertain with a number of exhibitions. Two wheel mount Vickers-Maxim machine guns will be on display. The Lewis and Benet-Mercier guns will also be shown.

ARTILLERY AND PATROL ACTIONS ON FRENCH LINE. PARIS, France, Dec. 31.—Artillery actions took place last night northwest of Rheims. On the Chemin des Dames and Besonvaux fronts there were patrol encounters.

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CABLE CHIEF ISOLATED 15 YEARS AT MIDWAY IS TO SEE OUTSIDE WORLD

After 15 years as superintendent of the cable station on a little Midway isle, D. Morrison is to be relieved by Pat McKenna, present cable superintendent at Guam, and formerly superintendent of the San Francisco office, according to reports by passengers arriving here on the Flaurence Ward today. In all this time Mr. Morrison has made only about two trips to the outside world from his island domain, where the population seldom exceeds 25 persons. One of these trips was when he went to the states to take a bride and gain permission for his wife to reside on the island. This was 10 years ago and Mrs. Morrison has the distinction of being the only woman who has ever lived on the island, the cable company prohibiting other employees from having their families with them, or the employment of female servants. The Morrions have a son about eight years of age who was born on Midway. The change of superintendents is to be made early in January, it is stated.

PECULIAR WEATHER IS REPORTED BY SKIPPER ON TRIP FROM MIDWAY

A detailed report of the unusual and contradictory weather conditions now being encountered by navigators is made by Capt. George H. Piltz, master of the Flaurence Ward, in from Midway island, to the Honolulu weather bureau. Absence of trade winds and variable winds and gales from other directions are commented upon by the captain.

The report covers the period from Dec. 23 to Dec. 30, and begins with the statement that the observations have been the "most unusual I have observed during the most hot December for the past 15 years." It continues: "As will be noted on the record sheet, a westerly wind, which would freshen with sunrise, then back into about W. S. W., and freshen to force at 7 or 8 o'clock to 2 o'clock p. m., then moderate (a large fast running westerly sea would rise and moderate with the wind), then freshen from force from 3 to 5 o'clock to about 5 to 9:30 p. m., with rising barometer. The sky would clear over for a short spell, but would clear, miraculously in a few minutes, showing squalls from a few miles away had but none from clouds. When latitude N. 25 was reached the clouds took on cumulus form."

In meteorological terms "cumulus clouds" are those with a dome crest and protuberances, but with a flat base.

HARBOR NOTES

A heavy blast of dynamite in the Kaihi channel on Saturday afternoon, which was set off by the Hawaiian Dredging Co., resulted in the killing of a great number of fish.

P. N. Sharma, a native of India, who was one of the important witnesses for the government in the Hindu plot cases, was refused a landing here when he passed through Sunay, Sharma was not allowed to remain in the United States and take a law course at the Columbia university as he desired, and this is probably the reason his landing here was denied.

For the first time Castle & Cooke acted as the agents for a China Mail Steamship Co. steamer which was in port yesterday. Hackfeld & Co. were formerly agents for this line, as they also were for the Pacific Mail Steamship Co., which has opened a separate office on Merchant street. The China steamer brought over 600 bags of mail to Honolulu.

The tug Printer, which belongs to the Philadelphia Breakwater Co., and which has been used for the past two years on the Hilo breakwater work, has left the inter-island drydock where she has been receiving a thorough cleaning, for a voyage to the Atlantic.

FILIPINOS PAY HONOR TO MARTYRED PATRIOT. Praise to the Filipino people of Hawaii was given last night by Governor Pinkham in a speech at the Rizal Day celebration held at the armory. He referred to the large number of Filipinos who had entered the national guard, and said they had always been quick to answer the call of the nation.

W. W. Thayer, former secretary of the territory, told of the life of Rizal, the great Filipino patriot. It was patriotism which had made Rizal a great national figure, said the speaker. "His counted more than the fact that he was a great scholar, an author, a doctor and a humanitarian. Other addresses were given by B. T. Mckapagal in English; T. A. Samonte in Ilocano; Rev. S. R. Ygloria in Visayan, and by United States Attorney S. C. Huber. Violin and piano solos were given by W. Robinson and Miss P. Josephson.

The celebration was under the direction of F. C. Tubilla, C. Tolentino, B. T. Mckapagal and E. Rubio. The members of the committees were as follows: Finance, J. Regala, T. Samonte, F. Esqueras, H. Morada, and J. T. Mckapagal; resolution committee, E. Centeno, M. Samson, J. Regala, F. Sabonte, L. Konshar, and L. Magallon; decoration committee, M. Regala, C. Salonga, E. Lopez, and L. Regala.

RAIDER LUTECE NEW REPORTED OFF CHILE COAST

That the French schooner Lutece with 60 of the crew of the German raider Seeadler making her, is prowling off the South American coast, was the information brought here yesterday by passengers on the Union Steamship company's liner Moana, arriving from Papeete and other South Sea ports, says the San Francisco Chronicle of Dec. 27. The whereabouts of the Lutece has been a mystery since the Teuton "pirates" set sail in the vessel last August, leaving about 40 Americans incarcerated on Mo-paha island. Henri Ernest Grand of Papeete, owner of the Lutece, was a passenger on the Moana. Grand and others coming from the Tahitian town, said that the Lutece had been sighted by Captain A. E. McDonald of the brig Geneva off the coast of Chile in October. McDonald was familiar with the appearance of the schooner, having seen her many times at Papeete. He told friends there could be no doubt he had been in danger of capture by the Germans. The skipper was so fearful of the intentions of the strange vessel, which was only a few hundred yards away, that he got up all the steam possible on the "donkey" engine and planned to resist any invasion with steam and hot water. He said he intended to ram the schooner if the vessel was brought near his ship. Night came on and the suspected raider disappeared in the darkness. Grand was questioned by agents of the department of justice on his arrival on the Moana, as he was at one time agent of a German firm at Papeete. His standing was established, and he was not detained. He has a son in the French army, who has been decorated for bravery, and two daughters attending school here.

FLOURENCE WARD BRINGS THREE UP FROM MIDWAY

Relieved after 15 months' lonely service on Midway island, three passengers arrived in Honolulu on the Flaurence Ward today. They are Louis Stroppe, an operator and Honolulu youth, son of the superintendent of the Lucas mill; George Scott, another operator, and Jack Weedy, former prize fighter and Honolulu war zone policeman. Weedy has been acting as general outside man at Midway, his ability as a rigger being constantly in demand. He was enrolled on the ship's papers as "third mate" and is entitled to a first class discharge, according to Capt. George Piltz.

Six of the crew on this voyage of the Flaurence Ward are Marshall Islanders, who came here on German ships. They make good sailors, according to Capt. Piltz, and none of them seems anxious to return to the Marshall islands, as they object to Japanese rule.

The Flaurence Ward made no other calls other than at Midway, as it was learned there that the balance of the shipwrecked Thor crew had reached Honolulu.

PUBLIC TO DANCE OLD OUT, NEW IN

Honoluluans to celebrate the coming of the New Year with their usual zest this evening. On the roof garden of the Young hotel there will be plenty of music for dancing, and Manager Stinson has made arrangements to give favors to all who come, both men and women. To the latter will be presented a neat little book containing a locking glass and powder puff, and the men will receive small memorandum book, with the compliments of the Young hotel.

On Bishop street, in front of the Young hotel, Mayor J. J. Fern has arranged to have the Hawaiian band play from 7:30 to 12:30, and all traffic will be kept off the street to allow the people to dance the old year out and the new year in. The street will be prettily decorated with colored lights.

At the Country Club the entertainment committee, headed by C. R. Frazier, has planned a dance with a supper at 11:30 and continuing until after midnight, and the entrance of the new year. There are also a large number of private dinner parties planned for this evening. The Moana hotel will celebrate the New Year in conjunction with the opening of the Diamond Head wing with a dinner party and dance.



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Table with columns: Date, High Tide, Low Tide, Sun Rise, Moon Rise, etc.

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OAHU RAILWAY TIME TABLE OUTWARD For Waianae, Waialua, Kahuku and Way Stations—8:15 a. m., 9:20 p. m. For Pearl City, Ewa Mill and Way Stations—7:30 a. m., 9:15 a. m., 11:30 a. m., 2:15 p. m., 3:20 p. m., 5:15 p. m., 9:30 p. m., 11:15 p. m. For Wahiawa and Lihouea—11:00 a. m., 2:40 p. m., 5:00 p. m., 11:30 p. m. For Lihouea—(4:00 a. m.) INWARD Arrive Honolulu from Kahuku, Waialua and Waianae—8:15 a. m., 5:30 p. m. Arrive Honolulu from Ewa Mill and Pearl City—12:45 a. m., 9:50 a. m., 11:02 a. m., 1:28 p. m., 4:24 p. m., 5:30 p. m., 7:28 p. m. Arrive Honolulu from Wahiawa and Lihouea—9:15 a. m., 1:55 p. m., 3:30 p. m., 7:13 p. m. The Haleiwa Limited, a two-hour train (only first-class tickets honored, leaves Honolulu every Sunday at 8:30 a. m. for Haleiwa Hotel; returning arrives in Honolulu at 10:30 p. m. The Limited stops only at Pearl City, Ewa Mill and Waianae. *Daily, (except Sunday, 18 Sunday

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