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HONOLULU, HAWAII TERRITORY, TUESDAY, JANUARY 24, 1911.—SEMI-WEEKLY.

WHOLE NO. 3241

RADICAL REFORM IN TAXATION ADVOCATED

Governor Frear Suggests System of Independent Assessment by Counties.

TAX APPLIED WHERE RAISED

General Revenue Exclusively for Territory—Economy One Result.

Complete and radical are the changes in the Hawaiian taxation system advocated in an interview given by Governor Frear yesterday afternoon, in which he pointed out existing evils and outlined possible sweeping reforms, calculated, in his opinion, to place it on a logical, business basis.

The right of every county practically to make its own assessments and collections in property taxes is one of the more startling statements made by the Governor, he declaring his belief that this system, by placing the greater responsibility of economy upon the shoulders of the supervisors, tends to make the electorate more careful in selecting its public officials and the elected officials more careful in the economical handling of its funds.

General revenue, such as that accruing from the inheritance, income, insurance and other taxes, including that on railway property and other property of communication and transportation, shall go exclusively to the Territory. The entire balance of the territorial revenue, which now goes to the counties as established by statute, shall go to the counties alone, to be applied where it is raised.

A Demand for Economy.

The most sweeping proposal and that having the widest possible effects, however, is that to grant the assessment power to the counties. The ironclad rule of two per cent then gives place to an optional rate, which may vary from year to year, according to the revenue needed, economy on the part of public officials resulting in a tax rate which may be substantially lower than the present one. This procedure makes economy a political necessity and consequently tends to strengthen the political system and should insure good men in office—now not always the case, when, as the Governor says: "The whole system is loose, illogical and unbusinesslike, and it is only a question of how much each county can get out of the revenue sources."

"Questions of finance usually occupy first place in legislative considerations," he said, in speaking on the subject. "Of such questions, none is of greater importance or of more general interest than that of taxation. It is taxation that furnishes the wherewithal that makes government possible and imposes the limits of its activities and that seriously touches the pockets of the people. Naturally and very properly, conservatism is potent in the consideration of proposed important changes in methods of taxation, but on the mainland much progress has been made of late years in handling this subject and in these islands important changes have been made from time to time when clearly desirable."

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WOULD DECLARE THEIR WANT OF CONFIDENCE IN VOTE

According to street talk heard in more than one place yesterday, the members of the senate are considering the introduction immediately after the convening of the legislature of a resolution in which a vote of want of confidence in Governor Frear and his administration will be called for.

According to the reports the senators had no doubt of the vote, but were divided as to whether to introduce a resolution of confidence and defeat it, or a resolution of want of confidence and pass it. Which would best answer their purpose, whatever that may be, has not been decided.

It is rather safe to say that such a thing will be thought better of before the legislature convenes. In the first place the taking of such a vote would only make the senate ridiculous, and in the second place such a vote would accomplish nothing.

What particular reason may be behind the present talk is not apparent.

OAHU COMPANY MAKES DENIAL

Declares It Is Not Backing the McCrosson Bill in Any Way.

OFFICIAL STATEMENTS MADE

Promoter Stamped as Speculator and Cablegrams Go to Washington.

That the Oahu Sugar Company is not behind the plan being attempted at Washington by John T. McCrosson and his associates to secure control of the Wahiawa water sources is the official announcement made yesterday by William Pfothenauer, vice-president of H. Hackfeld & Co., the plantation agents. This denial of what has been rather generally accepted as the situation clarifies matters considerably in one direction, but complicates them in another.

It had been more or less taken for granted that the fight now on for the Leilehua waters was one between the Oahu Sugar Company and the Waiaina plantation, although the name of the Oahu Sugar Company was not published in connection with the matter until yesterday. This publication immediately brought a denial from the agents of the company.

Yesterday the matter progressed considerably, the fact that the McCrosson effort was shown to be an individual one resulting in the dispatch of a number of cablegrams to the secretary of war, each saying, in substance, that McCrosson represented no land-holding corporations after the water, leaving him in the position of a speculator. These cablegrams came from individuals known in Washington and from three English newspapers.

Authorized Denial.

The statement issued by Mr. Pfothenauer was short and to the point. It was dictated in the office of the Hackfeld vice-president, as follows: "W. Pfothenauer, vice-president of H. Hackfeld & Co., Limited, who are agents for the Oahu Sugar Company, authorizes The Advertiser to say that that company has never considered a proposition from Mr. McCrosson to divert the waters of Wahiawa to the lands of the sugar company, and the matter has never been considered at a meeting of the directors of the Oahu Sugar Company."

Mr. Tenney Further Explains.

The statement of Mr. Pfothenauer, shown to E. D. Tenney, president of Castle & Cooke, Ltd., agent of the Wahiawa Water Company, proved to be a very satisfactory one.

"We have no reason to doubt the absolute accuracy of Mr. Pfothenauer's statement," said Mr. Tenney. "In fact we have understood all along that neither the Oahu Sugar Company nor any other corporation owning lands capable of being irrigated is behind Mr. McCrosson in this scheme, and Mr. McCrosson is purely in the position of a speculator, endeavoring to get hold of a right which may be available, with the idea of selling out to the highest bidder. It is possible, should he be successful, that the Wahiawa Water Company would be obliged, on behalf of Waiaina plantation, to buy back from Mr. McCrosson the rights that it is now enjoying."

Mr. Tenney went on to explain the features of the situation as they exist on the ground. The south fork of the Kaunohua stream rises on the military reservation and the big Wahiawa Dam backs the water of that fork into the reservoir. The water impounded by the dam is of two kinds; that which is appurtenant to the two lands of the districts of Waiawa and Waiaina and the surplus or storm water, which, previous to the erection of the dam, was allowed to run waste to the sea. So far as the water which is appurtenant to the wet lands by ancient custom is concerned, there can be no question of the government or anyone else diverting the water in another direction, the Wahiawa Water Company having acquired the lands entitled to this water before it built the dam. So far as the

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JUICE COLLECTORS CERTAIN RUBBER TREES ARE PAYERS



TWO-AND-A-HALF YEAR-OLD CEBARA. Scene on Pacific Development Company's Rubber Plantation at Raualeau, Puna, showing the advantages of cultivation.

Industry a Great Future ---May Plan Combine of Plantations.

Optimism was the watchword at the annual meeting of the Hawaiian Rubber Growers' Association held yesterday in the chamber of commerce rooms. Representatives were present from nearly all the plantations and many of them read interesting papers of the experiments and matters they had noticed during the year. As year succeeds year those in charge are gaining more knowledge of the subject they are handling and consequently better results are obtained. During the whole of yesterday not one discouraging feature was spoken of, all the reports showing that the industry was making good and would do even better in the future.

The climate seems to be suitable and now that they are finding out the proper means of cultivation and treatment of the trees, the outlook is very encouraging. One of the best features about the whole of the industry is that so far no serious diseases have made their appearance, the ones that are noticed being easily dealt with. Reports that have been received by various members during the year show that when the factories are turning out the finished article that it will hold its own with anything produced in the world, and in a few years they hope that Hawaiian rubber will become a well-known name among manufacturers.

Tapping the Tree.

W. W. Anderson, manager of the Nahiku plantation, delivered a long and technical address on the subject of tapping. During this he described the different methods of tapping, cutting, pricking and collecting the flow. Speaking of the cost of production

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NO RUBBER GOODS AT THIS BANQUET

Optimism the Sauce for the Good Things Served and the Prospects.

Members of the Hawaiian Rubber Growers' Association stretched a point last evening and became—all of them—boys again. They attended their annual banquet at the Young Hotel and it's no stretch of the imagination to say that they fared well before the farewell time came. Of all the carefree, optimistic, jolly good business men who ever eat in company at a square meal around a dumb table the gathering last evening was a first-class sample.

The treatment of refined rubber with refined humor made a double hit with those who have put up their refined gold to extract the juice. Or, as Mr. von Damm tastefully remarked, after three toasts to success: "Tapping is an awful hard problem, especially the tapping of the pocketbook of the investor, and then tapping some more to keep the tapping going."

C. D. Lufkin, the new president of the association, presided and, as toastmaster, introduced the speakers with a pointed suggestion in each case which

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TRYING TO SECURE SPANISH LABORERS

An important meeting of the Territorial Board of Immigration was held yesterday morning at which news of interest was acted upon, with the result that Dr. Victor S. Clark, now in Salina Cruz, was ordered by cable to proceed to Havana, Cuba, to investigate the possibility of securing white laborers there for the plantations.

It was the information received by the board to the effect that every year numbers of Spaniards leave Spain for work on the Cuban sugar plantations and after working during the season return home, only to go back to Cuba the next year, that induced the change of plan in regard to Doctor Clark.

The instructions to the doctor are to secure these Spanish laborers, if possible, to settle in Hawaii on the plantations, where they will be guaranteed work all the year around.

Richard Ivers, a member of the board, who has been away, but returned on the Hiram, was present, and the work of the board was reviewed so that he might know what had been accomplished.

PROPOSES CHANGE IN GOVERNMENT

Governor Advocates Commission Rule for the City of Honolulu.

INCLUDES COUNTIES IN PLAN

New Political System Outlined in Statement by Chief Executive.

Commission government for the city of Honolulu is advocated by Gov. W. F. Frear in a statement made public yesterday afternoon, with the declaration that the necessity of the readjustment of functions between the city and the Territory will be the subject of one of the most important bills to be brought before the legislature at the coming session.

The proposals of the Governor, while not setting forth the general details of such an act as would be required to constitute the city government under the new plan, touches generally on the benefits and advantages accruing through its adoption and outlines the system itself rather fully.

Among other things he advocates the curtailing of the mayor's powers to such an extent that he practically becomes but the chairman of the board of supervisors without the power of veto, but with other powers of the supervisors themselves. The super-

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NO LIKELIHOOD OF WAR WITH JAPAN, THOUGH NEAR ONCE

WASHINGTON, January 24.—Speaking before the National Marine Congress of the United States, in session in this city yesterday, Representative William E. Humphrey of the State of Washington declared that war between Japan and this country is unanticipated.

Mr. Humphrey created a sensation, however, by asserting that at one time the United States was much nearer war with Japan than most people realize, due to the anti-Japanese crusade in California.

Speaking upon the recent war scare, Congressman Humphrey compared the state of preparedness for war of the two countries, indicating that Japan was in a stronger position in the Pacific at this time than the United States.

STRONG BACKING FOR SAN FRANCISCO FAIR

ALBANY, January 23.—The New York state legislature today adopted a concurrent resolution asking congress to name San Francisco as the place for the international Panama Canal exposition.

This is considered a great victory for the westerners as it is expected to influence the New York delegation and other eastern members of congress.

GRAFTER RUEF GIVEN ANOTHER LAW CHANCE

SAN FRANCISCO, January 23.—The State Supreme Court has granted a rehearing of the case of Abraham Ruef, the convicted grafter, and the case will come up again at the July term of the court.

Justices Sloss, Shaw and Angelotti dissented, refusing to sign the order for a rehearing. Ruef is still out on bonds.

NAVY ABANDONS STATION.

WASHINGTON, January 24.—Following an exchange of notes between the state department and the government of Mexico it was announced late yesterday that the coaling station held by the United States on Magdalena Bay, on the west coast of Lower California, will be abandoned as a navy station.

THE "WAR" IS OFF.

SANTO DOMINGO, January 23.—An agreement has been reached to arbitrate the boundary dispute.

MEXICAN WAR RUMOR.

PRESIDIO, Texas, January 23.—It is reported here that a force of Mexican troops have been ambushed by rebels and 100 of them killed.

TOBACCO FRAUDS COST GREAT SUM

Trust Involved in Importations Through Alleged Fraud in Statistics.

MANY MILLIONS IN DUTIES

Wrapper Leaf Classed as Filler Passed by Customhouse From Cuba.

NEW YORK, January 24.—Investigations, nearly completed by federal officers in connection with the importation of Cuban tobacco, indicate that the government has been defrauded of between \$3,000,000 and \$5,000,000 a year during the last five years, thus making a total of between fifteen and twenty-five million dollars saved importers in duties.

A discrepancy in the statistics between the importation of wrapper and filler tobacco caused the discovery of the alleged frauds in the first place, and a careful investigation has shown the scope to which this method of importing tobacco has been carried.

Wrapper for Filler.

Wrapper tobacco is much more expensive than filler, while the duty collected is about twice as much. It is asserted that agents of the large importing firms in this city have been importing the wrapper leaf from Cuba in covers, which was classified as filler tobacco, the duty being paid on the basis of filler.

It is asserted that the tobacco frauds will greatly exceed those which the sugar trust were accused of, and which resulted in the repayment of millions to the government and prison sentences for weighers in the customs service.

Trust Involved.

It is also stated that the tobacco trust is directly implicated in these latest frauds. This trust is now before the United States Supreme Court on a suit under the Sherman anti-trust law for its dissolution, which involves sixty corporations, headed by James B. Duke. The report is that a number of arrests will be made within a day or two, and some sensations will follow the proceedings to be instituted in the United States Circuit Court.

INSANE MAN SHOTS WELL-KNOWN AUTHOR

NEW YORK, January 24.—David Graham Phillips, the author, was shot and severely wounded yesterday by Fitzhugh Goldsborough of Washington, who is a member of a prominent Maryland family. Immediately after the shooting Goldsborough killed himself.

The tragedy took place in broad daylight on the street and in the presence of a number of witnesses. Goldsborough, who was apparently insane, walked up to Phillips and shot him six times, then blew out his own brains.

The novel was rushed to the hospital, where it was stated, at a late hour last night, that there was a slight chance for his life. It is not known what, if any, cause there was for the murderous attack by the insane man.

David Graham Phillips is the author of over a dozen novels which have been among the "best sellers" during the past ten years, and is known to all magazine readers. He is forty-four years of age.

ASKS RESIGNATION OF DISTRICT ATTORNEY

NEW ORLEANS, January 24.—United States Attorney-General George W. Wickersham has demanded of United States District Attorney Beattie of this district that he resign because of the criticisms the latter made regarding the opinion of Wickersham advising against the prosecution started in this city recently against the ragar trust.

Wickersham held that the local prosecution was in conflict with the prosecution under way by the attorney-general's office, and which is now in the United States Supreme Court. Mr. Beattie criticized this finding. It is understood that he will refuse to resign.

DEATHS BY WHOLESALE.

HARBIN, January 23.—There have been 1500 deaths from cholera plague in this city and suburbs during the past week.