

HAWAIIAN GAZETTE

RODERICK O. MATHESON

Editor

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CHARLES S. CRANE, Manager.

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SCIENTIFIC STORE MANAGEMENT.

The United Cigar Stores Company which operates over seven hundred retail cigar stores in New York City has cut the wages of all its clerks from ten to twenty-five per cent throughout its classification of "two-clerk stores." A two-clerk store is one in which sales average \$500 per week. For every hundred dollars per week increase in sales above that average the "United" will divide two per cent of the surplus between the two clerks who are to receive basic wages of sixteen and fourteen dollars each. Under this standardized system of employment fixed basic minimum wages are paid, but all the clerks in an establishment benefit or suffer in accordance with whether the "team-work" is good or bad.

When the weekly sales in any one of these seven hundred stores rise to an average of nine hundred dollars per week the store is made a three-clerk establishment with a basic wage scale of eighteen, sixteen and fourteen dollars. At \$1500 sales per week it becomes a four-clerk store, and so on.

This system is an example of the lengths to which the principles of scientific management are being applied by the giant corporations which are tending to monopolize all lines of marketing in the United States.

The big concerns specialize as no individual is capable of doing. Because they are able to systematize they convert into profits the odds and ends of time, service and materials which in the case of the individual store-keeper or the small corporation, cannot help but be debited as a loss.

The universal clamor for anti-trust legislation and corporation control amounts to a plea against thrift, and in favor of inefficiency and waste in the transaction of business.

RELIGIOUS GRAFT IN JAPAN.

Count Kozui Otani, who visited Honolulu a few years ago on his way home from England to become Lord Abbot of the West Hongwanji Buddhists, the branch of the church which has established so many missions in this Territory, appears likely to be involved in a wide scandal, involving the misuse of church funds. Some years ago the West Hongwanji Temple at Osaka was the center of widespread graft, resulting in government prosecution and the imprisonment of many priests. A recurrence of church scandal appears likely now.

Reviewing the necessity for church reforms, in the light of recent exposures, the Japan Times, received yesterday, says:

"Nothing reliable has as yet leaked out with regard to the progress of legal procedure against the high priests of the Nishi-Hongwanji, who were taken into custody last month on the charge, it is said, of the misappropriation of temple funds to the amount of some millions. Meanwhile various rumors of a very sensational nature have gone forth, that would seriously implicate the supreme pontiff of the temple, Count Kozui Otani. The Count is said to be a man of extravagant ambitions, his failings being not so much of personal indulgences and sensuality as of uncalculating and dreamy ventures, such as conducting explorations in uncharted parts of India, Tibet and Chinese dominions, either in person or through his followers. Since his rise to the pontificate years ago, he has also boldly extended the temple's propaganda work both at home and abroad, especially the latter. The trouble with him seems to be that all these enterprises were rather a matter of hobby than the results of religious zeal, and he has figured as a spendthrift, not as a man with a mission, in charge of millions of money given by trusting souls. Naturally he was taken advantage of by knavish priests under him, and the hoard of wealth he had inherited from his father rapidly disappeared, with the result that recourse had to be taken to the legally protected funds of the temple under one pretext or another. Hence the present criminal development.

"What has been stated above, if not yet proved in law courts, is believed to be borne out by indisputable evidence. And what is true of the Nishi-Hongwanji on so large a scale, is also true to more or less extent of a very large number of temples and shrines throughout the land, in so far as the utterly inexcusable use of the believers' money goes. In short, the source of the evil is the absolute absence of any effort on the part of the government to regulate the management of the funds and revenues of the Shinto and Buddhist institutions. If any law exists for the purpose, it has remained a dead letter at least for a generation or more. As it is, millions that flow yearly into temple and shrine coffers are under the absolute control of priests, many of whom are as indifferent to the spiritual and moral welfare of their flocks as confirmed mammon worshippers or unrestrained libertines.

"There is, for example, a great temple in Tokio where offertory receipts run up to hundreds of yen daily, of which no account is given to the public. There is a very popular shrine, also in the capital, where on festival days—three times a month—coins simply fall in showers: the crowd of worshippers is so great that most of them can not come up to the offertory chest, and throw their money high over the heads of those before them. At the close of such days the priests go up on the roof of the shrine and literally sweep down cash of various denominations thickly covering its tiles! And no outsider knows what use is made of the money. Both at the temple and shrine they issue talismans and charms for personal safety, and sermons are preached on stated days only to encourage more givings to insure divine protection and worldly success of the worshippers. If the receipts are smaller—miserably so in many cases—the priestly functions are practically the same in most other temples and shrines scattered all over the Empire, as we have pointed out before.

"It is no exaggeration, indeed, to say that, in so far as the people at large are concerned, the country is no more advanced than in the dark days of priestly tyranny, and religion with them is a mere matter of absorption in consideration of money. Worse still, there are even temples and shrines that are almost exclusively patronized by thieves and pickpockets who do not even ask absolution for their sins, but invoke 'divine' aid for the prosperity of their 'trade,' while nothing is more common than those that are chiefly supported by owners of houses of ill-fame and other questionable concerns. The root of this degradation in the Buddhist and Shinto worlds is the total lack of proper control of the money given by the public and its consequent unfair distribution among the priestly class, which fact, in its turn, leads to reducing religion to a mere traffic. Yet it is patent that the nation is not lacking in religious spirit, as was seen at the time of the fatal illness of the late Emperor year before last. The question is how to develop this spirit so that it may become a force in the moral elevation of the masses, and to effect a thorough reform in religious circles.

"It is interesting in this connection that two prelates of the Nishi-Hongwanji are now in the capital, having come here at the request of Minister Okuda, who, as minister of justice, has caused, it is said, the present proceedings to be taken against the temple, which his predecessors did not have the courage to do, in spite of unsavory rumors about it for a long time, and who, as the head of the department of education, is determined, as it is reported, to introduce reforms in the religious world."

STOCKHOLDERS' LIABILITY AND STATE LAW.

The United States Supreme Court rendered a decision on February 24 to the effect that a stockholders' liability rests in accordance with the laws of the State in which the company transacts its business and is not dependent on the laws of the State in which the incorporation papers were granted. The California laws provide unlimited liability. Hawaii, Arizona, New Jersey and some few others provide limited liability.

In the case at court an Arizona limited liability corporation built a hotel near Pasadena, California, which turned out to be an unsuccessful enterprise. A California creditor sued one of the New York shareholders for the debts of the concern. The lower courts held against the creditor, who carried the case on appeal to the Supreme Court. The full bench, Chief Justice White alone dissenting, have handed down an opinion that when foreign shareholders create a corporation their agent to transact business within another State they enter into necessary compliance with the laws of that State. The court held that an Arizona limited liability charter could not exempt the shareholders from liability for the debts of a corporation operating in California, in which State the incorporation laws make the shareholders liable.

As will be seen this decision directly affects the shareholders of the many companies formed in Hawaii to operate oil wells, mines, agricultural, irrigation and engineering projects in California, or elsewhere, on the mainland. It take away from Hawaiian investors that feeling of security with which they have always entrenched themselves on acquiring limited liability stock in a corporation which is formed for the purpose of transacting business within the borders of an unlimited liability State. This decision is bound to exercise a deterrent effect on this form of Hawaiian speculative investment.

It means that the Honolulu man who buys stock in a Hawaiian company doing business in California is liable to be sued under the California corporation law of unlimited assessment to pay the debts of an insolvent corporation.

A CHANGE OF TONE.

Of course Hawaii is a Territory and the Philippines form a possession, but otherwise there seems to exist just now a very strong similarity politically between the two groups of Pacific Islands over which floats the flag that William Jennings Bryan would remove from the Orient. In each group recently appeared a new Governor, delegated by the President to cultivate all the New Freedom ideas that would stand transplanting, and in each has developed among the erstwhile shouters for democracy something that can hardly be defined but which is evident, "in the air." Take the following editorial from the Cablesnews-American of Manila and localize it, and no better description of Hawaiian Democratic conditions could be penned. Says the Manila paper:

Those who have followed the comments of the native press of late must have noted changing tone in their attitude toward the government. For some three months or so we were treated to the amazing spectacle of a native press actually praising the government. The old attitude of constant and hostile criticism had changed over night to one of loquacious adulation. The dawn of a new era was at hand and there arose to heaven a hallooing chorus of rejoicing.

But something happened, or, shall we say, didn't happen. The days rolled into weeks, the weeks into months and the new era instead of being an accomplished fact was still dawning. Mr. Harrison in a burst of enthusiasm had requested the co-operation of his native friends and they had volunteered to a man. In fact, there was an embarrassment of volunteers. In less time than it takes to tell it an army of unemployed politicians had enlisted in the great cause. They stood around expectantly and cheerfully intimated that they were ready to take over the cares of office. But the anticipated wholesale transfer did not take place.

Now the East is proverbially patient, but politicians east or west, are quite as proverbially impatient. When after three months they counted up the disappointing total of our commissioner and one bureau chief there was a wave of discontent. Inasmuch as there is a direct and intimate relation between the politicians and the native press, their discontent naturally found expression through that medium. Wherefore recently we have been regaled with no little adverse comment on the state of things in general. Our Governor has been criticized for appointments he has made and, of course, for appointments he has not made. Democracia rises to remark that the whole scheme of government, as regards the executive branch at least is undemocratic and wrong. All this must be corrected. To insure the maintenance of the high ideal insisted upon, the power of impeachment is demanded. And the new era four months old!

In the prophetic days of last October was it not foretold that some such thing would come to pass, that the politicians' appetite would grow with what it fed upon? But who dreamed it would come so soon?

INTERLOCKING DIRECTORATES.

There has been popular clamor against interlocking directorates in competitive public-service corporations engaged in interstate commerce. As a result of this agitation various drastic methods of control have been proposed. In its last analysis, however, it is recognized that prohibition of interlocking directorates implies governmental power of control over interlocking shareholding. Legislation to the effect that no individual shall own a controlling interest in two competing corporations is obviously unconstitutional, and so also is legislation which would deny to an individual the right to the management of his own property. The majority shareholders of a corporation elect the directors, who manage the concern through the legal right of properly delegated authority. The absolute prohibition of the right of the majority shareholders in two or more corporations to elect the same person as a director in each company would not be upheld by any court of law. The principle of such a prohibition outrages every principle of equity and justice.

GOVERNMENT CONTROL OF FOREIGN TRUSTS.

A new law has been proposed for the purpose of curtailing the operations of foreign trusts and monopolies within the United States. The law aims particularly at the alleged unfair competition arising from the operations of the various European government tobacco monopolies. These "regies," it is claimed force down the price paid for the particular styles of Virginia and Kentucky leaf which they require, to such a point that there is no profit left for the farmers. This effect is brought about by giving all the buying contracts to one agency. The proposed law would make it illegal for any person, firm or corporation to become the sole agent within the United States of any foreign trust, for the purpose of conducting business in a manner contrary to the Sherman Act.

It is obvious that the United States can not enact laws directly applicable to foreign trusts as long as their field of operations is outside the United States. The democratic members of the house judiciary committee claim that the curtailment of the operations of foreign trusts within the borders of the United States in the manner suggested rests on a basis of equity and sound law.

It is also apparent that if basic legislation along these general lines is enacted it will furnish a means of controlling the operations of such huge foreign monopolies as the Brazilian coffee trust and the much discussed international sugar-valorization syndicate.

There are a few men in Hawaii qualified to succeed Mr. Mott-Smith as chairman of the public utilities commission, and a great many thousand not qualified. We trust the Governor chooses wisely and shuts his ears to political babble on the subject.

SENTIMENT AND ADVERTISING.

The waste and the gains from advertising are enormous. Farmer, manufacturer, merchant and consumer works at cross purposes. The farmer grows what his land will produce in greatest volume and perfection. His production is limited by natural forces over which he has but slight control.

The manufacturer would influence trade to buy what he can produce most cheaply and sell with greatest profit. His limitations are less stringent than those surrounding the producer of the raw materials.

The aim of the merchant is to supply what the consumer wants rather than what the manufacturer offers for sale.

The consumer is the man who holds the scepter. He has the final say as to whether the farmer, the manufacturer or the merchant achieve success in their several undertakings. Hence advertising is directed more and more to making the consumer want something which the farmer or the manufacturer has to offer rather than towards getting the merchant to buy what they would like him to buy. Because of the evolution of trade during the last twenty years advertising has become a function of the manufacturer and the producer of raw materials rather than of the storekeeper. It is a recognized truth that if the consumer demands an article the modern storekeeper has to buy it and keep it in stock whereas thirty years ago the boot was on the other foot. The consumer had to be content with what the merchant offered for sale.

There are a vast number of manufacturers and storekeepers who do not recognize this truth as having any immediate relation to their own business.

As a suggested application of this principle to local conditions it might be well to consider the testimony given by various wholesale grocers during the government's suit against the Sugar Trust under the Sherman Act. Representatives of several large Mississippi valley houses testified that as high as one-third of their sugar sales were of advertised brands or grades, and that for such widely advertised sugars they received as high as three-quarters of a cent more than for grades and brands of equal quality which were not advertised.

The Ceylon and Indian tea growers are enabled enormously to extend their sales in the American market by advertising along both positive and negative lines,—advocating the merits of their own product but especially giving wide publicity to the alleged uncleanly, careless and unwholesome methods of tea production in Japan and China, the countries which had always been associated in the minds of tea drinkers with the sole source of supply.

Sales are not made in the store, but in the mind of the man who wants to buy.

Hawaiian sugars have hitherto depended on legislative advantage for their place in the markets of the United States. Whether we are to lose that advantage permanently is a matter which the future will decide. In the mean time, will it not be feasible to enrich that sentimental advantage which care and cleanliness in manufacture as well as fair treatment and improvement in the conditions of life among the laborers on the sugar plantations will certainly convey to the sugar consumers if the appeal is made to the discriminating public along these lines?

Our appeal must be to the consumer, not to the Sugar Trust or the refiners, and it must be along the lines of advantage to the man who eats the sugar or uses it in the conduct of his business, not how much his buying our goods would help us.

The very frank exposition of what cheap sugar is going to do to Hawaii does not appeal to one soul among all the mainland voters. The Kansas housewife is not one whit interested or sympathetic because John Jones of Honolulu has his income cut down from five thousand dollars a month to five thousand a year. If she knows that because of cheaply methods of manufacture sugar of Hawaiian origin will make better jams and jellies than the sugar that is sweat-soaked and packed in bags by the feet of filthy Javan coolies, there is at once one good reason why she must have Hawaiian sugar.

If we can show the mainland consumer that sugar production is what enables this Territory to maintain a high standard of civilization, and that it is to the immediate personal advantage of every true American to maintain in this group of Islands a strong American colony, that sentimental advantage will create a market for products of Hawaiian origin.

UP TO THE UMPIRE.

The solution of the question of the location of the proposed federal building as agreed upon yesterday by a representative body of citizens as ever gathered in public meeting is the only solution Honolulu is able to offer, if one may call "passing the buck" a solution. Public opinion in this city has been too sharply divided ever to expect agreement and each faction to the long drawn out controversy believes itself to be so thoroughly right in its stand that no amount of argument has or could budge anyone from his position.

The Advertiser believes that by passing the whole matter up to Washington, with a confession that no agreement is possible in Honolulu, we will hasten the day when there will be nothing left to argue over.

As we view the matter now, the leaders in this city stand bound by yesterday's vote to take whatever comes without protest. We have put the selection of a new site or the utilization of the one already acquired up to the final decision of the treasury department, and by that decision we agree to stand. So be it. The representative men of Honolulu are honorable men. There will be no underhand wire-pulling or blocks thrown in the way of progress once the treasury department speaks.

THE POLITICAL MARKET.

Hawaii exports sugar, coffee and canned pineapples. Imports include things to eat and wear, with canned politicians originating in the back districts from Washville to Tallahassee, going strong. Supply increasing but demand pinching out.

THE PASSING HOUR.

The district magistrate is establishing a graduated scale on joyrides per government auto. Police officers who take in the Pali and the pleasure resorts on moonlight nights get a slap on the wrist. Trustees emulating the example, by daylight—six months.

His Honor, the Mayor, points proudly to the fact that his two sons are numbered among the unemployed, but none has heard them shouting for work. While he was at it, His Honor might also have pointed to the fact that while he himself is not among the unemployed none ever heard him shouting for work either.

The secretary of the treasury reports that the silver half dollar is less in demand than it used to be and is going out of circulation. Of course it never was more than half as popular as the large round silver dollar of blessed memory. If the treasurer has any halves that are a drag on the market, we can use them, if he will send them out this way.

It has been informally announced that the honor of sending the first warships through the Panama canal will be given to Germany because Prince Henry of Prussia, who will command the German squadron, will be the ranking officer. On top of this comes a wise German engineer with the opinion that the canal will never have more than eighteen or twenty feet of water in it and that therefore the celebration ain't going to be so much because no respectable ocean going vessel can squeeze through the ditch. These professional pessimists are not all from Hawaii after all.

ARRESTS MADE BY FEDERAL OFFICERS

Twenty-Three Alleged Violators of Revenue Law Being Brought Here From Hilo.

A party of between fifty and seventy-five Big Islanders are expected this morning from Hilo and other points of the Island of Hawaii, by the steamer Mauna Kea. The party is being headed by Deputy Marshal David K. Sherwood and Deputy Internal Revenue Collector Otto A. Berndt of Honolulu, but it is said to be far from a happy invasion the excursionists are making today of this city, for twenty-three of the party were placed under arrest on Sunday and Monday at different points from Hilo to Waipio by Sherwood and Berndt for violations of the federal liquor tax statutes. The rest of the big party is made up of witnesses wanted here in connection with these cases.

Sherwood and Berndt slipped off to Hilo very quietly on Saturday afternoon by the Mauna Kea and with them went warrants for the arrest of twenty-three alleged malefactors whose supposed disregard for the requirements of the federal laws is now getting them into trouble.

As related some weeks ago in The Advertiser's Hilo wireless service the Hawaii county police department recently got busy and raided a large number of blind pigs in Puna, North and South Hilo and Hanalei, which resulted in the arrest of a large number of people, mainly Orientals, who were charged with selling liquor without a license. Most of the arrested people were fined or forfeited bail. Then the federal government stepped in and now the arrests mentioned above have followed.

The federal government does not issue licenses to sell liquor and it requires an annual tax from all who deal in this commodity. The local office of the internal revenue department has been working on these cases for some weeks. Conviction in any of these cases is punishable by imprisonment with from thirty days to two years, or a heavy fine, or by both imprisonment and fine.

Among those who were recently arrested by the Hawaii county authorities and whose alleged failure to pay the federal tax may now have brought them into renewed trouble, are the following:

Ki Kong, Ah Kana and Ah Kiona, of Waipio, Hanalei; Mrs. Sataki Sumida, Isagawa, Suyenobu and Nishikawa, of Paauhau, Hanalei; S. Suyehiro and Morimoto of Keolu, Hanalei; Mrs. H. Itohara, Ah Mo'i, Kohanui, Kato, Y. Kura, Yoshitomi, S. Hayashida and S. Arita, of Paauilo, Hanalei; Ah Ming and John Lawrence of Honokaa, Hanalei, and Chu Num of Kukuihaele, Hanalei.

Strong Backing at Washington Prompted Nomination of Honolulu Attorney.

By Ernest G. Walker.

(Mail Special to The Advertiser)

WASHINGTON, March 12.—President Wilson's nomination today of Ralph F. Quarles of Honolulu to be associate justice of the Supreme Court of Hawaii, has attracted some attention here. Judge Quarles had excellent endorsements. It was said at the department of justice this afternoon that his support was much stronger than that accorded former Judge Wilder, whom Governor Pinkham recommended. That Judge Wilder did not get the nomination, however, is probably due to himself in no small measure. Officials here gained the impression that Judge Wilder was not particularly desirous of having the place. Furthermore he expressed himself very freely and positively to high administration officials during his recent visits in Washington. Again Attorney General McReynolds made a careful inquiry in Honolulu about the candidates for this judgeship.

Governor Pinkham's recommendation of Mr. Thayer to be secretary of the Territory was received by the interior department some days ago and forwarded to the White House. The nomination, sent in today, will probably be confirmed at an early day. There is nothing new in the drink matter. The house apparently will not take up the Navy Appropriation Bill for a fortnight. Former Governor Frear has just returned from a visit to New York and Bermuda.

Little Julio Castro, thirteen years of age, was the victim, according to the police of an unprovoked assault early last evening at the corner of Nuuanu and King streets, William Kelly, a full fledged man being the person who committed the assault.

Julio's only crime was to approach Kelly, so the police allege, offering to sell him a paper. Kelly took offense at the way the youngster tried to dispose of his wares and it is said that Kelly struck the boy a hard blow on the back of the head with his open hand.

Young Castro made complaint to the police and promised to appear this morning and swear to a warrant for Kelly's arrest.

A. M. Beattie, former wife of J. W. Kershner, yesterday asked for and was granted a temporary injunction against her former husband to prevent him from continuing business under the firm name of the Kershner Vulcanizing Company, Limited, of Honolulu.

Mrs. Beattie avers that March 1 Kershner opened a new shop under the name of J. W. Kershner, and that many of her customers were patronizing him under the impression that they were dealing with the old firm.

A petition for a permanent injunction will be heard Saturday morning by Judge Robinson.