REPORT
OF THE
HAWAIIAN HOMES COMMISSION
TO THE
LEGISLATURE OF HAWAII

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Department of Hawaiian Home
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HAWAIIAN HOMES COMMISSION

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LEGISLATURE OF HAWAII

REGULAR SESSION

1959

MEMBERS AND OFFICERS
AS OF DECEMBER 31, 1958

COMMISSIONERS

EUGENE H. BEEBE, OAHU, *Chairman*.....Jan. 9, 1958 to Jan. 1, 1963
MRS. ELLEN D. SMYTHE,* OAHU MEMBER.....July 1, 1956 to June 30, 1961
ZADOC W. BROWN,* OAHU MEMBER.....June 4, 1953 to June 3, 1958
EDWARD L. CLISSOLD, OAHU MEMBER.....Aug. 4, 1954 to June 3, 1958
RICHARD D. FURTADO,* HAWAII MEMBER.....Aug. 22, 1957 to Aug. 21, 1962
J. PIA COCKETT,* MAUI MEMBER.....May 13, 1957 to Dec. 1, 1960
RAYMOND F. MANT, KAUAI MEMBER.....July 16, 1957 to Dec. 31, 1959

EXECUTIVE OFFICERS

Executive Director.....ABRAHAM K. PIIANAIA
Departmental Fiscal Officer.....DAVID K. WILSON
Civil Engineer.....JAMES C. CLARKE

COUNSEL

Attorney General's Department
by PERCY K. MIRIKITANI, *Esquire*

OFFICES

Oahu.....Third Floor, Territorial Office Building
Hawaii.....Kawananakoa Hall, Keaukaha
Molokai.....Hawaiian Homes Office Building, Hoolehua
Kauai.....Basement, Circuit Court Building, Lihue

*Section 202 (Hawaiian Homes Commission Act, 1920, as amended): ... at least four of the members shall be descendants of not less than one-fourth part of the blood of the races inhabiting the Hawaiian Islands prior to 1778.

TERRITORY OF HAWAII
HAWAIIAN HOMES COMMISSION
P. O. BOX 1879
HONOLULU 5, HAWAII

January 27, 1959

The Honorable President and
Members of the Senate, and
The Honorable Speaker and
Members of the House of
Representatives of the
Thirtieth Legislature of
the Territory of Hawaii

Ladies and Gentlemen:

This report of the Hawaiian Homes Commission to the Thirtieth Legislature of the Territory of Hawaii, Regular Session 1959, is presented and submitted in fulfillment of the requirement of Section 222 of the Hawaiian Homes Commission Act, 1920, as amended.

The report was prepared and compiled by the Commission's staff and presents a brief historical background of the Hawaiian Homes Commission Act, the land, people and funds administered by the Commission, and a review of the more important activities of the Commission during the 1956-1958 biennium just ended. Several tables are included at the end of the narrative report as statistical aids to most of the reading matter.

It is the sincere desire of the Commission that this report will give each Legislator, as well as any other person who may desire to read it, an idea of what has been done and, more important, what needs to be done toward the rehabilitation of the native Hawaiian.

Respectfully submitted,

HAWAIIAN HOMES COMMISSION

Eugene H Beebe

EUGENE H. BEEBE, *Chairman*

INTRODUCTION

The Thirtieth Legislature of the Territory of Hawaii is unique and important in its own right. It is the first Legislature to meet following reapportionment and it may well be the last to assemble as a Territorial Legislature. For these two important reasons, the former a reality, the latter an optimistic anticipation, we are deviating from the usual practice of reporting only those events of import which have taken place in the biennium just ended by including in addition a brief historical background of the Hawaiian Homes Commission. We feel that many of the Freshmen members of this unique Thirtieth Legislature will appreciate knowing a bit more than they now know of the Hawaiian Homes Commission and that the more seasoned members of the Thirtieth Legislature, including its Senior members, will welcome the opportunity to refresh their knowledge of the Hawaiian Homes Commission, its purposes and aims.

BACKGROUND AND HISTORY

When the President of the United States, Woodrow Wilson, signed into law the Act of July 9, 1921 (42 Stat. 108), more commonly cited as the "Hawaiian Homes Commission Act, 1920," he brought into reality the wishes of the 1919 Legislature of the Territory of Hawaii which advocated the rehabilitation of Hawaiians as embodied in its Senate Concurrent Resolution No. 2 and House Concurrent Resolution No. 28, subsequently introduced as House Resolution 12683, 66th Congress, 2nd Session, and later reintroduced as House Resolution 13500, by Prince Jonah Kuhio Kalanianaole, Hawaii's Delegate to Congress.

In his testimony before the House Committee on Territories in 1920, the Secretary of the Interior, the Honorable K. Franklin Lane, said: "One thing that impressed me there was the fact that the natives of the islands, who are our wards, I should say, and for whom in a sense we are trustees, are falling off rapidly in numbers and many of them are in poverty . . . At any rate, they are a problem now and they ought to be cared for by being provided with homes out of the public lands; but homes that they could not mortgage and could not sell." In the same year the House Committee to which the bill had been referred for consideration recommended the following:

1. The Hawaiian must be placed upon the land to insure his rehabilitation;
2. Alienation of such land, not only in the immediate future but also for many years to come, must be made impossible;
3. Accessible water in adequate amounts must be provided for all tracts;
4. The Hawaiian must be financially aided until his farming operations are well under way.

It is interesting to note that Representative Dowell, a member of the House Committee on Territories stated: "The purpose of this bill is to permit people of Hawaiian blood to again get possession of land in Hawaii." Basically, this was the intent and purpose of the bill which eventually became the Hawaiian Homes Commission Act, 1920.

It was the contention of the House Committee considering the bill that two pertinent factors demanded its passage; first, that the Hawaiians were a dying race whose numbers decreased by about 120,000 in the 90 years prior to 1919 when the Hawaiian population numbered about 22,500 full-blooded Hawaiians, and second, that all the methods of land distribution up to the time of the introduction of the bill had been ineffective when weighed against the actual benefits the Hawaiians derived from such land distributions.

To help achieve the intent and purpose of the bill as presented by the House Committee which encouraged its passage, the following were considered necessary and made a part of the original Act:

1. About 200,000 acres of land were designated by general description as "available lands" set aside for agricultural and pastoral use to be leased to native Hawaiians;
2. The establishment of a Hawaiian Homes Commission made up of the Governor of Hawaii and four other members, two of whom were required to be native Hawaiians, to administer the rehabilitation program was authorized;
3. Provisions for the leasing of these lands to native Hawaiians under specific conditions were set up;
4. The revenues derived from the leasing of cultivated sugar lands and water licenses on Territorial Public Lands were designated as the main source of revenue for the operation of the program;
5. The employment of a staff, including agricultural and other experts, to carry out the work of the Commission was authorized.

The bill was enacted into law on July 9, 1921 for a probationary period of five years during which time the rehabilitation program was given a trial. In 1927, the Territorial Legislature made a thorough investigation of the rehabilitation program as administered by the Hawaiian Homes Commission on the islands of Molokai and Hawaii and concluded that the work of the Commission should be extended to the other islands of the Hawaiian group, whereupon it passed Joint Resolution No. 1 declaring the project a success and requested the Secretary of the Interior to approve the extension of the activities of the Hawaiian Homes Commission under the provisions of the Hawaiian Homes Commission Act, 1920, and to urge the Congress of the United States to extend the program while recommending certain amendments to improve its administration. The Congress was receptive to the request of the Territorial Legislature and approved the amendments recommended. On March 7, 1928, the President signed the Hawaiian Homes Commission Act, 1920, as amended, and made it a permanent appendage of the Hawaiian Organic Act, Sections 201-225 inclusive.

The rehabilitation program has continued uninterrupted since the original Act was approved in 1921 and from time to time thereafter amendments have been made to assist the administration of the program and, in certain instances, to change the status of small portions of lands deemed necessary for the public good.

LAND

The public lands designated as "available lands" in the Hawaiian Homes Commission Act, 1920, as amended, are described mostly in very

general terms under Section 203 of the said Act. Except in more recent amendments pertaining to these lands, none of the earlier descriptions set out metes and bounds. As a result, some of the lands belonging to the Hawaiian Homes Commission have been sold by the Commissioner of Public Lands of the Territory from time to time, while other lands have been taken and converted to use by other agencies, some for the public good as in the case of airports and landing fields.

There is presently, and there has been in the past, indecision as to the division of public lands between those lands under the jurisdiction of the Hawaiian Homes Commission and those lands under the jurisdiction of the Commissioner of Public Lands. This is particularly true in the district of Waimanalo on Oahu where parcels of fringe lands and other sizeable areas are involved. It is the feeling of the Hawaiian Homes Commission that this indecision should and could be settled by the proper survey of all the lands involved and the establishing of metes and bounds for such lands. The same would hold true for unbounded lands in other regions.

Table VII of this report shows the lands under the jurisdiction of the Hawaiian Homes Commission and the current utilization of such lands by islands. It is interesting to note that a good portion of the said lands are under sugar cultivation and pasturage and a fair portion is in forest reserve. Much of the lands are located in areas distantly removed from centers of economic and mercantile activity, particularly on the islands away from Oahu, and the use of such lands for rehabilitation has never been exploited principally for the lack of water.

Those lands under sugar and pasturage are an important source of revenue to the rehabilitation program. Except for several appropriations for non-revenue earning improvements in developing settlement areas in the past 36 years made by the Territorial Legislature, the Federal Government has contributed no monetary appropriation toward the improvement of land nor toward the enhancement of the rehabilitation program. As a result, the Hawaiian Homes Commission has had to rely chiefly upon the revenue obtained from sugar and pasture leases, all of which are administered by the Commissioner of Public Lands.

In the last two decades, the greatest demand for land by qualified Hawaiians under the Hawaiian Homes Commission Act has been on the island of Oahu. Ironically, since the inception of the rehabilitation program, we have had the least acreage on Oahu and as a result have been unable to meet the demand of an ever increasing waiting list of applicants, many of whom have been waiting since 1947 for a homestead. With our settlement areas on Molokai, Hawaii and Kauai the problem is not nearly as pressing and has become less pressing in the past two years because many of the applicants for homesteads on these islands have migrated to Oahu for better employment opportunities.

TYPES OF LAND AWARDS

The types of lands which may be leased to qualified Hawaiians and their specific uses are clearly enumerated in Section 207 of the Hawaiian Homes Commission Act, 1920, as amended. They fall into five categories, as follows:

1. Not less than one nor more than forty acres of agricultural lands;

2. Not less than 100 nor more than 500 acres of first-class pastoral lands;
3. Not less than 250 nor more than 1000 acres of second-class pastoral lands;
4. Not less than 40 nor more than 100 acres of irrigated pastoral lands;
5. Not more than one acre of any class of land to be used as residence lot.

At the present time agricultural lands settled by native Hawaiians under the rehabilitation program are located on Molokai and Hawaii. On Molokai, these are mostly in the region of Hoolehua and are devoted to the cultivation of pineapple; on Hawaii, these are in the region of Kamuela and are devoted to truck farming. Forty eight first-class pastoral lands are also settled at Kamuela on Hawaii, each averaging about 300 acres, in a geographical region claimed by many to be the finest pastoral lands in the islands. All of the remaining settlement is residential and located at Papakolea, Kewalo, Waimanalo and Nanakuli on Oahu, Keaukaha, Kuhio Village and Kawaihae on Hawaii, Anahola and Kekaha on Kauai, and Kalamaula, O-ne Alii, Kamiloloa and Hoolehua on Molokai.

As yet no leases of second-class pastoral lands have been awarded principally because of the remoteness of most of such second-class pastoral lands and the lack of water thereon. Nor have any leases of irrigated pastoral lands been awarded chiefly because of the high cost of installing individual irrigation systems as well as the nondevelopment of adequate water reserves to assure the continuous availability of water. In addition to the foregoing, the rehabilitation program has not yet been extended to settlement areas on Maui.

Insofar as title to the lands leased is concerned, the Hawaiian Homes Commission Act is specific: "The title to lands so leased shall remain in the United States." This is in keeping with the intent that alienation of the lands be made impossible.

STATUS OF UNUSED LANDS

Any Hawaiian Homes lands not leased to native Hawaiians as authorized by the Hawaiian Homes Commission Act may be returned to the control of the Commissioner of Public Lands of the Territory of Hawaii. When so returned, such lands acquire the status of public lands in accordance with the provisions of the Hawaiian Organic Act. Such lands may only be disposed of under a general lease by the Commissioner of Public Lands, each such lease, whether or not stipulated therein, deemed subject to termination and to being returned whenever the Hawaiian Homes Commission gives proper notice to the Commissioner of Public Lands that such lands are required for leasing or for use as a community pasture under the Hawaiian Homes Commission Act. In the general leases now in effect a withdrawal clause requires a minimum notice time of one year before such leases may be terminated.

THE PEOPLE

The Hawaiian Homes Commission Act defines a native Hawaiian as "any descendant of not less than one-half part of the blood of the races inhabiting the Hawaiian Islands previous to 1778." Simply, a person hav-

ing 50% or more of Hawaiian blood. Only persons so qualified by blood are legally entitled to awards of leases for land under the rehabilitation program. Because of the possible sociological problem which may arise in the case of families wherein succession to leaseholds may be legally impossible, the Commission, by policy, has set up a system of priorities in accepting applications for an award, as follows:

1. Priority 1: Those applicants whose spouses and children all qualify by blood as native Hawaiians;
2. Priority 2: Those applicants whose spouses do not qualify but whose children qualify by blood as native Hawaiians;
3. Priority 3: All other applicants.

Without such a priority system, succession becomes a problem and it is the practice of the Commission, particularly in the last several years, to adhere to its established policy of priority selection when awarding new leases. Table VI shows the number of lessees in each of the settlement areas as well as the number of active applicants seeking awards in these areas. Multiplying the number of lessees by the factor 7, the current average size of the homesteading family, will give the population in any one or all of these settlement areas.

In the matter of succession, a lessee's interest in his tract and the improvements thereon vests in his relatives in the following order: husband or wife, children, widows or widowers of children, grandchildren, brothers and sisters, widows or widowers of brothers or sisters, or nieces and nephews, as designated by the lessee and approved by the Commission. In the absence of such designation, the Commission selects from the relatives of the lessee in the order named above a successor upon the death of the lessee. In any case, the successor must qualify as a native Hawaiian but need not be 21 years of age in which case such a successor is placed under guardianship until attaining the age of 21. Where no relative is qualified to succeed, the appraised value of the improvements less any unpaid taxes and indebtedness to the Commission, is turned over to the lessee's estate. The land involved and the improvements thereon then reverts to the Commission for re-award.

There are several other statutory requirements in addition to the blood requirement which applicants and lessees must meet and observe. These are listed in Section 208 of the Hawaiian Homes Commission Act, 1920, as amended, and include the following:

1. The original lessees shall be native Hawaiian, not less than 21 years of age;
2. The lessee shall pay a rental of $1.00 a year for his tract, the lease to be for a term of 99 years;
3. The lessee shall occupy and commence to use or cultivate the tract as his home or farm within one year after the lease is made;
4. The lessee shall thereafter so occupy and use or cultivate the tract on his own behalf;
5. The lessee shall not in any manner transfer to, or mortgage, pledge, or otherwise hold for the benefit of any other persons, except native Hawaiians, his interest in the tract, and then only upon the approval of the Commission;

6. The lessee shall pay all taxes assessed upon the tract and improvements thereon, except that an original lessee shall be exempt from all taxes for the first seven years from the date of the award of the lease.

FUNDS

Finances for the operation of the rehabilitation program under the Hawaiian Homes Commission Act are set up in four seperate funds. These are authorized and described in Section 213 of the Hawaiian Homes Commission Act, 1920, as amended, and include two revolving funds named the Hawaiian Home-Loan Fund and the Hawaiian Home-Operating Fund, and two special funds called the Hawaiian Home-Development Fund and the Hawaiian Home-Administration Fund. Each of these funds are established in the Treasury of the Territory of Hawaii. A concise description of each of these funds follow.

Hawaiian Home-Loan Fund. This is a revolving fund, the monies for which are derived from 30% of the revenues collected from Territorial cane land leases and water licenses — revenues from lands which are not "available lands." However, this fund does not receive the entire 30% of such cane land leases and water licenses because 25% of the said 30% goes into the Hawaiian Home-Development Fund, one of the two special funds previously mentioned and which will be described shortly. The maximum aggregate amount this fund is authorized to receive is $5,000,000. The average amount going into this fund is about $160,000 per year, and at the end of 1958 the aggregate amount credited to this per year, and at the end of 1958 the aggregate amount credited to this fund was $2,895,022.83. If the annual average does not deviate it will be about 12 years before the $5,000,000 maximum set for this fund is attained.

The money in this fund may be loaned to lessees for three purposes, namely:

1. The erection of dwellings on any tract and the undertaking of other permanent improvements thereon;
2. The purchase of livestock and farm eqiupment;
3. Otherwise assisting lessees in devolpment of their tract;

The maximum loan at any one time to a lessee of an agricultural or pastoral tract is $12,000; to a lessee of a residential lot $6,000. Such loans shall not exceed 30 years and all unpaid balances of principal bear interest at the rate of 2½% per annum.

Hawaiian Home-Development Fund. This is a special fund the monies for which are derived from 25% of the 30% of the revenue collected from Territorial cane land leases and water licenses earmarked for the Hawaiian Home-Loan Fund. The maximum aggregate amount this fund is authorized to receive is $800,000. The average amount going into this fund is about $54,000 per year, and at the end of 1958 the aggregate amount credited to this fund was $758,743.91. If the annual average does not deviate it will be less than a year before the $800,000 maximum set for this fund is attained.

With the prior approval of the Governor, the money in this Hawaiian Home-Development Fund shall be expendable for the construction of sanitary sewerage facilities, the construction of roads, and for other non-revenue producing improvements.

Hawaiian Home-Operating Fund. This is a revolving fund the monies for which are derived from sources other than those earmarked for the other three funds. The main sources of revenue for this fund are interest on loans made to lessees from the Hawaiian Home-Loan Fund, from pasture fees, from water service charges and from heavy equipment rentals. The money from this fund provides for salaries of employees assigned to various revenue-producing projects, current expenses, replacement and maintenance costs of such projects. At the end of 1958 the balance in the fund amounted to $132,914.06.

Hawaiian Home-Administration Account. This is a special fund the monies for which are derived from the receipts of the leasing of the "available lands" under the control of the Commissioner of Public Lands. This fund provides for salaries and all other administrative expenses of the Commission but not including the expenses of structures and other permanent improvements.

Up to Augsut 21, 1958, the Hawaiian Homes Commission was allotted only that portion of the biennial revenues from the leasing of "available lands" equal to the amount of the approved budget for the biennium. The remainder of the said biennial revenues from the leasing of "available lands" was transferred into the general fund of the Territory of Hawaii. However, Public Law 85-798, 85th Congress, effective on and after August 21, 1958, further amended the Hawaiian Homes Commission Act, 1920, as amended, by mandating the transfer of the remainder of the said biennial revenues from the leasing of "available lands" above and beyond the budget requirements for any biennium into the Hawaiian Home-Development Fund. This amendment will provide an addition of about $160,000 per biennium to the Hawaiian Home-Development Fund.

Other Funds. The only other funds available for use by the Hawaiian Homes Commission would be funds appropriated by the Territorial Legislature out of the Territorial Treasury to augment the funds described hereinabove as well as funds to carry out specific projects. In addition the Territorial Legislature is authorized to issue bonds to the extent required for such revenue-producing improvements as may be allowed in using the Hawaiian Home-Operating Fund.

1956-1958 IN RETROSPECT

In the biennium just ended several activities of note took place in the administration of the rehabilitation program under the Hawaiian Homes Commission. These are briefly described in the paragraphs which follow.

Applications. An increase in the number of qualified applicants for land was brought about by two important factors. The first of these, an economic factor, was the migration into Honolulu of qualified applicants from the neighboring islands seeking employment opportunities which have diminished notably on those islands. Several of these were former residential homesteaders who surrendered their holdings to come to Honolulu but who, having found employment in Honolulu, have been unable to find decent housing for their families in the city. The second of the two important factors is a social factor brought about by the condemnation of lands in Honolulu's long established and well settled and congested urban areas to make way for highways and other municipal developments.

The Problem on Oahu. Aggravated by the restrictively high cost of land on Oahu, and particularly in Honolulu, the lot of the native Hawaiian on Oahu bordered upon dispossession and in many cases he may well have been identified as a displaced person. The conditions brought about by the current situation forced many native Hawaiians who heretofore felt no need for individual rehabilitation to turn to the Hawaiian Homes Commission for aid. Thus, contrary to popular belief, we find today more native Hawaiians applying for and qualified for rehabilitation under the Hawaiian Homes Commission Act than during the years immediately past.

Waimanalo Development. The Hawaiian Homes Commission was able to develop and open for residential settlement enough land to provide for 31 families in the Waimanalo district on Oahu. The only reason this land was useable was that the Suburban Water System was able to and did permit the inclusion of these 31 families to the latter's already overtaxed domestic water distribution system. In addition, the land opened to settlement could be easily served by telephone and electric utilities, and the cost of preparing the land for subdivision as well as the cost of road building could be handled with funds on hand. Outside of this, the Commission was unable to open up more land for settlement, particularly in Waimanalo and Nanakuli, because of the lack of a sufficient supply of domestic water in these areas to safely care for more families.

Upper Papakolea. The inability on the part of the Commission to make more lands available on Oahu is further attributed to an insufficiency of funds in its home development fund which would have provided for the construction of such non-revenue producing improvements such as roads, sewerage and utilities. There is a portion of about 13 acres in upper Papakolea on Oahu which could be opened for settlement and the Commission's staff has developed a tentative subdivision layout which would make available 65 residential lots in the area. However, the land will be costly to develop because of the steep terrain, the closest current cost figure for development of this area being $400,000.

Nanakuli. As mentioned above, Nanakuli shares with Waimanalo a common drawback in the lack of domestic water. Should water become available, the Commission's staff has developed a subdivision layout which would make available 26 residential lots in the area at an estimated cost of $90,000. This includes roads and utilities. Another problem which was faced in Nanakuli during the past two years — and a problem which is still with us — is that of the lack of a proper drainage system to handle the flooding and the subsequent collecting and standing of water from heavy rainfall which occur annually. This collecting and standing of water results in stagnation and encourages the breeding of mosquitoes, creating a serious sanitation and public health problem. The Commission was able in 1958 to bring about partial relief in certain areas of Nanakuli by clearing and excavating into the subsurface coral strata at low spots to allow for drainage. This, however, only affords temporary relief and is ineffective during times of extremely heavy rainfall. A proper drainage system in this area would entail the construction of a sturdy ditch to carry the flood and rain waters unobstructed to the sea.

Anahola Settlement, Kauai. The most extensive settlement project undertaken and placed into effect during the biennium was that at Anahola, Kauai, where a former sugar cane growing area along the main highway was converted into a residential subdivision of 78 residential lots at a total cost of $358,000, the funds in this case having been appropriated by the Territorial Legislature. This made possible the construction of

roadways, the installation of a water pump and the extension of electricity over a distance of three miles into an area previously unserved with electricity. This has made possible the extention of electric service beyond the Anahola Hawaiian Homes Settlement to the benefit of the entire populace. Anahola was the first area opened up for settlement under the Hawaiian Homes Commission Act on the Island of Kauai.

Kekaha Settlement, Kauai. Across the island of Kauai from Anahola, a residential subdivision has been planned and prepared at Kekaha on about 20 acres of land received by the Commission in exchange for land now used by the Territory in the development of a deepwater seaport at Kawaihae, Hawaii. The Kekaha subdivision is ready for settlement and several residential lots have been awarded to qualified Hawaiians. Although construction on new homes at Kekaha began before the end of the year, these homes will not be completed until the early part of 1959 and at that time actual settlement will begin.

Projects on Hawaii. No new areas were opened to settlement on the Island of Hawaii. At Keaukaha, several residential homesteaders surrendered their holdings and migrated in search of employment elsewhere, some in Honolulu others on the mainland. As a result, the lots and improvements reverting to the Commission were re-awarded to qualified applicants on the waiting list with a minimum of cost. At Kawaihae, several residential houselots were awarded to qualified Hawaiians who were displaced by the construction of the port facilities at the new deepwater seaport along the seafront where these Hawaiians formerly lived. These Hawaiians were fortunate in being able to relocate themselves in an area very close to their former homes as none of them had any desire to move away from the Kawaihae region and the Commission in turn was most happy to have been able to assist in the rehabilitation of these particular Hawaiians. At Kamuela, Waimea, Hawaii, where the pastoral homesteaders are located, an extensive study was made, and is being continued into the next five years, to assist the pastoral homesteaders so that at the end of the coming five year period, each should be able to operate as independent and successful small ranchers with a minimum of outside assistance. The scope of the study included pasture conditions and improvement proposals, range management and herd improvement.

Projects on Molokai. During the biennium, agricultural homesteaders whose lands are under pineapple cultivation were afforded an opportunity to transact new planter-buyer agreements with the pineapple canneries for the next fifteen years commencing in 1960. Homesteaders who accept and enter into the new agreements will receive $90.00 a month for the life of the agreement, $20.00 more than the $70.00 they now receive under the presently effective agreements which will terminate in 1960. In addition, other benefits accrue to these homesteaders in the form of bonuses conditioned on the sales by the canneries for each year and employment in the fields if and when work is available. For the island as a whole, the prospect of water brought about the formation of a study group to look into the intricacies of irrigated diversified farming with the Hawaiian Homes Commission, the Hawaii Water Authority and the University Extension Service cooperating. It is hoped that the facts gathered by this group will be useful and applicable when water becomes available several years hence. Outside of the foregoing, the Commission authorized the use of portions of its pasture lands for training purposes by the United States

Marine Corps and has turned over to the Board of Agriculture and Forestry several thousand acres of community pasture and fringe lands for game management and conservation. No new lands were opened for settlement on Molokai during the biennium.

Proposed Project for Maui. During the biennium, the Commission agreed to transfer approximately 50 acres of its lands in Kula, Maui, to the County of Maui for the latter's use as a school site. This transfer is contingent upon the Commission receiving in exchange land of comparable value from the Commissioner of Public Lands. In a study of the matter, two factors were foremost; first, that there has not yet been established on Maui any settlement area for native Hawaiians and, second, the "available lands" on Maui, although extensive in acreage are quite remote. In looking for land which could be exchanged for the 50 acre Kula school site, it was discovered that the Hawaii National Guard has land at Paukokalo, which is on the beach side of Wailuku facing Kahului Bay, which it is willing to give up. This area is suitable for settlement of native Hawaiians and would be an appropriate exchange for the 50 acres of Kula school site as well as for the other areas taken by the Territory on different occasions for which an exchange has never been made. A further study by the staff produced tentative plans for a 100 residential lot subdivision at Paukokalo which will require an estimated $300,000 to construct roads, drainage, utilities and cover engineering expenses. Several persons and groups on Maui have shown considerable interest in this matter and many others often asked why there has not yet been any rehabilitation program instituted on Maui. Should the land and the money become available, this will be the first settlement on Maui.

CONCLUSION

Not intended as a comprehensive thesis into the activities of the Hawaiian Homes Commission during the biennium just ended, it is the desire of the Commission that each Legislator will be given an insight into the purpose and aims of the rehabilitation program as administered by the Commission in behalf of the native Hawaiian. The major problem is certainly that of placing more people on the land. However, the current social and economic climate has placed the Commission in a position of not being able to do very much with the limited amount of land it has on Oahu with the funds at its disposal.

As a possible solution to the acute problem on Oahu, the Governor, Honorable William F. Quinn, just before the end of 1958, boldly suggested that the Commission study the feasibilty of providing suitable low-cost multiple housing. In studying this suggestion, the Commission realizes that it is not beyond the realm of impossibility and may well meet the problem of the native Hawaiian on Oahu without destroying the purpose and intent of the Hawaiian Homes Act.

The tables included in this report are intended as statistical aids to the reader and are, in greater portion, supplemental to the narrative report.

TABLE I
SUMMARY OF ADMINISTRATION BUDGET FOR BIENNIUMS AS LISTED

	Approved Budget 1953-1955 Biennium	Approved Budget 1955-1957 Biennium	Approved Budget 1957-1959 Biennium	Requested Budget 1959-1961 Biennium
G-6501 Hawaiian Home Administration Account				
A. Personal Services	$313,695.00	$271,008.00	$294,925.00	$338,454.00
B. Other Current Expenses	25,859.00	42,660.00	39,240.00	43,240.00
C. Equipment	4,000.00	5,000.00	1,180.00	3,615.00
M. Motor Vehicles	6,600.00	2,500.00	2,500.00	8,500.00
E. Structures and Permanent Improvements		150,000.00		
Totals	$350,154.00	$471,168.00	$337,845.00	$393,809.00

TABLE II
LOANS APPROVED FOR NEW HOMES AND REPAIRS FOR CALENDAR YEARS 1953 TO 1958

	No. of Loans Approved for New Homes	Amount	No. of Loans Approved for Repairs	Amount
1953				
Molokai	—	—	3	$ 3,284.00
Hawaii	42	$ 252,000.00	3	4,879.00
Oahu	—	—	12	8,197.00
Total	42	$ 252,000.00	18	$ 16,360.00
1954				
Molokai	12	$ 72,000.00	18	$ 37,986.00
Hawaii	12	72,000.00	3	6,400.00
Oahu	21	125,000.00	19	30,082.00
Total	45	$ 269,000.00	40	$ 74,468.00
1955				
Molokai	12	$ 70,500.00	10	$ 17,413.00
Hawaii	11	66,000.00	12	24,830.00
Oahu	16	90,900.00	19	23,391.00
Total	39	$ 227,400.00	41	$ 65,634.00
1956				
Molokai	6	$ 32,000.00	8	$ 12,751.00
Hawaii	8	48,000.00	6	8,350.00
Oahu	14	84,000.00	19	25,643.00
Total	28	$ 164,000.00	33	$ 46,744.00
1957				
Molokai	3	$ 18,000.00	8	$ 7,375.00
Hawaii	6	36,000.00	9	8,456.00
Oahu	9	54,000.00	39	49,802.00
Kauai	16	96,000.00	—	—
Total	24	$ 204,000.00	56	$ 65,633.00
1958				
Molokai	5	$ 28,500.00	11	$ 12,596.00
Hawaii	3	18,000.00	22	30,695.00
Oahu	48	280,000.00	51	67,052.00
Kauai	16	96,000.00	—	—
Total	72	$ 422,500.00	84	$110,343.00
Grand Total 1953-1958	250	$1,538,900.00	272	$379,182.00

TABLE III
SUMMARY OF ACCOUNTS RECEIVABLE AS OF DECEMBER 31, 1958

	Principal	Interest and Other Charges	Total	Number of Homesteaders' Loans
OAHU				
Nanakuli	$ 437,208.21	181.78	$ 437,389.99	164
Papakolea	85,072.80	202.80	85,275.60	26
Kewalo	336,722.12	Cr. 41.50	336,680.62	137
Waimanalo I & II	254,810.42	187.92	254,998.34	61
Waimanalo III	219,657.98	Cr. 82.09	219,575.89	89
Waimanalo IV	83,394.99	4.00	83,398.99	14
Sub-total	$1,416,866.52	452.91	$1,417,319.43	491
MOLOKAI				
Hoolehua	$ 219,483.86	2,187.95	$ 221,671.81	72
Kapaakea & Kamiloloa	82,530.45	168.70	82,699.15	26
O'ne Alii	34,941.97	477.10	35,419.07	13
Kalamaula	38,858.14	1,489.67	40,347.81	20
Other Than Homesteaders		1,758.40	1,758.40	—
Sub-total	$ 375,814.42	6,081.82	$ 381,896.24	131
HAWAII				
Keaukaha	431,211.93	2,143.99	433,355.92	184
Waimea	259,077.68	14,698.23	273,775.91	74
Kawaihae	825.01	1.00	826.01	1
Sub-total	$ 691,114.62	16,843.22	$ 707,957.84	259
KAUAI				
Anahola	153,536.17	168.38	153,704.55	26
Kekaha	35,920.00	1.00	35,921.00	6
Sub-total	$ 189,456.17	169.38	$ 189,625.55	32
TOTAL	$2,673,251.73	23,547.33	$2,696,799.06	913

TABLE IV
REPAYMENT ON LOANS

Fiscal Year	MOLOKAI	HAWAII	OAHU	KAUAI	TOTAL
7-1-53 to 6-30-54	$ 76,186.51	$ 81,284.64	$186,559.65	$	$ 344,030.80
7-1-54 to 6-30-55	69,348.06	86,863.50	190,659.34		346,870.90
7-1-55 to 6-30-56	61,746.64	94,650.10	174,061.26		330,458.00
7-1-56 to 6-30-57	60,960.53	90,082.55	171,264.37	25.00	322,332.45
7-1-57 to 6-30-58	66,443.45	106,203.85	161,988.23	7,424.87	342,060.40
TOTALS	$334,685.19	$459,084.64	$884,532.85	$7,449.87	$1,685,752.55

TABLE V
HAWAIIAN HOMES COMMISSION
BALANCE SHEET AS OF DECEMBER 31, 1958

Assets	Loan Fund S6502	Operating Fund S-6505	Administration Fund G-6501	Development Fund S-6503	Development Project Kauai G-6509	Development Fund Oahu G-6506	General Fund T.H.	Fixed Assets	Trust Fund	Total
Available Cash—Auditor's Office	$216,177.28	$132,914.06	$83,778.70	$264,827.09	$48,097.34	$41,165.61				$ 786,960.08
Petty Cash							225.00			225.00
Cash in Bank—Bank of Hawaii									10,176.57	10,176.57
Loans Receivable:										
Island of Molokai	375,814.42									375,814.42
Island of Hawaii	691,114.62									691,114.62
Island of Oahu	1,416,866.52									1,416,866.52
Island of Kauai	189,456.17									189,456.17
Accounts Receivable —										
Other Charges:										
Island of Molokai		6,081.82								6,081.82
Island of Hawaii		16,843.22								16,843.22
Island of Oahu		452.91								452.91
Island of Kauai		169.38								169.38
Improvements										
Purchased	19,849.16									19,849.16
Due from Board of Water Supply—County of Hawaii		14,336.53								14,336.53
Investment—Certificates of Deposit	200,000.00									200,000.00
Equipment:										
Motor Vehicles								71,538.13		71,538.13
Office and Furnishings								29,453.87		29,453.87
Educational, Scientific and Recreational								3,740.00		3,740.00
Livestock								17,027.41		17,027.41
Repair								18,310.12		18,310.12
Hospital and Institutional								554.23		554.23
Furniture and Furnishings								3,766.92		3,766.92
Engineering Instruments								155.73		155.73
Other Equipment								49,248.32		49,248.32
Buildings, Structures, and Improvements:										
Buildings								88,570.44		88,570.44
Highways, Trails, etc.								171,002.03		171,002.03
Bridges, Culverts, etc.								2,000.00		2,000.00
Parks, Playgrounds, etc.								15,495.14		15,495.14
Levees and Embankments								350.00		350.00
Domestic Water Systems								1,728,545.58		1,728,545.58
Irrigation Systems								102,860.07		102,860.07
Sewer Systems								34,044.82		34,044.82
Other Improvements to Land								727,505.01		727,505.01
TOTALS	$3,109,278.17	$170,797.92	$83,778.70	$264,827.09	$48,097.34	$41,165.61	$225.00	$3,064,167.82	$10,176.57	$6,792,514.22
LIABILITIES AND CAPITAL										
Loan Commitments	$ 214,255.34									$ 214,255.34
General Fund, T.H.							225.00			225.00
Homesteaders Special Deposits									10,176.57	10,176.57
Investment in Fixed Assets								3,064,167.82		3,064,167.82
Capital	2,895,022.83	170,797.92	83,778.70	264,827.09	48,097.34	41,165.61				3,503,689.49
TOTALS:	$3,109,278.17	$170,797.92	$83,778.70	$264,827.09	$48,097.34	$41,165.61	$225.00	$3,064,167.82	$10,176.57	$6,792,514.22

TABLE VI
HOMESTEAD POPULATION AND APPLICATIONS ON HAND BY ISLANDS AND DISTRICTS AS OF DECEMBER 31, 1958

Island	District	Population by families	Applications by Individuals
OAHU			
	Nanakuli	341	368
	Papakolea	77	68
	Kewalo	242	635
	Waimanalo	234	608
	Total	894	1679
HAWAII			
	Keaukaha	368	43
	Waimea	74	206
	Kawaihae	13	37
	Total	455	286
MOLOKAI			
	Hoolehua	173	61
	Kalamaula	56	12
	O-ne Alii	20	5
	Kamiloloa	35	22
	Total	284	100
KAUAI			
	Anahola	30	136
	Kekaha	10	24
	Total	40	160
GRAND TOTAL		1673	2225

TABLE VII
HAWAIIAN HOMES COMMISSION LAND UTILIZATION ACREAGE BY ISLANDS
January 1, 1959

	KAUAI	HAWAII	MOLOKAI	MAUI	OAHU	TOTAL
Homestead Houselots	422.282	514.546	4,443.775		340.142	5,720.745
Sugar and Pasture	16,568.316			12.48		16,580.796
Agriculture and Pasture	1,339.51	77,046.118		20,091.57	2,969.712	101,446.910
Pineapple	967.75					967.75
Homestead Farm Lots		1,959.728	7,599.577	99.927		9,659.232
Forest Reserves		189.572	6,750.00	8,717.00		15,656.572
Game Reserves		23,457.512				23,457.512
Beach Reserves	30.54		6.462			37.002
Airports			318.121			1,029.383
Schools		711.262	36.358		6.710	51.742
Churches		8.674	13.725		2.30	24.775
Cemetery		8.75	10.469		1.77	37.219
Boat Landing		24.98				30.819
Roads		30.819			1.677	138.054
Rights of Way (Utilities)		136.377			.028	9.368
Reservoir		9.34				157.842
Parks		156.011	1.831		68.727	79.877
Licenses, Hospitals and Military		6.00	5.15			37.14
Quarry			37.14		75.29	126.271
Fish Ponds			50.981			188.600
Water Tanks and Bridges			188.600			16.271
Camp Sites			15.351		.920	27.676
Fire Station					27.676	4.29
Community Pasture					4.29	1.22
Military Reservation			5,437.00		1.22	5,438.22
Future Farm Area			8,217.639		1,779.36	1,779.36
TOTAL	19,328.398	104,259.689	33,132.179	28,920.977	5,279.822	190,921.065

TABLE VIII
HAWAIIAN HOMES COMMISSION STAFF

Name	Years of Service	Position
HONOLULU, OAHU:		
Gabriel A. Akana	6 mos.	Clerk III
Archibald P. Akau	11	Accountant IV
Eugene Duvauchelle	14	Accountant I
Katharine L. F. Gilman	3 mos.	Clerk II
William A. Hall	2 mos.	Bookkeeping Machine Operator
Elizabeth P. Lambert	19	Administrator I
Samuel K. Lee Loy	5	Account Clerk II
Henrietta B. Lyons	18	Administrative Secretary II
Samuel K. Makaokalani	1	Clerk III
William K. Paalani	2	Clerk III
Henrietta R. Visser	6	Stenographer III
PAPAKOLEA NURSERY SCHOOL, OAHU:		
Gladys Kaniho	13	Nursery School Teacher
Julia K. Kumaewa	1	Nursery School Teacher
Maria K. Suganuma	15	Nursery School Teacher
HOOLEHUA, MOLOKAI:		
Charles Meyer	25	Homestead Project Manager II
Philomena P. Aiana	5	Stenographer II
Clarence Coelho	20	Cattleman
Joseph N. Kaaihue	12	Motor Equipment Operator II
Daniel K. Marcellino	9	General Laborer I
Daniel Mokuau	14	Farm Laborer II
Ernest N. Mokuau	4	Mechanical Handyman
Francis O'Sullivan	9	Carpenter I
Matthew K. Spencer	17	General Labor Foreman I
Vacant		Typist II
Vacant		Settlement Worker
KEAUKAHA, HAWAII:		
Peter N. Pakele	5	Homestead Project Manager I
Randolph K. Ahuna, Sr.	9	Settlement Worker
Edward M. Grube, Sr.	4	Stores Clerk
Louis K. Kuamoo	12	Janitor II
Abraham Mahi	17	General Laborer II
Harriet B. Nahale-a	5	Account Clerk I
KEAUKAHA NURSERY SCHOOL, HAWAII:		
Fannie W. Hohu	15	Nursery School Teacher II
Victoria Ho-a Ahn	12	Nursery School Teacher I
Edith Ioane	14	Nursery School Teacher I
Elizabeth H. Kanaele	12	Cook I
WAIMEA, HAWAII:		
J. A. H. Wodehouse	8	Homestead Project Manager II
Pearl Y. L. Chong	3	Stenographer II
Albert Ozaki	7	Assistant Homestead Project Manager
Louis J. Cacoulidis	2	Motor Equipment Operator II
Moses Makaiwi, Jr.	15	Motor Equipment Operator II
Vacant		Motor Equipment Operator II
LIHUE, KAUAI:		
Arthur K. Kinney	1	Homestead Project Manager I
Shirley J. K. Kaiwi	8 mos.	Stenographer II

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ANNUAL REPORT- 1959

Department of Hawaiian Home Lands