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**LAND
ASPECTS
of the
HAWAIIAN
HOMES
PROGRAM**

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LEGISLATIVE REFERENCE BUREAU

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FOREWORD

The Legislative Reference Bureau's study of the Hawaiian Homes Program, prepared pursuant to House Resolution 87, Budget Session of 1962 (which appears as Appendix A of Report No. 1, 1964) consists of the following reports:

- (1) The Hawaiian Homes Program: 1920-1963 (LRB Report No. 1, 1964);
- (2) Legal Aspects of the Hawaiian Homes Program (LRB Report No. 1a, 1964);
- (3) Land Aspects of the Hawaiian Homes Program (LRB Report No. 1b, 1964);
- (4) Social Aspects of the Hawaiian Homes Program (LRB Report No. 1c, 1964);
- (5) The Maori Affairs Program (LRB Report No. 1d, 1964); and
- (6) Organization and Administration of the Hawaiian Homes Program (a working paper dated January, 1963).

The reports may be used individually by those interested in particular phases of the Hawaiian Homes Program or collectively by those interested in studying the program in its totality.

This report describes the Land Aspects of the Hawaiian Homes Program. It examines the processes followed in selecting and administering the Hawaiian home lands and some of the results of those processes. It then analyzes the uses to which those lands have been put to achieve the ends of the program. Finally the report comments on such aspects of the program as the utility of community pastures and pineapple agreements and on such problems as those which emanate from the emphasis on non-agricultural homesteading.

We gratefully acknowledge and appreciate the assistance rendered the Bureau by the Department of Hawaiian Home Lands, the Department of Land and Natural Resources, the Department of Taxation, and the Department of Accounting and General Services. In particular we want to thank Mr. Tom Uesugi and Mr. Thomas Iguchi of Accounting and General Services, who provided the necessary data processing advice and help at a crucial time.

Tom Dinell
Director

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Chapter I

HAWAIIAN HOME LANDS TODAY: LOCATION AND USE

The Department of Hawaiian Home Lands is currently legally entrusted with the administration of approximately 185,000 acres of Hawaii's land. The location and use of these lands is the subject of this chapter.¹ These lands are found on each of the major islands throughout the state, but the bulk is located in the following general areas:

Hawaii: Kamaoa-Puueo, Keaukaha, Kawaihae, Panaewa, and Waimea;
Kauai: Anahola and Kekaha;
Maui: Paukakalo, Kahikinui, and Kula;
Molokai: Hoolehua, Kalamaula, Kapaakea, and O'ne Alii; and
Oahu: Nanakuli, Papakolea, Waimanalo, and Wainae.

On an island basis, the acreage is divided as follows:

Hawaii	106,993
Kauai	17,187
Maui	28,965
Molokai	24,053
Oahu	<u>6,956</u>
	184,154

These data on the portion of public lands set aside for use by qualified Hawaiians represent the most accurate figures now obtainable. There are only a few cases remaining on which the Departments of Hawaiian Home Lands and Land and Natural Resources have not reached agreement as to the exact boundaries of Hawaiian home lands. Many of the formerly unsettled boundary questions have been resolved by the two departments during the past two years.²

LAND UTILIZATION AND DISTRIBUTION

A generalized picture of the present distribution of the departmental acreage can be drawn from Table 1.

CATEGORIES OF USE

Table 1 is constructed so that two major points may be emphasized:

- (1) relatively little land of the total is actually used directly by the homesteaders; and
- (2) a considerable amount of the land not used directly by the homesteaders nevertheless is of considerable indirect benefit to the homesteaders.

Table 1

UTILIZATION OF HAWAIIAN HOME LANDS, BY ISLAND
OCTOBER 1963
(Acres)

Use	Hawaii	Kauai	Molokai	Maui	Oahu	Total	Per Cent of Total
I. Direct Use or Occu- pancy by Homesteader							
1. Houselot	318	37	1,000	11	295	1,661	.9
2. Farm	1,128 ^a	289	--	--	4	1,421	.8
3. Ranch/Pasture	15,159	--	750	--	--	15,909	8.5
SUB-TOTAL	16,605	326	1,750	11	299	18,991	10.2
II. Indirect Benefit to Homesteader							
1. Leased or Permit Land	61,288	16,539	--	20,104	3,002	100,933	54.6
2. Pineapple Contracts	--	--	5,000	--	--	5,000	3.1
3. Community Pasture	3,349	--	14,882	--	--	18,231	9.9
4. Miscellaneous	175	17	194	10	66	462	.2
SUB-TOTAL	64,812	16,556	20,076	20,114	3,068	124,626	67.8
III. Non-Direct Benefit to or Use by Homesteaders							
1. Game Reserves	11,124	--	--	--	--	11,124	6.0
2. Forest Reserves	9,634	--	250	8,700	1,413	19,997	10.8
3. Military	188	--	--	--	1,782	1,970	1.1
4. Unoccupied	4,630	305	1,977	140	394	7,446	4.0
SUB-TOTAL	25,576	305	2,227	8,840	3,589	40,537	21.9
GRAND TOTAL	106,993	17,187	24,053	28,965	6,956	184,154	100.0
PER CENT OF GRAND TOTAL	57.8	9.3	13.5	15.6	3.8	100.00	

Source: State Land Inventory, as corrected by the Legislative Reference Bureau.

^aProbably inflated since almost 1,000 acres of this total, located in the Panaewa area of the Big Island, is out on revocable permit to homesteader-farmers in this area. An examination reveals very little actual cultivation of Panaewa farm land at this time, though present departmental plans include the eventual farming of this area.

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The table is divided into three major categories: (1) direct use or occupancy by the homesteader; (2) indirect benefit to the homesteader; and (3) non-direct benefit to or use by the homesteader.³

The "direct use" category includes all lands from which an individual homesteader and his family directly benefit. The benefit can be in the form of farm land which he personally cultivates, ranch land on which he personally cares for livestock, or a houselot on which he and his family reside.

"Indirect benefit" refers to land which generates income or provides services for the homesteaders either in a direct grant to an individual, or to the department. The individual homesteader, however, does not personally care for the land. In this category, pineapple lands on Molokai provide direct income to homesteaders with pineapple contracts. Lands throughout the State leased to non-homesteaders provide income for the department which is available for program use. Community pastures on Molokai and Hawaii offer services to homesteaders owning livestock. The miscellaneous category includes schools, playgrounds, churches and other socially beneficial uses.

The "non-direct" use category includes all other Hawaiian home lands. These particular lands are mainly in use as forest or game reserves, or are being used by the armed forces. A limited amount is unoccupied.

DIRECT USE OR OCCUPANCY

Almost 19,000 acres or 10.2 per cent of the total of all lands belonging to the department are occupied or used directly by the homesteaders though most of this land is used as pastures.

Ranch, Pasture or Farmland. The bulk of the direct use or occupancy acreage--15,159 acres or 79.8 per cent--is located in the Waimea area of Hawaii and is being used as ranch-pasture land by 55 homesteaders. With the exception of 180 acres in the Kamuela area and some experimental farming by one homesteader on 289 acres in Kauai, farming is limited to rather small parcels, many of which are rather sporadically cared for.

Houselots. The total acreage attributed to houselots represents less than 1 per cent of all lands belonging to the department. This figure itself must be qualified by pointing out that of the 1,661 acres in this total, 1,000 are located on Molokai. Approximately 175 homesteaders with pineapple agreements on that island are usually permitted to retain approximately five acres of land for houselot purposes. Much of this land is idle, though many of the homesteaders make a serious effort to keep it clear of weeds. The 1,000 acres of Molokai houselots provide homes for only 291 families; the 295 acres on Oahu are occupied by more than 950 families.

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INDIRECT USE OR BENEFIT

While the homesteaders do not directly occupy or use much of the land set aside for their benefit, they do share dramatically in the income or benefits from much of the other land belonging to the department. 124,626 acres of Hawaiian home lands, or 67.8 per cent of all departmental lands, are used in such a manner as to provide indirect benefit to the homesteaders. The land in this particular category is considered to be of benefit to the homesteaders if it provides: (a) income which is earmarked for departmental use or personal use of homesteaders; or (b) indirect social benefit.

Leased or Permit Land. Lands leased for sugar, pasture or industrial uses (100,933 acres) comprise 54.6 per cent of all Hawaiian home lands and provide an annual income of \$253,718 (see table 8, page 25). That portion of this income not allocated to the administration account (approximately \$200,000 is so allocated) is credited to the development fund. The existence of this source of income and the possible increase of the magnitude of this income in the future is one of the most promising signs that a self-supporting department is within the realm of possibility.

Miscellaneous. A relatively small amount of land in the "indirect benefit" category (462 acres) is neither leased nor contracted out for pineapple use yet it is of significant social and economic importance. While it consists of only 2/10 of 1 per cent of all the Hawaiian home lands, this acreage provides the space upon which the schools, churches, playgrounds, beaches, cemeteries and roads are located.

Table 1 includes two other categories of indirect benefit which should be mentioned--lands used by the pineapple companies on Molokai (5,000 acres) and community pastures on Hawaii and Molokai (18,231 acres). These two uses are discussed at greater length in chapter IV of this report. Some homesteaders might argue that such lands should be categorized as directly used or occupied. Such a categorization does not seem accurate, however, for in each case the homesteader himself is unlikely to participate in the day-to-day operation of the system.

Chapter II

THE HAWAIIAN HOMES COMMISSION ACT-- THE EARLY YEARS

It is necessary to examine the original Hawaiian Homes Commission Act and its early administration in order to understand some of the present problems and directions of the program.

THEORY OF HOMESTEADING AS EMBODIED IN THE ACT

The Hawaiian Homes Commission Act of 1920 embodied principals and goals of homesteading greatly divergent from those which had evolved within the continental United States. Limitation of benefits to one ethnic group--persons with one-half or more Hawaiian blood--was perhaps the most novel departure from previous American homestead policy.¹ Furthermore, governmental retention of title to homestead land, an important feature of the Act, was at variance with a venerated American theory that a large class of land-owning farmers provided an essential anchor to a democratic society. The evil consequences of land speculation, most frequently operating to the disadvantage of native Hawaiians, and apparently incurable under existing mainland homestead laws, provided a rationale for governmental retention of land titles. Immediate consequences of governmental retention of land titles were the paternalistic provisions for commission management of the homesteading program. Commission responsibilities at first included choosing a limited area for the first homestead settlement, clearing land and providing water prior to settlement, and screening applicants for homestead leases; later they were extended to include organization and management of community pastures and the operation of nursery schools. As a homesteading program for Hawaiians, the Hawaiian Homes Commission Act contemplated a cautious, limited, carefully controlled, but hopefully foolproof beginning.

The joining together of the ideas of homesteading and the social and economic rehabilitation of a special group for which the community assumed some degree of responsibility appeared to justify the new concept of homestead policy contained in the Act. Rehabilitation of all those considered temporarily unable to adjust themselves to the demands of a Hawaii in the process of industrialization probably required a governmentally planned and administered program. One aspect of rehabilitation, however vaguely the overall term was conceived, also appeared to justify the assignment of some of the Territory's less desirable lands to the program. This argument centered on the contention that the easy living to be gained by subdividing already developed cane lands might further demoralize the Hawaiians while arduous labor on undeveloped lands could provide the Hawaiians a character building experience. Further, the choice of lands made in the Act safeguarded the Territory's financial stake in sugar lands managed by large

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plantations, while starting the program on a small scale gave protection to lands used by large ranchers.²

DESIGNATION OF HAWAIIAN HOMES COMMISSION LANDS

Section 203 of the Hawaiian Homes Commission Act specifically designated the public lands "available" to the Hawaiian Homes Commission. This section of the Act specifically excluded: (a) all lands within any forest reservation; (b) all cultivated sugar cane lands; and (c) all public lands held under a certificate of occupation, homestead lease, right of purchase lease, or special homestead agreement. These exceptions have caused considerable confusion as to what was and what was not Hawaiian Homes Commission land. Additional confusion has been created by the fact that in some instances Congress referred to a broader area of land from which the commission was to select the designated acreage.

Although the precise boundaries of lands available to the commission were not made clear in the Act, there was general agreement that the lands were not the best, especially since cultivated sugar cane land had been excluded. The choice of inferior lands for homesteading resulted from the fact that the Congressional territorial committees involved gave consideration to the idea of the rehabilitation program for Hawaiians simultaneously with their consideration of Hawaiian land law changes. The land laws were being examined because the leases on many of the Territory's best cane lands were about to expire and these lands would become available for general homesteading.

HOUSE COMMITTEE ON TERRITORIES³

The House Committee on Territories was led to the view, buttressed by testimony from Secretary of the Interior Lane, that Hawaii could not yet afford to permit its cane lands to be homesteaded; therefore, homesteading should be limited to the undeveloped or marginal lands. That the alleged need to preserve the plantation system was uppermost in the mind of the chairman of the Committee on Territories possibly explains his failure to inquire into the suitability for homesteading of the lands chosen for rehabilitation. The chairman's questions were aimed at determining who currently leased the lands to be designated available, and whether use of them for homesteading would result in any injustices or unnecessary inconveniences to the current lessees.

SENATE COMMITTEE ON TERRITORIES⁴

At a later Senate Committee on Territories hearing, objections were raised as to the suitability of lands proposed for Hawaiian homesteads. One witness noted that the American Sugar Company had invested \$1.5 million to establish a sugar plantation on the Molokai lands in question, but had abandoned its investment when engineers estimated the cost of tunneling required to get water to the land at an even higher figure than the amount already expended. If as

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valuable a crop as sugar could not justify the cost of irrigation, despite a large investment already made, how could homesteading be made to pay?

Testimony from a representative of Parker Ranch (Parker Ranch stood to lose 99,000 acres of land under the bill) claimed that the particular pasture lands chosen on Hawaii would be worthless for homesteading or for pasture due to drought conditions which required moving cattle widely over the island. Furthermore, the Parker representative testified, ranchmen estimated the cost of starting a 2,000-acre cattle ranch at \$25,000. Similar objections were raised by a representative from the Raymond Ranch on Maui which stood to lose 25,000 acres of leased land under the bill.

Mr. B. G. Rivenburgh, ex-commissioner of public lands for the Territory testified that the 25,000 acres taken from the Raymond range, "is not in any sense agricultural land. It is not, in a broad sense, grazing land. It is totally a lava flow, unwatered. . .not suitable for Hawaiians to take as grazing land, because they would have no land to remove their herds to in time of dry weather".

Prince Kuhio, however, indicated his satisfaction with the lands chosen. When asked at the hearings why he would not prefer the rich cane lands for the Hawaiians, he replied that the Hawaiians couldn't manage to cultivate sugar cane, while maintenance of the plantation system would provide revenues essential for the support of Hawaiian homesteading.⁵

HORNER LETTER

A more detailed description of the lands was provided for Congressional consideration by A. Horner⁶ in a letter to Senator Poindexter. Table 2, an abstracted version of his description, indicates why it was said that the lands chosen for homesteading, with very few exceptions, were lands that would require great diligence, expense, and knowledge in order to develop successful farming or ranching.

Mr. Horner further noted that the only desirable lands mentioned were Waimanalo and Anahola-Kamalomalo which were "cultivated sugar cane lands" and were therefore excluded from available lands. "In short", says Horner, "it gives the plantations all arable and the Hawaiians all arid lands".⁷

COMPARISON OF HR 12683, HR 13500 AND ACT

Prior to Congressional passage of the Hawaiian Homes Commission Act of 1920, two other bills regarding Hawaiian homesteading were introduced in Congress. (See table 3 for comparisons of the three bills.) A bill introduced in February, 1920, HR 12683, would have made 191,300 acres more or less available, while the Act designated 203,300 acres more or less as available lands. The difference is accounted for by the addition of the following lands: Molokai--5,000 acres for the Leper Settlement at Kalaupapa; Oahu--Nanakuli (3,000 acres) under lease to

Table 2

HORNER'S DESCRIPTION OF LANDS CHOSEN FOR
HOMESTEADING UNDER HAWAIIAN HOMES ACT

Island	Acreage	Land Potential
<u>Hawaii</u>		
Kamaoa-Puueo	11,000	Useful for grazing only for a few months a year. No water for domestic use.
Puukapu	1,200	Land adjacent to site where a Hawaiian rehabilitation project had been attempted and had failed. Most suitable of available lands for homesteading purposes.
Kawaihae I	10,000	Same as Kamaoa, except less soil covering rocks.
Pauahi	750	Same as above.
Kamoku-Kapulena-Nienie	12,350	Third class agricultural in part, and balance second class pasture. Water for domestic use would have to be piped in some miles.
Humuula	53,000	Fourth class grazing; no water supply; beyond reach of water; almost entirely lava waste with no agricultural land.
Piihonua	2,000	Second class agricultural; annual rainfall 250 inches.
Kaohe-Makuu	2,000	Rocky, almost solid lava; fertile soil, well situated for fishing.
<u>Kauai</u>		
Upper Waimea	15,000	Third class grazing; valueless without fattening lands, rough, rocky, very dry; could produce crops if \$1,000,000 spent to bring water.
Moloaa	2,500	No agricultural or grazing lands.
Anahola and Kamalomalo	5,000	Second class agricultural land; would require irrigation; large part planted to cane and irrigated.
<u>Maui</u>		
Kahikinui	25,000	Third class grazing when held in large tracts; most of land can be grazed only few months of year due to frequent dry spells; steep and rocky
Kula	6,000	Second class agricultural; crops can be expected one year out of three.
<u>Molokai</u>		
Palaau	11,400	With irrigation would produce abundant crops, without water is poor grazing land; irrigation project estimated to cost \$2,000,000.
Kapaakea	2,000	Steep part of mountain; worthless for agriculture.
Kamiloloa I and II	3,600	
Makakupaia	2,200	
Kalamaula	6,000	Upper half, second class agricultural land; lower same as Palaau.

Table 2 (continued)

Island	Acreage	Land Potential
<u>Oahu</u> ^a		
Nanakuli	3,000	Rough, rocky, dry; no value except for its proximity to sea, and fishing rights.
Lualualei	2,000	
Waimanalo	4,000	Second class agricultural or cane land, with water might be first class.

Source: U. S., Congress, Senate, Committee on Territories, Hawaiian Homes Commission Act, 1920, Hearings on H. R. 13500, to Amend Act to Provide Government for Hawaii, As Amended, to Establish Hawaiian Homes Commission, and for Other Purposes, 66th Cong., 3rd Sess., 1920.

^aPapakolea lands not included in original Act.

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Oahu Railway and Land Company, Lualualei (2,000 acres) under lease to Waianae Company; Hawaii--Waimanu (200 acres), Panaewa, Waiakea (2,000 acres), Keaukaha (2,000 acres); Kauai--Anahola and Kamalomalo (2,500 acres) under lease to Makee Sugar Company. Some lands included under HR 12683 were dropped in the Act; 3,000 acres on Hawaii, Kawaihae leased to Parker Ranch and Molokaa, Kauai, 2,500 acres of forest land. These reductions and additions in land designated available do not appear to have been of any special significance.

Table 3

COMPARISON OF ACREAGE TOTALS AND LOCATIONS OF LAND IN HR 12683, HR 13500, AND THE HAWAIIAN HOMES COMMISSION ACT OF 1920

Island	Location of Grant	HR 12683	HR 13500	Act
Hawaii	Kamaloa-Puueo	11,000 acres	11,000 acres	11,000
	Puukapu	15,000 "	12,000 "	12,000
	Kawaihae I	13,000 "	10,000 "	10,000
	Pauahi	750 "	750 "	750
	Kamoku-Kapulena	5,000 "	5,000 "	5,000
	Nienie	7,350 "	7,350 "	7,350
	Humuula Mauka	53,000 "	53,000 "	53,000
	Panaewa	not in	not in	2,000
	Piihonua	not in	2,000 "	2,000
	Kaohe-Makuu, Puna	not in	2,000 "	2,000
	Waimanu	not in	2,000 "	200
	Waiakea Kai (Keaukaha)	not in	not in	2,000
Maui	Kahikinui	25,000 "	25,000 "	25,000
	Kula	6,000 "	6,000 "	6,000
Molokai	Palaau	11,400 "	11,400 "	11,400
	Kapaakea	2,000 "	2,000 "	2,000
	Kalamaula	6,000 "	6,000 "	6,000
	Hoolehua	3,500 "	3,500 "	3,500
	Kamiloloa I and II	3,600 "	3,600 "	3,600
	Makakupaia	2,200 "	2,200 "	2,200
	Kalaupapa	not in	not in	5,000
Oahu	Nanakuli	not in	3,000 "	3,000
	Lualualei	not in	2,000 "	2,000
	Waimanalo	4,000 "	4,000 "	4,000
Kauai	Waimea	15,000 "	15,000 "	15,000
	Molokaa	5,000 "	2,500 "	2,500
	Anahola & Kamalomalo	2,500 "	5,000 "	5,000
TOTAL		191,300 acres	194,300 acres	203,500

Sources: Marylyn M. Vause, "The Hawaiian Homes Commission Act of 1920" (unpublished Master's thesis, University of Hawaii, 1962), p. 73; Hawaiian Homes Commission Act, 1920.

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Changes of greater significance than those made in available lands designated were the exclusion of all cultivated sugar cane lands, and all public lands held under a certificate of occupation, homestead lease, right of purchase lease, or special homestead agreement contained in the Act but not in HR 12683. This meant that some of the acreage added in the final draft (Waimanalo and Anahola-Kamalomalo) actually was excluded. Considerable acreage of the lands designated available was under homestead lease, right of purchase lease, or certificate of occupation.

Unlike HR 12683, the Act provided that only certain lands on Molokai and on Hawaii were to be used or disposed of by the Hawaiian Homes Commission in the first five years. Again, unlike HR 12683, the Act provided that any available land under lease at the time of passage of the Act should not assume the status of Hawaiian home lands until the lease expired or the commissioner of public lands withdrew the lands from lease. This provision was included also in HR 13500. The net effect of changes from HR 12683 to the Act was to make an additional grant of 12,000 acres nominally available while reducing the land actually available to some 37,900 acres.

SELECTION OF HAWAIIAN HOMES COMMISSION LANDS

The Hawaiian Homes Commission Act, section 204, paragraph 3, provided that in instances where the commission was to select lands out of the larger area of available lands, the commission was required to obtain the approval of the Secretary of the Interior and give notice of its selection to the commissioner of public lands before the land selected could acquire the status of "Hawaiian home lands". The selections were to be made within three years following the expiration of the first five-year period which commenced with the first meeting of the commission; selections made thereafter were deemed invalid and of no effect.

The commission selected acreage as follows:

<u>Location</u>	<u>Acreage Total</u>	<u>Date of Selection</u>
Keaukaha, Hawaii	2,000	June, 1924
Panaewa, Hawaii	2,000	June, 1924
Waiohulo, Maui	6,000	November, 1926
		June, 1929
Humuula, Hawaii	33,000	June, 1929
Piihonia, Hawaii	2,000	June, 1929
Kaohe-Makuu, Hawaii	2,000	June, 1929
Waimanalo, Oahu	4,000	January, 1931.

Section 204, paragraph 3 was deleted when the Act was amended on March 7, 1928 prior to the expiration of the eight-year period; however, the commission was advised by the Attorney General on November 27, 1928⁸ that selections made after the eight years specified in the Act would be invalid. All of the selections made by the commission except the 4,000 acres in Waimanalo were made within the eight-year period required by the Act. However, since a survey of Hawaiian home lands has never been made, even to this day, questions arising as to whether a

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certain parcel is or is not Hawaiian home lands have had to be settled by mutual agreement of the Department of Land and Natural Resources and the Hawaiian Homes Commission. In most cases, little controversy remains and, for the purposes of this study, the Hawaiian Homes section of the State Land Inventory will be considered definitive.

INITIAL SETTLEMENT OF HAWAIIAN HOMES COMMISSION LANDS

While section 203 of the Hawaiian Homes Commission Act designated the above described 203,300 acres as "available lands", section 204 reduced the quantity of land available at the beginning of the program to 37,900 acres: 33,700 acres on Molokai, and 4,200 acres on Hawaii. The commission had five years in which to develop a homestead program, on this limited acreage of immediately available lands, of sufficient merit to warrant the continuation of Hawaiian homesteading. Should the program prove successful, the written approval of the Secretary of the Interior and further Congressional authorization could make the other lands referred to in section 203 actually available to the commission.

The 1925 report of the Hawaiian Homes Commission describes the "homelands" given for actual settlement as second-class pastoral lands worth about \$1.00 per acre in 1918 and rented at that time for five cents an acre.⁹ F. G. Krauss, a University of Hawaii agriculturalist appointed by Governor Farrington to evaluate Molokai's Hawaiian Homes Commission lands, described the lands on which the homestead experiment was to take place: "At that time the low lands bordering the sea from Kaunakakai westward were dry and almost barren wastes, excepting for the algaroba".¹⁰ These and the open grasslands of Palaau and Hoolehua mauka, as well as the lands of Kalamaula and Kaunakakai to the eastward, were those available for the rehabilitation project.

Lower Kalamaula was chosen as the site for the first settlement, named the Kalaniana'ole Settlement after Prince Kuhio. The plan called for the subdivision of 23 lots of approximately 25 acres each, adjoined by 2,000 acres of community pasture. Water for domestic use was brought in from the Waihee Valley, while irrigation water was obtained from an old spring at a cost of \$20,513. By February 1923, 13 settlers were on the land and 35 acres of algaroba growth had been cleared, much of the work having been done by settlers with a minimal amount of equipment. By August 1924 another 87 acres had been cleared and 278 persons were on the settlement.

The commission planned for a second tract in the Palaau and Hoolehua districts consisting of about 80 forty-acre lots suitable for pineapple raising or other dryland farming.¹¹ (See table 4 for land classification in these areas.) Sixteen of these lots had been surveyed and subdivided by mid-1924. The commission decided to use the South Hilo lands of Panaewa and Keaukaha in Waiakea for houselots, as they were inappropriate for agricultural use. A considerable

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degree of interest in these lands on the part of working people in the Hilo area gave impetus to this decision.¹²

Table 4

CLASSIFICATION OF HAWAIIAN HOME LANDS, MOLOKAI
BY F. G. KRAUSS, CHAIRMAN, CLASSIFICATION COMMISSION
OCTOBER 1924

Designation of Land	Potential Use
"Upper" Palaau and Hoolehua Lands (4,375 acres)	First class agricultural land suitable for pineapple production and other dry land field crops. "It will, of course, require careful planning to select the right crops and taking advantage of the most favorable season of the year for preparing the land and for seeding the crops, as well as practicing the best cultural methods, including the devising of rational systems of crop rotation to prevent depletion of the inherent soil fertility and erosion. . ." (pp. 42, 43) 40-acre lots were planned.
"Lower" Palaau and Hoolehua Lands (10,463 acres)	First class pastoral land with irrigation, first class agricultural lands--recommended use as community pastures. Drier than higher lands.
"Upper" Palaau Lands (230 acres)	Second class agricultural land (due to location) good for pineapple production and general farming. Inaccessibility and limited area which does not permit economical subdivision.
"Lower" Palaau Lands (260 acres)	Second class pastoral land; with flood control and irrigation, would be first class agricultural lands. Flood waters may be a menace.
Kapaakea-Kamiloloa 1 and 2, Makakupaia 1 (4,600 acres)	Second class pastoral land. ". . . one of the poorest areas of land that we have inspected. It is very dry, rough, and rocky." Couldn't carry over 100 cattle, perhaps only part of year. Estimated cost of making domestic water available, \$10,000.
Kalamaula (below forest reservation and above the Kalaniana'ole Settlement) (2,800 acres)	First class pastoral land, if irrigated, first class agricultural land.

Source: Report of the Hawaiian Homes Commission to the Legislature of Hawaii, Regular Session, 1923, pp. 41-45.

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STATUS OF AVAILABLE LANDS

The status of the land referred to as "available" in section 203 of the Hawaiian Homes Commission Act caused some confusion in the early years of the homestead program. Some 151,670 acres of land designated "available" were under general leases including leased land lying within districts from which the commission was to select a certain acreage. Initially the commission was under the impression that it was entitled to 100 per cent of the rentals from the lands under lease. However, Attorney General Mattewman gave the opinion¹³ that the commission was entitled to the entire receipts from only such of the so-called "available lands" which it ostensibly returned to the commissioner of public lands, and were actually under the commission's control, that is, "Hawaiian Home Lands". He determined that "Hawaiian Home Lands" were: (1) the actually available lands, (2) those of the so-called available lands which were not under lease at the time of passage of the Act, and (3) so-called available lands not under lease at the time of passage of the Act and selected by the commission out of a larger area of available land. The "Hawaiian Home Lands" then included:

<u>Hawaii</u>	
Waimanu	200
Panaewa, Waiakea	2,000
Keaukaha	2,000
<u>Molokai</u>	33,700
<u>Oahu</u>	
Lualualei	2,000
<u>Kauai</u>	
Waimea	15,000
Anahola and Kamalomalo	5,000
TOTAL	59,900

Since the commission had already received \$11,067 from lands leased but not selected in 1921, it entered an equivalent liability in its 1923 financial statement. Amendatory legislation passed by Congress on January 3, 1923, provided that "the entire receipts derived from any leasing of the 'available lands' defined in section 203, these receipts including proportionate shares of the receipts from the lands of Humuula Mauka, Piihonua, and Kaohe, of which land portions are yet to be selected, . . . shall be covered into the fund". After the fund reached the \$2 million ceiling in 1933, rentals from the available lands were transferred to the territorial general fund. Repeated requests were made by the commission to be permitted to use the rentals on available lands for administrative costs in order to prevent depletion of revolving fund income. By the Act of November 26, 1941, the receipts from the available lands were credited to the Hawaiian Home Administration Account up to the actual budget approved for department use by the Legislature for the biennium.¹⁴ Any amount greater than that

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needed for the approved budget was credited to the general fund. Prior to this time the department had depended upon special legislative appropriation or use of the revolving fund income.

In 1958 Delegate John Burns successfully obtained another amendment which permitted the department to retain that amount in excess of its approved budget collected from available lands.¹⁵ The excess amount is now transferred to the development fund.

Chapter III

DIRECT USE OR OCCUPANCY OF LANDS BY HOMESTEADERS

Less than 19,000 acres of the land entrusted to the Department of Hawaiian Home Lands are directly used or occupied by the homesteaders. This acreage represents about 10 per cent of the department's lands. The following table depicts the present acreage and location of this land:

Table 5
LAND DIRECTLY USED OR OCCUPIED BY HOMESTEADERS
OCTOBER 1963
(Acres)

Use	Hawaii	Kauai	Molokai	Maui	Oahu	Total	Per Cent of Total
Houselot	318	37	1,000	11	295	1,661	.9
Farm	1,128	289	--	--	4	1,421	.8
Ranch/ Pasture	15,159	--	750	--	--	15,909	8.5
TOTAL	16,605	326	1,750	11	299	18,991	10.2

Source: State Land Inventory, as corrected by the
Legislative Reference Bureau.

Table 6 depicts the changes between 1926 and 1959 in the division between house and farmlots. Lands contracted to pineapple companies are included under "farmlots" in this table. The exclusion of pineapple contract land from the "direct use" category would considerably reduce the total of farmlots in the earlier years.

Table 6 shows a steady increase in the proportion of houselots to farmlots. At the program's outset there were about half as many farmlots as houselots. By 1959 there were more than four houselots to every farmlot, and many of the existing farmlots were not under cultivation by the homesteader himself.

Table 7 provides some useful material for comparing the present acreage use ratio. These figures suggest a great differential between farmlot and houselot acreage. In fact, however, more than 5,000 acres of the farmlots were being cultivated by the pineapple companies and not the homesteaders.

Table 6

TYPES OF HOMESTEADING OF HAWAIIAN HOME LANDS
AND NUMBER OF LOTS BY ISLAND
1926-1959

Island	Type of Lot	1926	1932	1938	1944	1950	1959
Molokai	Houselots	19	33	38	54	90	55
	Farms	96	152	165	151	209	229
	Ranch/Pasture	2	2	3	2	--	--
Hawaii	Houselots	157	200	207	253	378	381
	Farms	--	--	--	--	--	74
	Ranch/Pasture	--	1	--	--	--	--
Oahu	Houselots	--	237	309	351	798	894
	Farms	--	--	--	--	--	--
Kauai	Houselots	--	--	--	--	--	40
	Farms	--	--	--	--	--	--
Total Houselots ^a For All Islands		176	470	554	658	1,266	1,370
Total Farms ^a For All Islands		96	152	165	151	209	303

Source: Reports of Hawaiian Homes Commission to the Legislature of Hawaii.

^aIt should be noted that this table uses the department's categories of classification. This results in the inclusion of lands being subleased to pineapple companies in the "farmlot" totals.

Table 7

HOMESTEADER USE OF HAWAIIAN HOME LANDS BY ISLAND
1926-1950
(Acres)

Island	Type of Lot	1926	1932	1938	1944	1950
Molokai	Houselots	19	33	34	48	57
	Farms	3,539	5,011	5,892	5,702	6,990
	Ranch/Pasture	500	500	750	500	500
Total Leased to Homesteaders		4,058	5,544	5,926	5,750	7,546
Oahu	Houselots	157	127	140	140	282
	Farms	--	--	--	--	--
	Ranch/Pasture	--	--	--	--	--
Total Leased to Homesteaders		157	127	140	140	282
Hawaii	Houselots	--	195	199	214	268
	Farms	--	--	--	--	--
	Ranch/Pasture	--	200	200	200	200
Total Leased to Homesteaders		--	395	399	414	468
Kauai	Houselots	--	--	--	--	--
	Farms	--	--	--	--	--
Total Houselots		176	355	372	401	607
Total Farms		3,539	5,011	5,892	5,702	6,990
Total Ranch/Pasture		500	700	950	700	700
Total Acreage Under Lease to Homesteaders		4,214	5,437	7,224	6,803	8,296
Total Community Pasture		1,800	14,000	12,630	6,100 ^a	10,296

Source: Reports of Hawaiian Homes Commission to the Legislature of Hawaii.

^aPlus unspecified amounts at Hoolehua.

DIVERSIFIED FARMING

Diversified farming was a fundamental goal and a fundamental problem for the homestead program from its inception.

MOLOKAI

In accord with one of the implied purposes of the Hawaiian Homes Commission Act, the first efforts of the commission were directed at establishing a viable community of subsistence farmers and ranchers on Molokai.

The Kalanianaʻole and Hoolehua Settlements. As previously noted, the coastal flats at Kalamaula were chosen for the first settlement after agricultural specialists had examined the Molokai lands. The 23 farmlots of around 25 acres apiece and the 21 houselots combined with the community pasture (1,800 acres) represented use of about 40 per cent of the land available to the commission at Kalamaula. About 10 per cent of the land available was to be used for farm and house lots. Before the settlers arrived, the commission had cut roads, piped in water, developed a demonstration farm and started the difficult task of land clearing.

While land was being cleared and homes erected at the Kalanianaʻole Settlement in 1923, the commission pushed on to survey, subdivide and locate domestic water sources for the larger settlement planned in the Hoolehua area. Since the expenditure necessary to irrigate the Hoolehua plain¹ was out of the question, a decision was made to provide for larger leaseholds of 40 acres apiece to be used in dry land farming. These lands were leased in October 1924. At this time, 75 per cent of the available land near Hoolehua came under commission control, although only 4 per cent was leased as farmlots. Ten thousand acres were to be used as community pasture. These two settlements were the only settlements ever opened by the commission as wholly farming communities. At the maximum, they could only have provided around 100 farm homes as compared with the 15,000 homesteads considered necessary for Hawaiian rehabilitation during Congressional hearings on the Hawaiian homestead bill.²

The brave attempt of the first Molokai settler to develop a farm economy on the arid but fertile soil of Molokai was viewed initially as a great success. About 2.5 million gallons of irrigation water a day was pumped from an old spring, although the salt content of this water was nearly 60 grains per gallon. By mid-1924, the settlers had 25 acres of alfalfa, which, in combination with the large number of hogs, was expected to form the economic base of the community. Some 47 acres were planted in tomatoes, bananas, watermelons, and cucumbers. Unfortunately, fruit flies destroyed much of the watermelon crop, tomatoes were bruised in shipment to Honolulu and cucumbers failed to sell because "the market did not know what they were".³

By 1927, the early hope for a successful program of subsistence or diversified agriculture and ranching for the Hawaiians was fading. A severe drought in

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1925-26 had convinced the commission that more water must be found for Molokai. The Kalaniana'ole well had become hopelessly saline and had to be abandoned. Pineapple tracts in Palaau were leased to the Kalaniana'ole settlers, who commuted to their pineapple lands. The Hoolehua homesteaders had no water for irrigation available and rainfall proved to be insufficient to support dry land farming. Since pineapple required very little water in comparison with other crops, pineapple contracts were signed with Libby, McNeill and Libby in 1926. By mid-1928, 565 acres were under pineapple cultivation and a reduced acreage planted in other crops.⁴ Diversified farming in Molokai was beginning to disappear as a goal.

Despite continuous failures, the Hoolehua settlers continued to attempt dry land farming. In 1929, 42 tons of sweet corn, 200 tons of field corn, and small amounts of peanuts, tomatoes, pumpkins, watermelons, cantaloupe, Irish potatoes, cucumbers and sweet potatoes were harvested. In 1932, 240 acres were devoted to diversified crops, while 3,074 acres of pineapple were harvested. In 1933, 730 acres were given to crops other than pineapple; in 1934, 690 acres. In 1941, 1,000 acres of field corn were tried but half of it was lost due to drought.

At one point in the desultory history of diversified farming on Molokai, the suggestion was made to move the homes into a central location, rather than having them dispersed throughout the Hoolehua plain. This would give the homesteaders an opportunity to develop community life, it was thought. Furthermore, each homesteader could be assigned a five-acre plot for diversified crops in an area just outside the home area. Such a consolidation of land used for diversified agriculture would have made irrigation more feasible. At the time the suggestion was made, the water distribution system had to be replaced anyway, so that the cost of moving the houses would not have been prohibitive. The plan, however, was never carried beyond the talking stage.

In 1943, the Hoolehua settlers planted 420 acres of field corn and 95 of potatoes from which they reaped only 60 tons of corn and very little potatoes. Six of the potato planters suffered financial losses; others were barely able to recover their investments. The Board of Agriculture and Forestry, by arrangement with the commission and the homesteaders, planted 1,355 acres to corn and 975 to milo maize. Despite use of the best equipment, seeds, and fertilizers, the experiment was a financial loss yielding little corn or maize.

The cumulative weight of these disasters caused Julian Yates, then Executive Officer of the Department of Hawaiian Home Lands, to conclude that diversified agriculture "cannot be successfully carried on at Hoolehua because of the lack of water". He further noted that in each of the four years in which he had been associated with the Hoolehua Project, the homesteaders had lost at least 50 per cent of the cost of planting and raising the diversified crops they had attempted. In 1944-45, a severe drought caused a 100 per cent loss of crops (315 acres of field corn, 25 of sweet corn, 60 of potatoes and 55 of other crops).⁵

Water for Irrigation. Lack of water was unquestionably responsible for the

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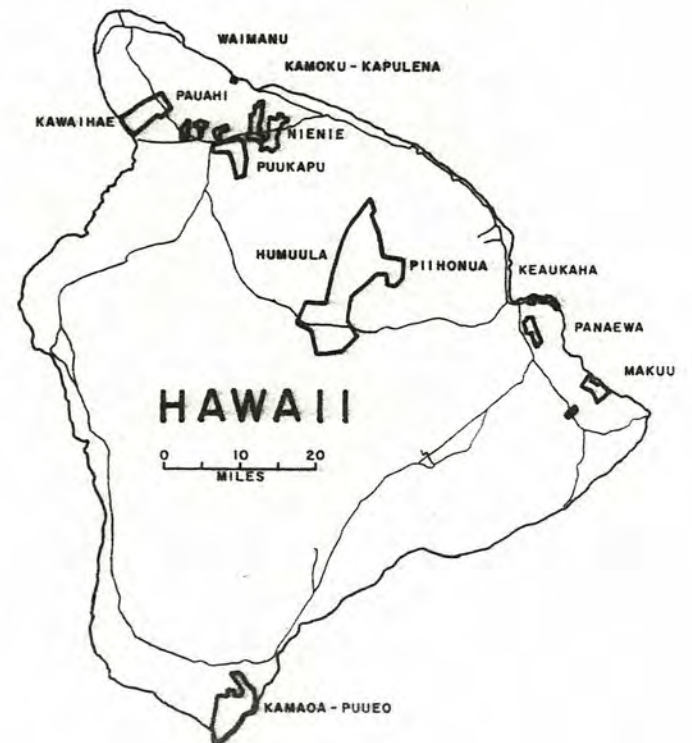
Hawaiian homesteader's failure to develop a diversified agricultural economy. Molokai had little surface water to the south and west; ground water supplies could not be counted on, since salt water saturated the whole island below sea level. An adequate water supply could only have been obtained by tunneling through the mountains to bring the more plentiful waters of windward Molokai to the Hoolehua plains, and this only at what appeared then to be a prohibitive cost. The water problem was well known and even discussed by the Congressional Committee on Territories when considering the Hawaiian homes bill; but Congress had been assured that dry land farming would be possible as there were types of taro that needed no water.⁶

The tunneling project was estimated to cost a prohibitive amount at the outset of Hawaiian homesteading.⁷ It was estimated that such a water development would have brought 55 million gallons of water per day or enough to irrigate 5,500 acres in sugar or the whole acreage available to Hawaiian homes in diversified farming.⁸

In 1927 an alternative plan to semi-irrigate Hoolehua and Palaau by overhead sprinkling was suggested. This plan would have required acquisition of Meyer Lake Reservoir Site to store the winter flood waters for summer use. The reservoir would have held 149,000,000 gallons; enough for one million gallons per day for the five summer months. It was estimated that fulfillment of this plan would make possible the irrigation of 200 acres at a cost of \$125,036. However, the territorial legislature appropriated only \$50,000 for water development in 1927; further, it did not acquire the Meyer Lake site. Hoolehua continued to be watered from rainfall alone, and pineapple continued to dominate the homestead program.

Water for Domestic Use. The two main sources of water for domestic use at Hoolehua were the Kamiloloa and Waihanau intakes. Originally, water was stored in five redwood tanks of 20 thousand gallon capacity, and then distributed through wooden pipes over the plateau. In 1927-28 additional storage was provided by three 80 thousand gallon wooden tanks at Kauluwai. Still the water supply even for domestic use was inadequate, and had to be strictly rationed. In 1935 two concrete 3.5 million gallon reservoirs were added. It was hoped that the additional capacity would at last provide a sufficient supply of domestic water. The additional storage still proved to be inadequate. During 1943 and 1944 the homesteaders faced acute water shortages, so drastic that for one month each homesteader received only a small container of water once a week. The Kamiloloa and Waihanau intakes went completely dry at times. During 1945 and 1946 the homesteaders again faced severe water shortages. In 1951 a new well was completed at Kalamaula which pumped 750,000 gallons per day, leaving the other sources of water free for the Hoolehua settlers.

Abandonment on Diversified Agriculture for Molokai. The 1945 report of the commission to the territorial legislature recommended that the policy of diversified agriculture for Hoolehua be abandoned. The commission reasoned that the



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estimated cost of the tunneling project which was essential for irrigation (over 6 million dollars by this time), the age of the homesteaders at Hoolehua, and the suitability of the Molokai lands for pineapple raising were impelling reasons to direct commission attention to Hawaii and Kauai for agricultural homesteading purposes.

In addition to lack of water, diversified agriculture on Molokai was made difficult by the harsh and strong winds, infestation with pests and diseases and, finally, marketing problems. Climatic conditions made it impossible to predict yield which in turn made it impossible to negotiate marketing contracts.

That the policy of developing diversified agriculture was at least temporarily abandoned by the Hawaiian Homes Commission is dramatically illustrated by the fact that when at last the Molokai irrigation project, talked about and planned for fifty years, was about to become a reality, the commission exchanged lands on Molokai "classified as well suited for diversified agriculture with irrigation, for state land on Oahu, which is available for housing use". The exchange was with the Department of Land and Natural Resources.⁹

ANAHOLA, KAUAI

By 1945 the commission favored developing Anahola lands (part of which were under lease to Lihue Plantation until July 1, 1955 and part to the Hawaiian Canneries Company, Ltd., until July 1, 1955) for diversified agricultural purposes. It was hoped that the cost of irrigating the 5,000 acres running from the beach to the mountains would be low, since the lands had a river running through them. Yates wrote: "After visiting this area last year, I have wondered why this place was not originally selected instead of the Hoolehua dust bowl".¹⁰ However, when Anahola lands were finally leased in 1957, the leases were for houselots, not for diversified agriculture.¹¹

WAIMEA, HAWAII

The Waimea, Hawaii lands (4,000 of 10,000 acres under lease to Parker Ranch until July 1, 1949) were also viewed as ideal for truck farming in 1945. Any necessary irrigation would not cost the millions Molokai would require. Although Waimea lands were leased to homesteaders in 1952, diversified agriculture did not develop on them to any great extent; rather they were leased as pastoral lands in 200 acre parcels. When irrigation water finally became available in 1957, the Waimea homesteaders felt that "because of the probable charges for the use of the system, . . . they could do without irrigation during 10 months out of the year. . . ."¹² Today only five farmers and 53 ranchers have homesteads in the area. Eighty per cent of the farmers devote themselves full-time to farming; only 32 per cent of the ranchers limit their work to their personal homesteads.

PASTORAL HOMESTEADS

During 1924, two Hawaiian homesteaders leased 250 acres apiece as pasture in Kapaakea, Molokai (2,000 acres were available to the commission in this area). In 1929, the commission leased 200 acres at Waimanu, Hawaii (the entire amount that was available there) to one individual. During the late 1940's, when it had become quite clear that diversified farming without irrigation on Molokai was a sheer impossibility, the commission turned to lands in Hawaii and Kauai as potential areas for agricultural development. In 1952, 14,140 acres of pasture land along with 60 acres for houses and 114 acres for general agriculture were leased to 59 lessees on Waimea, Hawaii. Today there are 53 ranches in the area. This acreage constituted about 70 per cent of the lands at Kamoku, Puukapu and Nienie designated as available in the Act.

The Hawaiian homesteaders experience with ranching proved to be as disappointing as their experience with diversified agriculture. The community pastures were reported to be overgrazed and eroded in the mid-thirties, although there had never been more than about 700 head of cattle on the approximately 14,000 acres of community pasture in Molokai. New grasses, appropriate to Molokai's dry climate, were introduced in 1937, while bulls were purchased to improve the quality of the stock. Improvement in both cattle and pasture was reported in 1943. There were around 700 head of cattle in the community pastures in 1945, but it was reported that the pastures were again overgrazed due to the extreme droughts, and that the herd should be reduced to 450 head. By 1953 there were 920 head.

An unfortunate aspect of the range activities of the Hawaiians was that lack of refrigeration helped to make ranching an even more economically marginal activity. This was not true of those Waimea ranchers who, through their chattel mortgages with Parker Ranch, had no marketing problem during the life of the mortgage.

HOUSELOTS

During the first five-year experimental period, the commission was also authorized by the Act to put Hawaiians on land at Keaukaha and Panaewa, South Hilo. In its second biennial report to the territorial legislature, the commission noted that the lands to be used on Hawaii were totally unsuitable for agricultural development; consequently, the land was divided into one acre houselots, using about four per cent of the Keaukaha and Panaewa lands for the benefit of Hawaiians employed in Hilo. By 1927 there were 158 houselots occupied in the South Hilo area, while there were but 101 farmlots on Molokai in the same year. What is more, the houselot program seemed more successful and more popular than the agricultural program.

The next homestead settlement, opened in 1930, was Nanakuli on Oahu. (About four per cent of the 3,000 acres of available land at Nanakuli was used for houselots. See tables 6 and 7.) Demand for homes by residents of Oahu (a demand

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which was to typify the nature of the pressure for use of Hawaiian home lands during subsequent years) had made itself felt sufficiently so that the first new project after the five-year experimental period had passed was of the houselot type. The agricultural program had stumbled badly, but the overall homesteading experiment had nevertheless been judged "successful" enough to justify a housing subdivision on Oahu. Subsequent homestead settlements, with the exception of Waimea, Hawaii, were all houselot projects. They were: Kawaihae, Hawaii (first leased in 1936); Kewalo and Papakolea, Oahu (first leased in 1937); Waimanalo, Oahu (first leased in 1938); Anahola, Kauai (first leased in 1957); Kekaha, Kauai (first leased in 1958). Kawaihae and Waimanalo used initially only .06 and .2 per cent of lands available in their respective areas, while Kewalo and Papakolea were squatter lands given to Hawaiian Homes as an additional grant by Congress.¹³

The failure of diversified farming and the increased demand for houselots are two phenomena which require further comment. It is quite likely that at least part of the waning enthusiasm for farming resulted from the initial heart-breaking and backbreaking experiences with the land. More likely, however, the question has to be considered in terms of ill-timing. By the time that a farming program had been developed, the Hawaiians had little interest in farm life. The future, as most of them saw it, lay in other types of employment and not in the rigorous kind of activity and perseverance that farming entailed. Moreover, most types of farming programs, with their requisite large allocations of land, could satisfy only a few of the many applicants whereas a community of houselots could reduce the pressure considerably, and no experience was needed in order to live in a house. Whatever the reasons for the change in emphasis by the commission, the most consistently stated rationale is that this change in direction represented a response to applicant demand, particularly on Oahu.

Chapter IV

LANDS PROVIDING INDIRECT BENEFIT TO HOMESTEADER

Most of the Hawaiian home lands are neither directly used nor occupied by the homesteaders. These lands, however, provide indirect benefits to the various homesteaders and the department. Table 8 indicates the acreages, locations, and usages of this land.

Table 8
LANDS PROVIDING INDIRECT BENEFIT TO HOMESTEADERS
OCTOBER 1963
(Acres)

General Description	Hawaii	Kauai	Molokai	Maui	Oahu	Total	Per Cent of Total HHC Lands
Leased land or land under revocable permit	61,288	16,539	--	20,104	3,002	100,933	54.6
Pineapple contracts	--	--	5,000	--	--	5,000	3.1
Community pastures	3,349	--	14,882	--	--	18,231	9.9
Miscellaneous (schools, roadways, churches)	175	17	194	10	66	462	.2
ISLAND TOTALS	64,812	16,556	20,076	20,114	3,068	124,626	67.8

Source: State Land Inventory, as corrected by the Legislative Reference Bureau.

LEASED LANDS OR LANDS UNDER REVOCABLE PERMITS

The total annual income to the Department of Hawaiian Home Lands from lands leased, or used under revocable permits, is almost \$254,000 (see table 9 below). This income figure is in addition to the yearly income which the Hawaiian Homes Commission Act allocates to the department from the proceeds derived through leasing of state lands for the raising of sugar cane or the granting of water licenses.¹ The income from the sugar leases and water licenses approximates \$225,000 yearly and is earmarked for loan or development purposes. Further income to the department comes mainly from specific appropriations by the state legisla-

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ture.

Table 9

INCOME FROM LEASED LANDS DEPARTMENT OF HAWAIIAN HOME LANDS BY ISLAND NOVEMBER 1963

Island	General Lease	Revocable Permit	Total
Oahu	\$ 11,095.75	\$ 3,026.00	\$ 14,121.75
Maui	7,902.00	--	7,902.00
Hawaii	157,271.22	2,442.00	159,713.22
Kauai	65,769.18	6,211.96	71,981.14
TOTAL	\$242,038.15 ^a	\$11,679.96	\$253,718.11

Source: Department of Hawaiian Home Lands records.

^aIncome from sugar leases varies slightly from year to year. During the last five years the income varied from a low of \$178,000 in 1959 to a high of \$197,000 in 1961.

ADMINISTRATION OF NON-HOMESTEAD LANDS

Sections 204 and 212 of the Hawaiian Homes Commission Act provide that lands not leased by the Department of Hawaiian Home Lands to homesteaders may be returned to the Department of Land and Natural Resources, resume the status of public lands, and be available under general lease. The term "may" allows the department the choice of administering its own lands which are not homesteaded, or of turning them over to the Department of Land and Natural Resources for leasing. In fact, however, most of the non-homesteaded lands have been administered by Land and Natural Resources.

Land which falls in the "general lease" category (see table 9) currently adds more than \$242,000 annually to the Hawaiian Homes administration and development funds. The use of revocable permits, generally for what is intended to be short-term use of the land, supplies approximately \$12,000 more.

An important and controversial problem relating to departmental lands arises as a result of the dual arrangement by which the lands are managed and leased. The department itself is given administrative responsibility for the program. The Department of Land and Natural Resources, on the other hand, issues general leases and establishes rental rates on Hawaiian home lands which are not currently being used for homestead or related purposes. The Hawaiian Homes Department finds itself relatively powerless to establish what it considers to be fair rental rates for these lands. It believes that the Department of Land and Natural Resources lacks the incentive which the Department of Hawaiian Home Lands possesses to

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gain the highest income possible from the uses of its lands. More than 100,000 acres currently providing income to Hawaiian Homes have been leased to commercial interests by Land and Natural Resources. These lands are used for many purposes, though most generally they are used for raising cattle or growing cane or pineapple. While the figures must be used with great care, the department maintains that considerably more annual income per acre than the Department of Land and Natural Resources has been able to obtain should be forthcoming. It is argued that one major cause of the Land Department's inability to obtain higher rentals is the necessity to include a withdrawal clause (1-5 years) in each general lease involving Hawaiian home lands. It is felt that high rates simply would result in lessees seeking other lands under guaranteed tenure.

NON-HOMESTEAD LEASES

Non-homesteader lessees include small houselot users, ranchers and plantations. There is little value in listing each non-homesteader lessee in a report of this nature, but the state inventory of Hawaiian home lands, which was corrected and brought up to date wherever possible by the Legislative Reference Bureau, does provide such information.² It is of interest, however, to identify the principal non-homesteader users of Hawaiian home lands in terms of acreage and to identify the uses to which such acreage is being put.

Hawaii. The Big Island of Hawaii's 61,288 acres of leased Hawaiian home lands represent 54.5 per cent of all Hawaiian home lands in that island and 60 per cent of all Hawaiian Homes leased land in the state. The income from Hawaii's leased lands amount to 63 per cent of the statewide total income for Hawaiian Homes leased land.

Table 10 identifies the principal users of leased Hawaiian home land on Hawaii. Parker Ranch, Kahua Ranch, Naalehu Ranch, Anna Ranch, and W. H. Shipman, Ltd., are the major non-homesteader lessees. These five utilize approximately 99 per cent of Hawaii's leased Hawaiian home land. The biggest individual user is Parker Ranch (Richard Smart) which leases 62 per cent of Hawaii's land in this category and provides about half of the income. Parker Ranch actually uses more than one-third of all the Hawaiian home lands in the State which are being used under a general lease or revocable permit and provides the department with 31 per cent of its income from this kind of operation. All of the Parker leases have from seven to nine years still to run. In fact, all general leases to principal users of Big Island land have about the same duration.

Kauai. Kauai has the greatest concentration of Hawaiian home lands being used by non-homesteaders. Table 11 presents the Kauai picture.

As noted in Table 9, while only 17 per cent of all land leased to non-homesteaders is located on Kauai, this land generates about 27 per cent of the program's income from this service. Kauai is overwhelmingly leased to non-homesteaders, 96 per cent of its total Hawaiian home lands being in that category.

Table 10

HAWAII: PRINCIPAL NON-HOMESTEADER USERS
OF HAWAIIAN HOME LANDS
NOVEMBER 1963

Lessee	Acreage	Use	Type of Agreement	Expiration Date	Annual Rental
Parker Ranch (Richard Smart)	295	Pasture	General Lease	1972	\$ 5,000
" "	555	Pasture	General Lease	1972	7,000
" "	2,376	Pasture	General Lease	1972	10,500
" "	332	Pasture	General Lease	1972	7,582
" "	5,290	Pasture	General Lease	1974	16,000
" "	7,513	Pasture	General Lease	1974	14,000
" "	20,384	Pasture	General Lease	1974	18,000
SUB-TOTAL	36,745				\$ 78,082
Kahua Ranch	9,936	Pasture	General Lease	1972	40,500
Naalehu Ranch	10,301	Pasture	General Lease	1972	35,039
Anna Ranch	335	Pasture	General Lease	1972	3,015
W. H. Shipman	2,000	Pasture	Revocable Permit	--	2,400
SUB-TOTAL	22,572				\$ 80,954
HAWAII TOTAL	61,288				\$159,713

Source: State Land Inventory, as corrected by the
Legislative Reference Bureau.

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Table 11

KAUAI: PRINCIPAL NON-HOMESTEADER USERS OF
HAWAIIAN HOME LANDS
NOVEMBER 1963

Lessee	Acreage	Use	Type of Agreement	Expiration Date	Annual Rental
Lihue Plantation	1,113	Sugar	General Lease	1971	\$34,325
Lihue Plantation	409	Sugar, Pine, Pasture	Revocable Permit	--	4,560
Gay & Robinson	333	Pasture	General Lease	1965	601
Kekaha Plantation	14,560	Sugar, Pasture	General Lease	1971	28,789
TOTAL FOR THREE LESSEES	16,415				\$68,275
KAUAI TOTAL	16,539				\$71,981

Source: State Land Inventory, as corrected by the
Legislative Reference Bureau.

Of the total of leased land, 99 per cent is in the hands of three principal users with 16 other users in control of 1 per cent. The three principal users, Kekaha Sugar, Lihue Plantation, and Gay and Robinson, contribute 95 per cent of the annual rentals from leased land on Kauai. Kekaha Sugar alone uses 85 per cent of the Hawaiian home lands located on the island of Kauai and 88 per cent of the land leased by non-homesteaders on that island. Kekaha pays \$28,989 yearly for its use of this land, 40 per cent of the income to Hawaiian Homes on Kauai and 11 per cent of the department's statewide income from leased lands.

Maui. Maui is the simplest island to describe in terms of non-homesteader use of Hawaiian home lands. Only three lessees currently use the land and all are significant. Each has a general lease.

Maui is second among the major islands in the percentage of total Hawaiian home lands leased out to non-homesteader use. The most striking feature of the Maui figures is that Maui has over 20 per cent of the statewide total of leased Hawaiian home land but produces only 3 per cent of the total income. The 14,088 acres leased to Ulupalakua Ranch represent one of the poorest revenue producers of all Hawaiian home lands. This particular piece of land at Kahikinui is not usable much of the year due to its general barrenness. Under these circumstances, the income may be as high as can be achieved currently.

Oahu. Table 13 indicates that six principal non-homesteader lessees of Hawaiian home lands on Oahu use 87 per cent of the land out under general lease or revocable permit. At the same time they supply 84 per cent of the income from the

Table 12

MAUI: PRINCIPAL NON-HOMESTEADER USERS
OF HAWAIIAN HOME LANDS
NOVEMBER 1963

Lessee	Acreage	Use	Lease Expiration Date	Annual Rental
Ulupalakua Ranch	14,088	Pasture	1965	\$1,267
Kaonoulu Ranch	6,004	Pasture	1968	5,900
Wailuku Sugar	12	Sugar	1982	735
TOTAL	20,104			\$7,902

Source: State Land Inventory, as corrected by the
Legislative Reference Bureau.

Table 13

OAHU: PRINCIPAL NON-HOMESTEADER USERS
OF HAWAIIAN HOME LANDS
NOVEMBER 1963

Lessee	Acreage	Use	Type of Agreement	Expiration Date	Annual Rental
Tongg Ranch	1,730	Pasture	General Lease	1966	\$ 6,754
Walter Grace	452	Pasture	General Lease	1963	220
Dairy Product Sales	337	Pasture	General Lease	1965	725
Waianae Development	44	--	Revocable Permit	--	810
Nanakuli Paving	10	Industrial	Revocable Permit	--	2,700
Henry Sung	36	--	Revocable Permit	--	600
Thirteen Others	393	--	--	--	2,313
TOTAL	3,002				\$14,122

Source: State Land Inventory, as corrected by the
Legislative Reference Bureau.

LAND ASPECTS

leased lands on Oahu. The largest lessee in terms of acreage and income for the department is the Tongg Ranch which utilizes 58 per cent of Oahu's leased lands and provides 48 per cent of the department's Oahu income for such lands. Oahu, however, is not a significant area in terms of total acreage of leased land or total income from these lands. Table 14 illustrates this.

Oahu's leased lands constitute only 3 per cent of the statewide total and provide only 5.6 per cent of the income from leased land. It is, however, the best producer of revenue per acre in the entire departmental income complex. Oahu's acreage of leased land relative to total Hawaiian Home acreage is the lowest of all the islands, the total representing only 42.9 per cent.

Table 14
NON-HOMESTEADER USE OF HAWAIIAN HOME LANDS
THROUGH LEASE AND REVOCABLE PERMITS
BY ISLAND
NOVEMBER 1963

Island	Acreage	Per Cent of Island Total In Leased Land	Per Cent of Statewide Total of Leased Land	Per Cent of Total Statewide Income From Leased Land
Oahu	3,002	42.9	2.9	5.6
Maui	20,104	68.4	20.2	3.1
Molokai	--	--	--	--
Kauai	16,539	95.9	16.3	28.4
Hawaii	61,288	57.0	60.7	62.9
TOTAL	100,933		100.1	100.0

Source: State Land Inventory, as corrected by the
Legislative Reference Bureau.

PINEAPPLE AGREEMENTS

The pineapple agreements today involve 153 homesteaders on Molokai Island, and concern approximately 5,000 acres of Hawaiian home lands. The contracts provide: (1) \$90 per month for the participating homesteaders; (2) a year-end bonus based upon production and market value of the crop; and (3) payment of real property taxes by the pineapple companies. The basic stipend and the bonus are uniform for all homesteaders participating in an agreement with a particular pineapple company. This is true despite variations in size of individual plots, ranging from 17 to 39 acres.

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In 1962 the bonus amounted to \$373 for one company. The bonus is computed in an identical manner by each of the two participating companies, but the bonus differs as a result of the tonnage difference in production, a reflection of the different qualities of pineapple lands involved. The division of contract agreements between the two contracting corporations is as follows:

<u>Corporation</u>	<u>No. of Contracts</u>	<u>Acreage</u>
California Packing Corporation	61	2,024
Libby, McNeill & Libby	92	2,760
TOTAL	153	4,784

Source: Department of Hawaiian Home Lands records.

Seven homesteaders with land probably suitable for pineapple raising do not participate in the agreements, generally from personal choice arising from differences with the pineapple companies. Most of the land belonging to these homesteaders is not in use, though some small portions are used for small-scale farming.

The pineapple agreements, whatever advantage or disadvantage they might bring to the individual participants, do not require any meaningful action on the part of the homesteaders whatsoever; this is made more obvious by the absence of many homesteaders or chief wage earners of homesteader families from the island. It would appear that the strongest arguments on behalf of the agreements are that they provide income for individuals fortunate enough to have homesteads in this area³ and that, indirectly, this is of economic benefit to the people of Molokai. Furthermore, more broadly, they provide pineapple land which is a major source of statewide income. Much has been said about the injustice of the pineapple agreements, but the direction of the charge of injustice seems to be partially misdirected. A preliminary examination of partial company records furnished by one of the pineapple companies does not lead one to the conclusion that the pineapple companies are paying significantly less for these lands than they would pay for similar lands not under the control of the homesteaders or the department. However, a more definitive study of these and related documents would be required in order to reach a firm conclusion.

Far more serious questions can be raised about the pineapple agreements in a different context: (a) they do not in any significant way teach new skills or feelings of self-reliance on the part of the homesteaders; and (b) they single out a limited number of homesteaders in a particular area for special awards. The fact that the economic well-being of the members of this particular group, prior to receipt of the pineapple payments, is comparable to that of homesteaders elsewhere on Molokai or elsewhere in the State makes the granting of special awards to these individuals even more questionable. At least from the viewpoint of this

particular approach, the major question about the pineapple agreements is not the amount of the income from pineapple land but rather the manner in which it is distributed.

The legality of the agreements is not in direct dispute here. The Maui Circuit Court has ruled that no contradiction exists between the contracts and the Hawaiian Homes Commission Act.⁴

COMMUNITY PASTURE

In an effort to assist the homesteaders with the raising of stock, the Hawaiian Homes Commission has utilized community pastures since 1927. The pastures provide care at nominal cost for homesteader livestock. At first view the community pasture appears to be of an entirely different nature than the pineapple contract. The difference, however, becomes somewhat of an illusion when all the facts are considered. There is no question about the economic value of community pasture to homesteaders with livestock in sufficient quantities to warrant such an arrangement. As with the pineapple agreements, however, the community pastures do not involve the homesteader directly. In the case of the pasture, the homesteader arranges with the department to care for the livestock and arrange for the slaughtering, shipment and marketing.⁵ The homesteader's involvement is limited to the payment of a moderate assessment for these services.

No fundamental argument against the community pasture is suggested here; on the contrary, it may bear the seeds of a broader cooperative movement that could, under ideal conditions, prove very beneficial to the homesteader communities. One of the necessary conditions is that the homesteaders themselves are interested in cooperative endeavors. The community pasture today, however, is much more representative of a departmental service than of community cooperation and self-help. To further complicate the problem, many of the criticisms leveled by homesteaders against the operation of the community pastures are limited to complaints about the incomplete involvement of the department rather than the incomplete involvement of the participating homesteaders.

18,231 acres of Hawaiian homestead land in the State are being used for the department's community pasture program of which 14,882 are located on Molokai and 3,349 on Hawaii. The total figure represents 10 per cent of all the Hawaiian home lands in the State, and the Molokai figure 60 per cent of all Hawaiian home lands on Molokai island. Thirteen per cent of the land listed in Table 1 as being of either "Direct Use or Occupancy by the Homesteader" or "Indirect Benefit to the Homesteader" are being used as community pasture land. Present community pasture land use is depicted in Table 15.

The table fails to illustrate or explain one of the underlying dilemmas of Hawaiian Homes activities on the island of Hawaii. Records show that 5,749 acres are being used on that island for community pasture, but examination of the situation reveals a somewhat different situation. Parker Ranch has the use of

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Table 15

HAWAIIAN HOMES COMMUNITY PASTURES ON
MOLOKAI AND HAWAII
NOVEMBER 1963

Island	Acreage	Total Livestock	Average Head Per Homesteader	Total Homesteaders Participating	Total Employees
Molokai	14,882	850	14	60	1 full time 3 part time
Hawaii	5,749 ^a	125	17	8	1 part time
TOTAL	20,631	975		68	

Source: State Land Inventory, as corrected by the Legislative Reference Bureau.

^aIncludes 2,400 acres being used by Parker Ranch.

2,400 acres of this total,⁶ but there has been no permit or lease awarded by either the department or the Department of Land and Natural Resources. Parker Ranch pays \$12,999 annual rental for the use of the land, all of which is deposited in the state general fund under a 1951 agreement between Parker Ranch and the Attorney General. This arrangement is explained in letters of the Attorney General addressed to the commission dated August 14, 1952, and addressed to the territorial treasurer on October 21, 1953. Apparently the situation can best be explained in the following manner:

Parker Ranch had free use of the land while the land was being prepared for homesteading in the Kamuela area. The old leases had expired and informal agreement of the commission to the use was made. Attorney General Silva was dissatisfied with the arrangement and requested a nominal rental from Parker Ranch in 1952. Following 1958, when land rentals were all transferred to Hawaiian Homes accounts, the department wanted the land offered for general lease. Parker Ranch objected, and apparently made a continuation of the present arrangement a condition of its continuing to supply water without charge to homesteaders in the Kamuela area. The difficulty, of course, is that this probably results in the department, and therefore all of the beneficiaries of the program, indirectly subsidizing the cost of the water consumed by the homesteaders in a particular area.

Chapter V

GENERAL LAND USES NOT OF
SPECIAL BENEFIT TO HOMESTEADERS

A portion of Hawaiian home lands currently provides no special benefit to the homesteaders. This land is pictured in the following table:

Table 16

LAND USE NOT OF SPECIAL BENEFIT TO
HOMESTEADERS BY USE, ISLAND, ACREAGE
OCTOBER 1963

Use	Hawaii	Kauai	Molokai	Maui	Oahu	Total	Per Cent of Total HHC Lands
Game Reserves	11,124	--	--	--	--	11,124	6.0
Forest Reserves	9,634	--	250	8,700	1,413	19,997	10.8
Military	188	--	--	--	1,782 ^a	1,970	1.1
Unoccupied	4,630	305	1,977	140	394	7,446	4.0
TOTAL	25,576	305	2,227	8,840	3,589	40,537	21.9

Source: State Land Inventory, as corrected by the
Legislative Reference Bureau.

^aPrimarily land within the United States Naval
Installation at Lualualei, Oahu.

UNUSED LANDS

A considerable amount of criticism has been made of the department concerning its failure to put a major portion of its land to use. The record, however, reveals that relatively little land entrusted to the department actually is lying idle. Only some 7,500 acres, 4 per cent of all departmental land, are currently unused, of which 4,600 acres are on Hawaii and 2,000 acres are on Molokai. Examination of these lands suggest that very little of it is in fact suitable for early development without great expense.

The bulk of Oahu's 394 acres of unused land are so situated that only an extremely heavy financial investment would make it suitable for development. Some 30 acres on Oahu could be developed if both water and roads were available. Kauai's situation regarding the unused lands is similar to Oahu's. Of 300 unused acres, 100 are concentrated in a swamp area which affords little opportunity for development under present conditions. The remaining 200 acres have been the

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subject of an unsuccessful farming experiment but could be developed if water, roads and utilities were brought to the location.

Molokai may be one of the more likely spots for expanding the program. Of 1,977 unused acres, much appears to be suitable for development if an economical form of irrigation can be developed. Another unanswered problem about Molokai farming is whether any demand exists for this kind of land in this location. If there is no demand for farmlots from homesteaders, the department may be compelled to resort to the general leasing of these lands in order to increase departmental income.

Hawaii's unused 4,600 acres can be divided into a number of categories. Some 2,000 acres is extremely remote and without any utilities. Almost 1,400 acres could be utilized effectively for ranching purposes if water were available at an economical rate. Another 1,200 acres are extremely rocky and without utilities, but could eventually be used for houselots. The latter area is in the Keaukaha section of Hawaii.

EXECUTIVE ORDERS

The Governor's office and the Department of Land and Natural Resources are most frequently the target of attacks made by those who believe that an attempt has been made either to thwart the wishes of the Department of Hawaiian Home Lands or to give its land away. This was especially true in the earlier years. More recently the legislature itself has begun to receive its share of criticism, particularly from the homesteaders. There are a number of criteria by which these opinions might be evaluated, one of the most significant being the use of the executive order to deprive the department of its lands.

The inadequacy of territorial records, and the failure of earlier Hawaiian Homes Commissions to identify rapidly the lands open to selection makes a complete analysis of executive orders pertaining to the department impossible. At the present time, however, a compilation of executive orders still in effect which relate to Hawaiian home lands can only lead to the conclusion that this device is not now of major significance in depriving the department of its lands. The total acreage, exclusive of forest reserve parcels, which are presently occupied under executive order can be noted from the following table.

The usage of land under executive order varies a great deal. 1,748 of Oahu's 1,849 acres are being used by the U. S. Navy. Playgrounds, beach parks and schools account for almost all of the remainder. On Molokai Kalaupapa Settlement utilizes 1,200 acres, Molokai airport 74, and Molokai Intermediate School 10. On Maui, the entire 100 acres are being used by the Maui County Farm and Sanatorium. Hawaii's seemingly large total of 11,394 acres is almost entirely assigned to a public hunting and game reserve (11,124), reservoir sites (81 acres), and a U. S. landing field (182 acres).

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Table 17

HAWAIIAN HOME LAND OCCUPIED UNDER EXECUTIVE ORDER, EXCLUSIVE OF FOREST RESERVES BY ISLAND OCTOBER 1963

Island	Acreage
Oahu	1,849
Molokai	1,284
Maui	100
Hawaii	11,394
Kauai	14
	<hr/> 14,641

Source: State Land Inventory, as
corrected by the Legislative
Reference Bureau.

The question may well be asked as to whether or not the Hawaiian Home Lands Department should receive a consideration for its lands which are being used by federal and state agencies. The lands were originally set aside for the benefit of a specifically designated group. When the lands are leased to private users this group receives the benefit of the income thereby obtained. When the land is set aside by executive order for the use of the U. S. Navy or the state Health Department or the Department of Transportation or the City and County of Honolulu, the land produces no immediate or special benefit for the designated beneficiaries of the Hawaiian Homes Commission Act. If in time the highest and best use of a parcel of Hawaiian home lands now leased out to a sugar plantation came to be as an airport or a military base, and the parcel was put to such a use, then the income of the department would be reduced. In such an instance the benefit received by the total community would be paid for in terms of lost income by a small group of its citizens. Only if lost income is estimated as equaling the cost of services rendered the Hawaiian Home Lands Departments by the other departments of state government and it is agreed the former should pay for such service, may the present arrangement be justified.

There are two possible ways in which this situation could be rectified if it were deemed desirable to do so. The State could pay a fee in lieu of lease rental which would be credited to the Hawaiian Homes Commission Administrative Fund. An alternative solution might be for the Department of Land and Natural Resources and the Department of Hawaiian Home Lands to exchange public lands for Hawaiian Homes Commission lands where the latter's lands are still in use for

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general governmental purposes.

EXCHANGES

In the original Act, there were no provisions permitting or restricting exchanges. However, on February 20, 1954, section 204 of the Act was amended with the insertion of paragraph 4 which authorized the commission, with the approval of the Governor and the Secretary of the Interior, to exchange the title to available lands at Waimanalo, Island of Oahu, for similarly located lands of an equal value, for the purpose of consolidating its holdings.¹ This provision was later amended (June 18, 1954) to authorize the commission to exchange the title to available lands for land, publicly owned, of an equal value,² thereby expanding the lands that the commission could exchange. There have not been many land exchanges involving the department until now, though all exchanges to date have tended to be in the direction of securing more urban areas for departmental houselot use.

Chapter VI

AGRICULTURAL AND NON-AGRICULTURAL HOMESTEADING

The comments on the land aspects of the Hawaiian Homes Commission program included in this report need to be considered within the broader context of the total program. The attempt in this program has been to use land directly and indirectly to achieve certain broad social and economic purposes. Land might be called the currency which the commission was furnished and instructed to use in seeking to provide for the rehabilitation of the Hawaiians through homesteading. Most of this land, when originally designated, was looked upon as less than ideally suitable for agricultural development and use. Much of the land was and still is potentially useful for the growing of crops if sufficient water could be provided, but little of the land immediately available to the commission in its early days was highly desirable for homesteading.

REHABILITATION AND HOMESTEADING

The Hawaiian Homes Commission Act was based on a philosophy that if Hawaiians, under certain protective conditions, returned to the land, to farming, and to life in rural communities, they would have a better opportunity to survive and prosper. In the early years of the Hawaiian Homes Commission a great deal of effort was expended in putting this theory into practice. Today, however, the largest number of homesteads are of the houselot type and bear little relationship to the type of homestead envisioned in the provisions of the Hawaiian Homes Commission Act. In the early days of the Keaukaha development it was felt important to respond to the demands of Hawaiians living in the Hilo area to provide a place where they might live while working in and around the city, but nowhere in the history of the program has there been a comprehensive attempt to develop a philosophy of non-agricultural homesteading, especially the manner in which such homesteading might contribute to the rehabilitation of the Hawaiian people.

There may be an inherent contradiction between the concepts of rehabilitation and homesteading. If rehabilitation is taken to mean a re-equipping of a person or a family or a group so that they may take their place in the larger community on an equal basis with others, then the potential long-range isolation of the individual, family or group on a homestead may inhibit a significant degree of return to the community. This possible contradiction between the concepts of rehabilitation and homesteading, with the extended tenure which the right of succession to the homestead implies, is applicable to both agricultural and non-farm homesteading, but the lack of activities directed towards economic and social betterment in the non-agricultural homestead areas makes the probable contradiction more obvious.

THE TREND TOWARD NON-AGRICULTURAL HOMESTEADING

The change from the agricultural and rural emphasis in the Hawaiian Homes Commission Act to the non-agricultural and urban emphasis which now exists may be the almost inevitable result of social and economic forces beyond the control of those who originally conceived the program. Part of the difficulties encountered in developing agricultural endeavors and rural settlements has obviously been due to the nature of the land and particularly to the lack of water. Some of the problems have undoubtedly been those of diversified agriculture and ranching in Hawaii generally, including especially problems of marketing. Part of the problem has surely been attributable to the general changes in society which had commenced by 1920, but which proceeded at an accelerated rate thereafter. More and more people are living in urban communities; more of the wealth and means of production are concentrated in urban centers; fewer and fewer people are required to produce the food consumed by an increasing population. As these trends have progressed, there has been an increasing lack of interest on the part of young people in following agricultural pursuits. Probably all of these and other related factors have played a part in transforming what was essentially conceived of as a return to the land, agricultural, rural homesteading program into the rather unique, primarily non-agricultural, homesteading program that now exists. There is little either in America's history, or more specifically in Hawaii's history, to prepare one to administer this type of homestead program.

PLANS FOR FUTURE HOMESTEADING

The department's plans for the future do not indicate any concerted planned attempt to reverse the trend toward non-agricultural homesteading, as a review of the data in Table 18 indicates. Given the high cost of developing a new 300 acre ranch--approximately \$17,000 to \$20,000--or a 30 acre farm--approximately \$8,000 to \$12,000--and given the heavy demand and lower development cost for a house lot--approximately \$2,000 to \$4,000, the emphasis on non-agricultural homesteading is not difficult to understand. It then becomes more urgent, however, to develop a framework for this type of homesteading which will provide a guide for those charged with administering the program as well as for the homesteaders.

LEASING OF LANDS TO PRIVATE USERS

There are some questions related to the administration of the Hawaiian home lands which are leased to private users. There are those in the department who feel that it would be possible to achieve greater income than is presently being obtained by the Department of Land and Natural Resources. Even if it were possible to produce greater income, which the program could well use, there still would be left unresolved some of the more basic and fundamental questions of how to use both the lands and the income produced from the rental of the lands to achieve the ends of the program. Even beyond this the basic ends of the program would need clarification. Simply changing the administrative control will not

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answer these other more fundamental questions.

Table 18
PRESENT AND PLANNED HAWAIIAN HOME LAND HOMESTEADS
1963

	<u>Houselots'</u>		<u>Farms</u>		<u>Ranches</u>	
	Number	Acres	Number	Acres	Number	Acres
In Present Use	1,591	1,661	30	1,421	55	15,909
Additions Planned for the Near Future	650	196	--	--	--	--
Ultimate Projected Totals	13,400	3,682	446	8,200	97	60,000

Sources: (1) State Land Inventory, as corrected by the
Legislative Reference Bureau; and (2) discussions
with departmental officials.

Mrs. Jean Fujimoto prepared the manuscript for printing.

FOOTNOTES

CHAPTER I

1. See maps on pages 22 and 23.
2. The one area of consequence for which total agreement is not complete concerns the Anahola lands on Kauai.
3. These categories attempt to go beyond the first Legislative Reference Bureau report in this series which distinguished between "homesteader use" (houselots, agricultural or pastoral lots, community pasture, and farmlots) and "non-homesteader use" (leased sugar and pasture, forest reserves, and "other"). The major argument in favor of a revision of these categories is the belief that less-refined, broader categories such as those used in the previous report are not as graphic a picture of the existing situation on the lands as are the newer categories. The essential point is that the simpler categories in the earlier study do not distinguish between land which is directly used and land which is indirectly of some benefit. In fact, the newer categorization suggests that less land than was originally thought is actually being used by the homesteaders; furthermore, much of the "non-homesteader use" land in the first study is, in fact, not outside the scope of homesteader benefit. See Allan Spitz, Organization and Administration of the Hawaiian Homes Program (University of Hawaii, Legislative Reference Bureau, 1963), p. 20.
4. U. S., Congress, Senate, Committee on Territories, Hawaiian Homes Commission Act, 1920, Hearings on H. R. 13500, to Amend Act to Provide Government for Hawaii, As Amended, to Establish Hawaiian Homes Commission, and for Other Purposes, 66th Cong., 3rd Sess., 1920.
5. Ibid.
6. Horner was a sugar expert of the Hawaiian Canneries Co. (Ltd.). His letter to Senator Miles Poindexter, member of the U. S. Senate Committee on Territories, is reproduced in U. S. Congress, Senate, Committee on Territories, Hawaiian Homes Commission Act, 1920, Hearings on H. R. 13500..., pp. 79-81. See also Marylyn M. Vause, "The Hawaiian Homes Commission Act, 1920" (unpublished Master's thesis, University of Hawaii, 1962).
7. U. S., Congress, Senate, Committee on Territories, Hawaiian Homes Commission Act, 1920, Hearings on H. R. 13500..., p. 81.
8. Hawaii, Opinions of the Attorneys-General of Hawaii, Opinion 1515, November 27, 1928.
9. Report of the Hawaiian Homes Commission to the Legislature of Hawaii, Regular Session, 1925, p. 9.
10. Report of the Hawaiian Homes Commission to the Legislature of Hawaii, Regular Session, 1923, p. 38. See Table 4 for Krauss report.

CHAPTER II

1. See particularly the Homestead Act of 1862, 12 Stat. 392.
2. See U. S., Congress, House, Committee on Territories, Hearing on Rehabilitation and Colonization of Hawaiians and Other Proposed Amendments to the Organic Act of Hawaii and on Proposed Transfer of Buildings of Federal Leprosy Investigation Station at Kalawao on Island of Molokai to Hawaii, 66th Cong., 2d Sess., 1920.
3. Ibid.
4. During the first twelve months following the Act of November 1941 the department received \$85,000 in income from the available land rentals. The period from 1933 until the Act was amended in 1941 probably resulted in a loss of revenue to the department in an amount exceeding \$500,000. See Report of the Hawaiian Homes Commission to the Legislature of Hawaii, Regular Session, 1943, p. 5.
5. Hawaiian Homes Commission Act, Sec. 213(f).

CHAPTER III

1. By 1923, the engineer assigned to the commission had estimated this cost to have risen to more than \$3,000,000. See Jorgen Jorgensen's letter to the commission, in Report of the Hawaiian Homes Commission to the Legislature of Hawaii, Regular Session, 1923, p. 33.
2. U. S., Congress, House, Committee on Territories, Hearing on Rehabilitation and Colonization of Hawaiians and Other Proposed Amendments to the Organic Act of Hawaii and on Proposed Transfer of Buildings of Federal Leprosy Investigation Station at Kalawao on Island of Molokai to Hawaii, 66th Cong., 2d Sess., 1920, p. 43.
3. Report of the Hawaiian Homes Commission to the Legislature of Hawaii, Regular Session, 1925, p. 20.
4. Apparently all pineapple grown by the homesteaders on Molokai at this time was included under the contracts. The department's 1929 report is not clear on this point.
5. Report of the Hawaiian Homes Commission to the Legislature of Hawaii, Regular Session, 1945, p. 5.
6. See U. S., Congress, House, Committee on Territories, Hearing on Rehabilitation and Colonization..., p. 72.
7. Early testimony indicated a minimum cost of \$2,000,000. See Ibid., p. 61. Later estimates were to range from \$3,250,000 to \$6,185,000. See Report of the Hawaiian Homes Commission to the Legislature of Hawaii, Regular Session, 1945, p. 6.
8. The just completed Molokai Irrigation Project is expected to provide a maximum flow of 14 million gallons of irrigation water per day for use on 13,650 acres of land in the Hoolehua and Maunaloa areas. See Harold L. Baker, Molokai: Present and Potential Land Use (University of Hawaii, Land Study Bureau, 1960, Bulletin No. 1), p. 57.
9. Biennial Report of the Department of Hawaiian Home Lands, State of Hawaii to the Legislature of the State of Hawaii, Regular Session, 1963, p. 17. The exchange was made at the request of the Legislature. This was set by the Legislature as a prerequisite for the use of state funds to bring water to Hoolehua.
10. Report of the Hawaiian Homes Commission to the Legislature of Hawaii, Regular Session, 1945, p. 7.
11. Plans were drawn in 1952. The subdivision was completed and lots awarded in May and June 1957.
12. Report of the Hawaiian Homes Commission to the Legislature of Hawaii, Regular Session, 1957, p. 9.
13. Approved May 16, 1934. See Report of the Hawaiian Homes Commission to the Legislature of Hawaii, Regular Session, 1937, p. 8.

CHAPTER IV

1. See Appendix for explanation of Hawaiian Homes fund structure. The allocation has a limitation which cuts off the income once the ceiling specified in the Act has been reached.
2. The Department of Land and Natural Resources is in the process of compiling an up-to-date inventory of state lands. This is to include, among other things, all parcels of land listed by tax key, lessee, department, lease provisions, and general use. The Bureau report has used the raw data provided by the inventory, but prior to using it, extensive updating and corrections were made by the Bureau staff. These corrections and additions were based on an extensive check of records in the Department of Hawaiian Home Lands, the Tax Office, and the Department of Land and Natural Resources. The completed inventory, if kept up-to-date, should prove most useful both for administrative and research purposes.
3. During the early 1930's much of the pineapple harvest was dumped and not canned. The harvesting was necessary in order to assure future crops, though the impact of the Great Depression made it unfeasible to place the pineapples on the market when people could not afford to purchase them. Thus, while many people on Molokai and throughout the territory were having an extremely difficult time earning a bare living, the homesteaders with pineapple contracts were being paid a monthly stipend and probably were better off than many wage earners and farmers.

4. See Herman Doi, Legal Aspects of the Hawaiian Homes Program (University of Hawaii, Legislative Reference Bureau, 1964, Report No. 1a).
5. On Molokai the work is supervised by a full-time employee with long, practical experience. His decisions as to when to slaughter or sell, and to whom, are binding.
6. This 2,400 acres is not included under the Parker Ranch total of leased lands. Throughout the study it is included under community pasture totals for the island of Hawaii.

CHAPTER V

1. 68 Stat. 16, c. 10, s. 1 (1954).
2. 68 Stat. 262, c. 319, s. 1 (1954).

APPENDIX

FUND STRUCTURE OF THE DEPARTMENT OF HAWAIIAN HOME LANDS OCTOBER 1962

Name and Type of Fund	Purposes for Which Moneys May Be Used	Sources of Revenue ^a	Limitations
Hawaiian Home-Loan Fund (revolving)	<ol style="list-style-type: none"> Loans to homesteaders for residential, agricultural, and pastoral purposes. Payment of appraised value of tracts and improvements upon surrender by homesteaders. Loans to operating fund. 	<ol style="list-style-type: none"> 30% of total receipts from leasing of cultivated cane lands and granting of water licenses by State. Repayment of principal and advances by lessees. (Interest on such loans not deposited in this fund.) 	<ol style="list-style-type: none"> \$5,000,000 ceiling on aggregate amount of fund; included in ceiling are principal of all outstanding loans and transfers from this fund to other funds which need not be reimbursed. Use restricted to loans provided for in this Act and payments to homesteaders following surrender of tract. \$15,000 loan ceiling for agricultural or pastoral land; \$10,000 ceiling for residential loan. Loans bear interest at rate of 2½% per annum and have a maximum term of 30 years.
Hawaiian Home-Development Fund (special)	Planning and construction of sanitary facilities, roads, and other nonrevenue producing improvements.	<ol style="list-style-type: none"> 25% of total amount covered into loan fund annually. Amount of revenue due administration fund which is in excess of approved budget is transferred to this fund. 	Use requires prior written approval of Governor.
Hawaiian Home-Operating Fund (revolving)	<ol style="list-style-type: none"> Construction or repair of revenue-producing improvements. Payment of interest on and principal of bonds issued for such improvements. Operation and maintenance of such improvements. Purchase of utilities, goods, and services to be resold or rented to homesteaders. 	<ol style="list-style-type: none"> Interest from loans to homesteaders made from loan fund. Charges and fees. All moneys from any other source except from the administration fund. May be supplemented by other funds appropriated for or available to accomplish purposes of fund. May be supplemented by transfers made from loan fund on a loan basis. 	<ol style="list-style-type: none"> All transfers from loan fund to be repaid in not exceeding 10 annual payments. Aggregate amount of all transfers at any one time not to exceed \$500,000.
Hawaiian Home-Administration Account (special)	Salaries and general administrative expenses of commission.	Entire receipts derived from leasing lands belonging to department.	<ol style="list-style-type: none"> Cannot be used for structures or permanent improvements. Use of this fund must be approved by Legislature and Governor as part of regular budget; except that if no action is taken by the Legislature the amount submitted to the Legislature or \$200,000, whichever is less, shall be available. Amount in excess of approved budget is transferred to development fund.

Source: Hawaiian Homes Commission Act 1920, as amended.

^aLegislature can supplement funds with appropriations.