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"No one can avoid land reform. All it can do is to determine the course it will take; bloody revolution or taxation."
James A. Michener in *Hawaii*

WHO OWNS HEAVENLY HAWAII

Fifth and last part of a 5-part series

The prophesies made in the 1898 Congressional debates on the annexation of Hawaii proved to be extremely inaccurate.

The Crown lands, which Annexation opponents asserted to be "absolutely worthless," turned out to be priceless. Diamond Head was included among other prime properties.

The opinions of the military "experts" (including General Schofield and Admiral Mahan), that ownership of Hawaii was essential to protect Pearl Harbor, and that Pearl Harbor was essential to our military defense, turned out to be particularly inaccurate, and almost lost us World War II.

MILITARY STUPIDITY ALMOST CAUSES TOTAL DESTRUCTION

Prior to World War II, the largest army base in America was the Schofield Barracks, 25,000 men in supposed position to protect Pearl Harbor. This poem reflects the Military's nonchalant attitude:

The Army and the Navy did put on a great parade,
They shined their shoes, saluted sharp, and neat their beds were made;
General Short and Admiral Kimmel did assure us all was fine,
And they arrayed their planes and ships precisely in straight line
Unfortunately, on that fatal day, when most were fast asleep,
Hostile ships and planes did come from out the boundless deep;
The lined up planes, the lined up ships, had not a guard on watch
'Cause Kimmel and that General Short, their crucial jobs did botch.

Short and Kimmel were not asleep when the attacks came. In fact, they were getting ready to play golf, despite warnings that hostile attack was forthcoming.

The ships and planes were neatly arranged and ammunition was locked up because they feared sabotage by the natives and Oriental residents..

Chief of Staff General George Marshall had described Pearl Harbor as "an impenetrable fortress." Marshall had been called "the greatest military genius since Stonewall Jackson," but he had never been in actual combat. And General Short and Admiral Kimmel stated that an attack from the west was "impossible.." But, in 1990, Admiral Richardson, who was then in charge of Pearl Harbor, ominously described Pearl Harbor as a "mouse trap," because its shape made it impossible for more than one ship at a time to get out to sea.

FEAR OF SABOTAGE UNFOUNDED

In fact, there was not a single act of sabotage committed in Hawaii during World War II. The 222nd regiment, made up entirely of Japanese from Hawaii, fought in Europe and won the highest proportion of medals of any unit in the Army.

Considering how Caucasians treated the natives, whether Hawaiian natives or Orientals, we had good reason to expect sabotage. We considered the natives as some kind of subspecies or as "gooks" and still regard them as inferiors.

This attitude was exemplified in 1931 when Thalia Massie, wife of an American naval officer, claimed that she had been gang raped by five dark skinned locals: two Hawaiians, one Chinese Hawaiian, and two Japanese. Mrs. Massie's testimony was confused and vague and there was a hung jury. There were more racial overtones than in the Simpson case.

While waiting for a new trial, Mrs. Massie's husband, assisted by two American sailors, kidnapped and killed one of the Hawaiian youth's. They were tried, convicted and sentenced to ten years on hard labor. But, they never went to jail.

Immediately after sentencing, the defendants crossed the street to the office of Lawrence Judd, the governor of the territory. Gov. Judd commuted the sentence to one hour, which was pleasantly spent in the sheriff's office. This was the lightest punishment for premeditated murder since that allotted Cain (Genesis Ch. 4).

CHANGES IN THE HAWAIIAN ECONOMY

The coming of the jet liners brought a tremendous number of tourists at the same time that the big landowners started closing their sugar and pineapple operations to take advantage of cheaper labor found in Southeast Asia and Latin America. Acre after acre were converted to growing vegetables, fruit, and coffee to feed those tourists. But it still is hard for mainlanders to break into construction or business in Hawaii.

A dated report of Carl Norcross, printed in the August 1961 issue of *House and Home*, stated that the 12 largest land owners in Hawaii owned 52% of all privately owned land in Hawaii, and that, if you wanted to build, you had to deal with them. (This report did not note that the land of the big owners was assessed at around 3% of value, while small businessmen saw their property assessed at close to 50% of true value.) Norcross added that land prices were skyrocketing, with one apartment site increasing 2,000% in price in one year, and that 95% of the land in the big tracts was rented, and not sold, due to the concentrated ownership. Today, Honolulu has less affordable housing than any city in the country, except for certain California cities.

THE RISE AND FALL OF THE JAPANESE LAND INVESTMENTS

Japanese investments, mainly in oceanside hotels and luxury condos, have been blamed as contributing to Hawaii's ballooning land prices. But, their developments were taxed much higher than the • • • ☞

WHO OWNS HEAVENLY HAWAII? (continued)

☞ Caucasian oligarchy. They were, also, better employers than the chosen few. They paid high wages and provided medical benefits, paid vacations and severance pay. These were benefits not often found in plantation employment, where many owners still longed for the old days of bull-whip discipline.

The bursting of that lead balloon must have taught the Japanese that what goes way up eventually comes way down. The drop in real estate values was reported to have cost Japanese investors one third of the estimated $14 billion to $18 billion they invested from 1985 to 1990. And the collapse of the overinflated Japanese land values made it impossible for the Japanese to get refinancing from home. During the big land bubble, prices had doubled, and even tripled in a day. The average prices in Kahala, the deluxe residential area on the ocean near Diamond Head dropped 37% in five years. Last year, the Los Angeles Times reported that in two years, seven Japanese owned hotels, valued at $1.1 billion, sold for a paltry $197 million. The report noted certain of the most notorious financial disasters which befell Hawaiian hotels as follows:

NAME OF HOTEL	VALUE IN 1985-1990 BOOM	RECENT SALES PRICE
Kahala Hilton	$350 mil	$50 mil
Hyatt Regency Waikoloa	370 mil	55 mil
Westin Kauai	281 mil	51 mil
Kauai Resort	27 mil	4.5 mil
Royal Wakaloan	55 mil	19 mil
Continental Surf	7.6 mil	4.6 mil
Maui Sun	39 bil	1.3 mil
TOTAL	$1.1 bil	197.5 mil

Properties close to forced sale on the market were stated to include the Hotel Hana-Maui, the Ritz Carlton, Manua Lani, the Ritz Carlton Kapalua, the Kapalua Bay Hotel, and the Turtle Bay Hilton. Dozens of golf course projects were reported to be in trouble, including Oahu's Royal Kunia, Royal Hawaiian and Koolau golf courses. Other major projects have already gone into foreclosure or bankruptcy. But this momentary pause in land value explosion did not make land more accessible to the impoverished natives.

Last year there was a symbolic vote of the natives. They voted to elect delegates to propose a native Hawaiian government.

Some Hawaiian natives demand legislation similar to the Alaska Native Claims Settlement Act passed by Congress in 1971. This act established native corporations which received a total of 965 million dollars plus title to 44 million acres of Alaskan land, including invaluable oil and gas rights. Some critics claim this Act led to turning the natives to alcohol and drugs, since they had no need to work, given their windfall fortunes. Others claim that since white landowners with substantial land holdings have the right to live dissolute lives, the same rule should apply to Alaskan Indians. And all Alaskan residents receive annual payments from oil royalties paid to the State.

Insights readers may suggest that the State capture 90% of land values through annual rental payments by landholders. Concomitantly, all taxes on labor and capital should be removed and all residents, whether white, brown, yellow, black or polka-dot should receive equal annual dividends from moneys remaining after all essential government expenses are paid.

Anyone who thinks the elite would submit voluntarily to real land reform should not forget their Machiavellian prowess. But maybe this time they might not be able to obtain assistance from the U.S. Marines. ☞

THE DEVELOPMENT OF TELECOMMUNICATIONS AND COMPUTER SOFTWARE DOES NOT IN ANY WAY NEGATE GEORGE'S PRINCIPLES

Questioning the current applicability of Henry George's theories, David C. Lincoln wrote in the November issue of *Land Lines*: "A hundred years ago, land was considered to be one of the three factors of production, along with labor and capital. Things are more complex today. A great deal of the economy has to do with telecommunications and computer software which allow businesses to locate anywhere and use few of inexpensive natural resources."

On December 29, we wrote David Lincoln a letter inquiring whether there was a possibility that the Lincoln Foundation would change its policy and practices so as to "teach and expound the ideas set out in *Progress and Poverty*," as required by its articles. That letter stated in part:

"In the last issue of *Land Lines*, you raised the question as to the effect George's principles of the explosion of telecommunications and computer hardware, which allow businesses, or at least some businesses, to locate anywhere. In fact, while the number and type of businesses that can benefit from this technological revolution varies greatly, it further establishes, rather than contradicts, George's theories in at least two major ways.

In the first place, telecommunications are based on the electromagnetic spectrum and government assigned frequencies, which have almost all the characteristics of site location, and should be subject to taxation as site values should be taxed. Instead, Congress has, by lottery, given away this national heritage.

In the second place, this revolution in telecommunications has only re-juggled land values. It led to a great increase in land values in the Malibu hill area, in which we formerly lived, which otherwise would have been greatly depressed due to mud slides cutting off transportation. The reason is that close to half of the residents of the area do business from their homes. This includes legal and accounting services, financial consulting, security trading, commercial art work movie script writing, etc., etc.."

Santa Fe, New Mexico has for years been expanding, with greatly increased land values because of demand for homes by white collar workers who now tap into the data bases of their companies and communicate with their head offices and business associates around the world by computer and through the World Wide Web.

Such, previously though to be hayseed communities such as Rockfish, Montana, are similarly expanding, as financial consultants and other professionals use telecommunications to carry on their businesses while they enjoy the tranquility and beauty of rural life. In fact, it has been stated by real estate professionals that the next boom in real estate values will be in small towns far removed from decaying, crime-ridden, urban centers.

Any advance in technology simply extends the economic margin of production.