THE HAWAIIAN HOMES PROGRAM:
1920-1963

a concluding report

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LEGISLATIVE REFERENCE BUREAU

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Honolulu, Hawaii 96822
HAWAIIAN HOME LANDS
KAUAI, OAHU, MOLOKAI
FOREWORD

The Legislative Reference Bureau's study of the Hawaiian Homes program prepared pursuant to House Resolution 87, Budget Session of 1962, and House Resolution 127, General Session of 1963 (which appear as appendices A and B of this report) consists of the following reports:

(1) The Hawaiian Homes Program: 1920-1963—a concluding report (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

The reports may be consulted 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 concluding report presents an overview of the Hawaiian Homes program from its inception to the present and considers a number of proposals for its future development.

During the period 1920-1963, the program has been burdened by a number of handicaps, including the allocation of inferior lands for agricultural homesteads, inadequate financing, and the failure of the program's administration to develop a theory of rehabilitation applicable to the urban developments—toward which the chief impetus of the program has been directed in recent decades. Reduction of these and other obstacles, resolution of inconsistencies in the program and the adoption of new approaches are discussed in this report. It is to be hoped that this series of studies will contribute to the constructive analysis and rethinking of the program and to the achievement of a new and meaningful consensus as to the Hawaiian Homes program of the future.

This program of research into the Hawaiian Homes program represents the most extensive commitment to a single research undertaking in the history of the Legislative Reference Bureau. We appreciate and gratefully acknowledge the assistance rendered us by many individuals and organizations which have made this undertaking possible. The splendid cooperation extended to the Bureau indicates a high degree of concern and of knowledge among those interested in the program; it speaks well for the program's future.

I am particularly grateful to Dr. Robert H. Horwitz, Associate Professor of Political Science, Michigan State University, for joining members of the Bureau staff in the preparation of this concluding report.

Tom Dinell
Director

February 1964
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Chapter I

THE HISTORICAL SETTING

The Hawaiian Homes program has, for nearly half a century, constituted an important aspect of the social development of Hawaii. The Hawaiian home lands, comprising some 185,000 acres on Hawaii, Kauai, Molokai and Oahu, now provide homesites, as well as some farms and ranches, for 1,800 families consisting of some 11,000 individuals. These lands, with few exceptions, were made available from the extensive public lands of Hawaii by an act of the United States Congress in 1921 for use in a homesteading experiment designed to assist that portion of the Hawaiian "race" which was seen to be in the greatest need of "rehabilitation."  

A CENTURY OF RADICAL CHANGE

Social, political and economic changes of a sweeping and unprecedented character for Hawaii took place during the century preceding the enactment of the Hawaiian Homes Commission Act. Christianity was firmly established in the Islands, displacing the ancient kapu system. In the economic sphere, a subsistence economy based largely on fishing, raising of taro and related crops and home industries was supplanted by plantation production of enormous crops of sugar and pineapple, the bulk of which was exported in exchange for an array of manufactured articles produced throughout the world. In the process, a quasi-federal system of land tenure was replaced by a system of private ownership characterized by extensive land holdings. The small kuleanas (parcels of land) of the Hawaiians on which they grew their taro and vegetables tended to be swallowed up by Hawaii's burgeoning plantations and ranches during the latter part of the 19th century and the opening decades of the 20th century. Ironically, as the system developed, plantations turned ever less to the native Hawaiian population for their labor supply, partly as a result of Hawaiian disinterest. Rather, they reached out to the Orient: to China, Japan, the Philippines and elsewhere to recruit field hands, whose numbers in time exceeded those of the native Hawaiian population.

THE WORSENING POSITION OF THE HAWAIIANS

Whatever the long-range economic and social benefits of these sweeping changes to Hawaii as a whole, their impact upon the native Hawaiian was almost catastrophic. From a population of several
hundred thousand which, it is estimated, flourished in the Islands during the 18th century, the number of pure-Hawaiians was reduced to around 79,000 by 1849. By 1920, when the Hawaiian Homes program was initiated, the number of pure-blooded Hawaiians had been further reduced to some 24,000.\textsuperscript{5} Within less than a century and a half, the proud and independent Hawaiian people who had lived in relative security and abundance for many centuries prior to the advent of Westerners were reduced to the status of an underprivileged minority. The situation confronting the Hawaiians as a result of these developments has been clearly stated by sociologist Douglas Yamamura:

> When two peoples of widely differing traditions establish permanent social relations, there usually occurs during the period of readjustment a conflict in their values and ideals. The diverse traditions do not combine into a consistent whole, thus causing the disorganization of the members of the submerged culture. In such a case the problem may be solved by a painful process of modifying the customs and traditions of one people so that they will be consistent with those of the other people whose customs will undergo comparatively little change. The invasion of the western culture into Hawaii had a devastating effect on the social and economic life of the natives, causing widespread disorganization when they lost confidence in their cultural and material equipment. The new order made obsolete the only techniques for collective action with which the natives had any experience. . . .

> The adjustment of the Hawaiians to the ideals and values of the American culture has been difficult, owing to the radical differences in certain fundamental values.\textsuperscript{6}

The problem of adjustment proved to be so difficult in fact that for a time it appeared that the Hawaiians were doomed to extinction. This fate was avoided due to the operation of two saving factors. In the first place, Hawaiians, from the very advent of Western settlers, had demonstrated a willingness to intermarry. As a consequence, there was always a sizeable group of Part-Hawaiians in the community, a group which has tended to increase in size, both in absolute numbers and relative to the rest of the community. Secondly, as late as 1920, the relatively small Hawaiian and Part-Hawaiian group retained an influence in political matters disproportionate to its numbers.\textsuperscript{7} This influence was effectively maintained through cooperation with the politically dominant Caucasians, but a decline in this influence was inevitable, once the children of the Oriental and other immigrant groups reached voting age and as they steadily achieved a greater economic and social status in the community.

Available social statistics indicate that as of 1920 the position of the Hawaiian community had deteriorated seriously. The general crime rate for people of Hawaiian ancestry was significantly
higher than that of other groups. The rate of juvenile delinquency was also higher, an ominous omen for the future. Economically depressed, internally disorganized and politically threatened, it was evident that the remnant of Hawaiians required assistance to stem their precipitous decline. But where was assistance to be found?

One element in the community, to be sure, had long been concerned with the betterment of the Hawaiians, though with decreasing effectiveness. A generation or more of American missionaries had labored to bring Christianity and literacy to the Hawaiians. During the 19th century, the missionaries, aided by others, had also succeeded in establishing constitutional government and legal codes in the traditions of the West. Still, the larger part of the missionary descendants, as well as most of the latter-day Caucasian immigrants to Hawaii, were entrepreneurs concerned primarily with the economic development of the Islands, although they did continue to provide an important element of political leadership.

Little assistance for the Hawaiians could be expected, nor was it sought from the Oriental and other immigrants who arrived in Hawaii during the period of mass immigration which extended from after the American Civil War to the First World War. These immigrants were naturally and properly concerned chiefly with their own problems of acculturation and with economic and social advancement. They were in no position to assist the Hawaiians.

If the Hawaiian people were to be saved from further deterioration, the initiative had to come primarily from its own leaders, assisted by concerned and responsible non-Hawaiian political leadership.

**REHABILITATING THE HAWAIIANS**

By 1920, the need for rehabilitation of the Hawaiians was sufficiently evident to create appreciable concern in at least some portions of the community. Under the circumstances, there was the possibility that some significant social action might be undertaken, if agreement on its character and objectives could be secured. But such action depended on finding the answers to several difficult questions: what was meant by rehabilitation; what would a program of rehabilitation consist of; what form should it take; what would be its precise objectives? The degree to which the success of any program of rehabilitation could be formulated and measured would depend on the adequacy and precision with which these very difficult questions were answered.
To speak in meaningful and adequate terms of rehabilitation requires one to state both in general outline and with some precision of detail, the final goals which are being sought; to sketch, as it were, the character of the perfected community and the individuals who live in it. Such plans have, indeed, been drawn by social and political philosophers over the centuries and by teachers of ethics and by religious leaders. There are even scattered instances in which the creators of political Utopias have attempted to implement such schemes. But all too rare is that conjunction of theory and practice which brings together men able to sketch such theoretical formulations and simultaneously to bring them into being in a concrete situation. It is hardly surprising therefore that those most concerned with the rehabilitation of the Hawaiians in 1920 found themselves short on both counts. Lacking a clearly articulated statement of their objectives, as well as a precise notion of what resources would be available to them, they inevitably began to cast about among the more evident and convenient solutions to the manifest problems of the Hawaiians. The most readily available answer was ... homesteading.

WHY HOMESTEADING?

It was hardly surprising that a program of homesteading would appear to promise the most effective route to rehabilitation of the Hawaiians. The notion that homesteading is an efficacious panacea for a variety of social ills and that, more broadly, it provides solid foundations for development of healthy democratic communities has common roots in the American and Hawaiian socio-political experience. On the American mainland, the vision of an agrarian democracy consisting of a body of independent, freeholding farmers is classically articulated in the writings of Thomas Jefferson, and has been implemented by state and national legislation which played an important part in the settlement of the Western United States. The success of homesteading on the American mainland was such as to give rise to a continuing belief in its effectiveness long after the supply of suitable land had been exhausted and in a period when the independent "family farm" was beginning to be doomed by mechanized, large-scale agriculture for the production of most crops.

HAWAII'S EXPERIENCES IN HOMESTEADING

This American faith in homesteading was transplanted to Hawaii by the early missionaries. Thanks to the Great Mahele (land division)
of King Kamehameha III, which for the first time made possible private ownership of land, homestead-type holdings became available to Hawaiians. The missionaries were not alone in urging the Hawaiians to avail themselves of this opportunity. The editor of the Polynesian in an editorial dated October 25, 1845, contended that:

...Every Hawaiian subject should have the right to acquire certain tenures in the soil; ... This done and the country holds a safe pledge of the poor man, however small his patch and few his resources. He has his home, his house, his cattle, the products of his own industry to love, to defend. ... Every improvement of farm, stock, and house would be his. The means of subsistence would increase and as a corollary, population. ... Industry and economy being necessary to accumulation would tend to purer morals, religion would have a cleanly home, and an abundant table. Wealth would gradually arise and produce refinement. ... 11

Whether influenced or not by such stirring appeals, the Hawaiians acquired small land holdings. They were assisted by Father Bond of Kohala and other missionaries who worked strenuously to acquire tracts of land for their followers. Many communities of independent Hawaiian farmers were thus established throughout the Islands. These developments may be understood as among the first rehabilitation measures undertaken in behalf of those Hawaiians whose communities and lives were disorganized by the initial impact of Westernization. At the same time, the preservation of approximately 30,000 acres of native kuleanas, relatively small tracts of taro and other arable land, during the Mahele distribution served to maintain the equivalent of homesteads for many thousands of Hawaiians. The largely unsuccessful attempts to promote the cause of homesteading in Hawaii during the remainder of the 19th century and the first two decades of the 20th century cannot be recounted here, though an understanding of this movement is relevant to the present subject. 12

It is sufficient for present purposes to note that as of 1920, the advocates of homesteading were still a powerful and active force in Hawaii. As recently as 1918 the government carved over two hundred farm lots of from 10 to 76 acres each from the prosperous Waialea Plantation on the Island of Hawaii for the purposes of homesteading. The homesteaders, chosen by lot, came from every walk of life, and included businessmen, teachers, clerks, housewives, all of whom expected to make a comfortable living, while securing for themselves and their families the wholesome delights of rural living. 13
THE THREAT TO THE PLANTATION ECONOMY

The managers of Hawaii's large plantations feared that the net results of this homesteading experiment would be to destroy a thriving plantation enterprise and, even worse, that it would be followed by a rash of such experiments. They had reasonable grounds for their fears on both counts. The Waiakea homesteading experiment proved to be an abysmal failure from virtually its very beginning, and resulted in devastating losses for all concerned: the former plantation company, the homesteaders themselves, many of whom went bankrupt, and the Territory through loss of sugar revenues and taxes. Given the pervasive promise of the homestead myth and the intense political pressure being generated by its proponents, the Waiakea failure was unlikely to deter other prospective homesteaders. They continued to press the government to subdivide other rich plantations whose leases of government lands were due to expire shortly. Evidently, the homesteading movement posed a serious threat to Hawaii's sugar industry which was, coincidentally, enjoying the heights of prosperity. International sugar shortages resulting from the First World War had driven prices even higher. In 1920 Hawaii's production of raw sugar reached its highest value since the beginning of the industry.

THE CONVERGING FORCES

The year 1920 witnessed then the convergence of a number of divergent—though related—forces which urgently required resolution through the political process. These forces, to recapitulate, were the following:

(1) The generally agreed upon need for some positive social action in behalf of the Hawaiians, whose position in the community was continuing rapidly to deteriorate;

(2) The necessity of somehow satisfying at least a part of the insistent demand for homestead lands by the vociferous proponents of the traditional American idea of homesteading; and

(3) The urgent need to protect the future of Hawaii's most profitable export industry from the further extensive losses which would be occasioned by extension of the Waiakea homesteading experiment to other plantations.
The resolution of the contending forces was achieved through passage of the Hawaiian Homes Commission Act, which was enacted by the United States Congress in 1921. One must admire the consummate skill of the proponents of this legislation, both in Hawaii and in Washington, for at a single stroke they dealt decisively with three of the most pressing issues which then confronted the Territory.

Passage of the Hawaiian Homes Commission Act represented positive, dramatic action in behalf of the dispossessed Hawaiian minority by holding forth the prospect of extensive homesteading. As has been argued, this approach to rehabilitation was consistent with long-established American and Hawaiian traditions. It was further reinforced in this instance by the suggestion that dispossessed Hawaiians would be returning to the soil, going back to the cultivation of at least a portion of their ancestral lands. Thus there was good reason for those concerned with the welfare of the Hawaiian community to welcome this legislation. Simultaneously, the promise of an extensive homesteading program for Hawaiians proved effective in reducing the pressure for a continuation and extension of general homestead programs for other groups in the community. Finally, the threat which extension of general homesteading programs had posed to Hawaii's sugar industry was eliminated by exclusion of all sugar producing lands from the acreage set aside as "available" for the Hawaiian Homes homesteading program. These facts have been noted inasmuch as they have had a direct bearing on the development of the Hawaiian Homes program. If homesteading of the rich Waiakea sugar lands in 1918 had proved to be a disastrous failure in an area which was producing enormously valuable crops, then the hurdles faced by the future settlers of the Hawaiian homesteads, which were to be largely carved from the poorer lands which had been passed over by the plantations, might have given concern.

Considerations such as these were momentarily forgotten by those who celebrated passage of the Hawaiian Homes Commission Act. The Hawaiians were about to return to their ancestral lands, an exciting attempt at physical and spiritual rebuilding had been launched, and at least the rudimental needs of land and limited finances had been provided. While title to these lands was never to be transferred to the homesteaders, at least they would be protected from those who had taken their lands in the past. A noble experiment was about to begin.
Chapter II

THE HAWAIIAN HOMES PROGRAM
AND ITS BENEFICIARIES

The goal of the Hawaiian Homes program being the rehabilitation of the Hawaiian people, it was determined that the eligible beneficiaries should consist of those individuals who were found to be of at least 50 per cent Hawaiian ancestry. Such individuals have been eligible to apply to the Department of Hawaiian Home Lands for 99-year leases on farms, houselots or ranches. In addition, those selected have been the beneficiaries of a loan fund designed to assist in financing of home construction and other activities. Beyond this, the Hawaiian homesteaders have benefited some from community improvements, such as subdivision improvements, water development or common pastures which have been developed and maintained by the department.

THE HAWAIIAN AND PART-HAWAIIAN POPULATION

During its nearly forty-five years of operation, the Hawaiian Homes program has witnessed significant changes in the character of its beneficiaries.

THE CHANGE FROM 1920 TO 1960

During the census of 1920, the year before the program was initiated, 23,723 pure-Hawaiians were counted in the Islands' population; they constituted 9.3 per cent of the total population. By 1960, the number of pure-Hawaiians had declined to 10,502 and constituted only 1.7 per cent of the total population. The pure-Hawaiians had been reduced to less than half their number in 40 years. The Part-Hawaiian population of the Islands in 1920 was tabulated at 18,027; they made up 7 per cent of the Islands' population. By 1960, the size of this group had risen to 91,597, a more than fivefold increase. Part-Hawaiians constituted 14.5 per cent of the total population in 1960. In summary, these four decades witnessed a continuation of the downward trend in the population of pure-Hawaiians, both in absolute terms and as a percentage of the whole population, while marking a continuation of the upward trend in absolute terms for Part-Hawaiians. It is worth noting, however, that the 1960 census reported for the first time a decline in the Part-Hawaiian population as a percentage of the total population.
THE NUMBER OF ELIGIBLE BENEFICIARIES

These population figures do not, unfortunately, provide an exact picture of the potential beneficiaries of the Hawaiian Homes program. Among other difficulties is the fact that the census data do not reveal the extent to which pure-Hawaiians and Part-Hawaiians have intermarried or what percentage of the Part-Hawaiians have fifty per cent Hawaiian blood and are therefore eligible for the program's benefits. This lack of information on the total size of the eligible population does not constitute a practical handicap for the day-by-day operation of the program inasmuch as the number of homesteaders served at any given time has reached only a small percentage of even pure-Hawaiians.4

The most accurate available determination of the character of the present Hawaiian Homes population is based on a random-sample survey conducted by the Bureau in September, 1963. This survey revealed that some 37 per cent of the 1,752 lessees of Hawaiian home lands are pure-Hawaiians or about 650 families. Eleven per cent of the pure-Hawaiians are married to pure-Hawaiians. The birth rate of this group is not significantly different than the homestead community average;5 therefore, there are approximately 1,100 individuals of pure-Hawaiian blood now living on Hawaiian home lands or some 10 per cent of the pure-Hawaiian population of the State. Sixty-three per cent of the Hawaiian Homes lessees are identified as Part-Hawaiians, but a significant portion of them are married to spouses who have no Hawaiian blood. The children of such marriages would not qualify as eligible lessees of Hawaiian home lands, since they could not meet the requirement of 50 per cent Hawaiian blood. Pertinent for present purposes is the fact that, percentage of Hawaiian blood notwithstanding, the Part-Hawaiians presently living on Hawaiian home lands constitute less than 10 per cent of the total Part-Hawaiian population of the State.6

To summarize: the Hawaiian Homes program as of 1963 provided benefits for the families of some 1,800 lessees, or a total of about 11,000 individuals. While this is the largest number ever served by the program, it is nevertheless a relatively limited portion of the eligible beneficiaries of the Act. This finding should be understood neither as an adverse judgment on the operation of the program on this count nor as an implicit argument for its extension. That is to say, unless and until there is much more information available about the entire Hawaiian community, it is impossible to determine what percentage of it is in general need of rehabilitation and, more pertinently, in need of and qualified for the particular type of rehabilitation services furnished by the Hawaiian Homes program.
HAWAIIAN HOMES PROGRAM

UTILIZATION OF HAWAIIAN HOME LANDS

It is doubtful whether the number of eligible and potentially interested Hawaiians who have benefited from the Hawaiian Homes program has reached the level envisaged by the program's sponsors. Likely more disappointing, in terms of the sponsors' expectations, have been the manner and extent to which lands available to the program have been utilized.

THE EMPHASIS ON URBAN AND SUBURBAN HOUSING

Although beneficiaries of the Hawaiian Homes program are termed "homesteaders," an insignificant portion of the available lands has been utilized for the development of farms and ranches in the traditional homestead pattern. During the early years of the program, there was an attempt to develop such homesteads on Molokai and in more recent years at Waimea on the Big Island. Little more has been done in this regard. As of September, 1963, there were 30 farmers and 55 ranchers out of a total of 1,752 Hawaiians holding current leases on Hawaiian home lands. The remaining 1,667 beneficiaries of the program hold leases on house lots, an indication that the overwhelming emphasis of the program has been the development of urban and suburban housing, rather than agricultural homesteads. Accentuating this conclusion is the finding that the current demand for Hawaiian home lands is for house lots, rather than farms, and that the intensity of demand is for land on urbanized Oahu, rather than the Neighbor Islands, where agricultural pursuits can be more easily undertaken. More specifically, some 79 per cent of all current applicants for Hawaiian home benefits are seeking land on Oahu, with 50 per cent of all the applicants seeking land at Waimanalo. Only 1 per cent of the applicants are seeking land in the ranching homestead area at Waimea, Hawaii; some 12 applicants in all. The remainder have applied for house lots on Maui (11 per cent), Molokai (3 per cent), Kauai (2 per cent), and elsewhere on the island of Hawaii (4 per cent).

CURRENT LAND USE PATTERN

The bulk of Hawaiian home lands utilized directly by homesteaders for ranches is located in the Waimea area of the Big Island. Fifty-five homesteaders were making use of 15,159 acres in October, 1963, or 95 per cent of the total ranch land presently in use.
Homestead farming, with the exception of 180 acres (5 farms) in the Kamuela area and an experimental farm being operated by a homesteader on 289 acres on Kauai, is limited in size and is frequently conducted on less than a full-time basis. While departmental records show almost 1,500 acres being farmed by Hawaiian homesteaders, approximately 1,000 acres are located in the Panaewa area of the Big Island; most of the Panaewa lands are not cultivated by their lessees.

The total acreage utilized for houselots represents less than 1 per cent of all lands belonging to the department. This figure 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 permitted to retain approximately 5 acres of land for houselot purposes. Much of this land is idle, though many of the homesteaders make an 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.

A summary presentation of the present and planned use of Hawaiian home lands appears in the table below. A more comprehensive breakdown appears as Appendix C.

### PRESENT AND PLANNED HAWAIIAN HOME LAND HOMESTEADS 1963

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<th>Houselots</th>
<th>Farms</th>
<th>Ranches</th>
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<tr>
<td>Number of Acres</td>
<td>Number</td>
<td>Number</td>
<td>Number</td>
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<tr>
<td>In Present Use</td>
<td>1,591</td>
<td>30</td>
<td>55</td>
</tr>
<tr>
<td></td>
<td>1,661</td>
<td>1,421</td>
<td>15,909</td>
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<tr>
<td>Additions Planned for the Near Future</td>
<td>650</td>
<td>196</td>
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<td>3,682</td>
<td>8,200</td>
<td>97</td>
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<td>Projected Totals</td>
<td>13,400</td>
<td>446</td>
<td>60,000</td>
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**Sources:** (1) State Land Inventory, as corrected by the Legislative Reference Bureau; and (2) discussions with departmental officials.
Considering the use of the Hawaiian home lands from another perspective, it may be noted that of the 185,000 acres available to the program, Hawaiian beneficiaries are currently leasing less than 19,000 acres, i.e., less than 11 per cent of the total. More than 100,000 acres, some 55 per cent of the total, is leased to non-homesteaders. This practice of extensive leasing to non-homesteaders may be justified on a number of counts. It provides substantial income to the program and it is certainly preferable that these lands be used productively rather than being left fallow until such time as the department can utilize them more directly for the purposes of the program.

THE TREND TOWARD NON-AGRICULTURAL DEVELOPMENTS

The marked change from the initial agricultural orientation of the Hawaiian Homes program into a largely non-agricultural, urban housing program may have resulted from forces unanticipated by the originators of the program and largely beyond their control. Some of the difficulties encountered in attempts to develop traditional agricultural homesteads and rural settlements have resulted from the character of the land made available to the program and, especially, from the lack of adequate water. Other problems have been those generally associated with diversified agriculture and ranching in Hawaii, especially marketing problems. Part of the difficulty may be attributed to the sweeping changes in Hawaii, changes which were well under way by 1920, but which proceeded at an accelerated rate thereafter. There was a rapid increase in urbanization. More people moved into town, especially Honolulu, which came to provide more and more job opportunities. Although population was increasing, fewer people were required to produce their foodstuffs, even as an ever larger part of it was imported from the U. S. mainland and from abroad. Opportunities in agriculture diminished, with the resulting loss of interest on the part of young people in remaining on farms. These and other factors played a part in transforming the Hawaiian Homes program from an agricultural, rural homesteading enterprise into an essentially non-agricultural, urban housing program.

The department's future plans do not reveal any serious intention to attempt to reverse this non-agricultural emphasis, as consideration of the data on page 11 of this report indicate. Given today's high cost of developing a 300-acre ranch--from $17,000 to $20,000--or a 30-acre farm--from $8,000 to $12,000--on the one hand, and the heavy demand and lower development cost for a houselot--from
$2,000 to $4,000—the emphasis on non-agricultural developments is understandable.\footnote{11} In view of the major change in the direction and character of the program, it is imperative that a new framework be developed to serve as a guide for those charged with its administration as well as for the homesteaders.

**THE SOCIOECONOMIC PROFILE OF THE HOMESTEADERS**

Even though it is impossible at present to determine precisely the character and size of the potential population for the Hawaiian Homes program, it is possible to provide a socioeconomic profile of the present homestead population. A detailed profile has already been published by the Bureau,\footnote{12} and it will suffice for present purposes to present some of the chief findings of this study.

As compared to others in the State and nationally, it has been found that:

1. The homesteaders, considered as a whole, are receiving substantially below average incomes;

2. The homesteaders and their children have a much lower level of educational attainment; improvements in the level of this attainment are of lesser magnitude for homesteaders than for non-homesteaders;

3. Homesteaders live under more crowded conditions in their homes;

4. Homesteaders come from and produce larger than average-size families;

5. Homesteaders, generally speaking, are below average in the number of professional, managerial, civil service, clerical and sales occupations represented, and well above average in the number of semi-skilled and unskilled occupations. Furthermore, movement into the educationally more demanding occupational classes is considerably less apparent for the homesteaders; and

6. A larger percentage of the homesteaders are presently unemployed, receiving unemployment compensation or receiving welfare assistance.
These findings, as such, should not necessarily be interpreted as an indication of failure in the conduct of the existing Hawaiian Homes program. A possible explanation of the relatively low status of the present homestead population is that the homesteading program has consistently attracted the under-achievers in the Hawaiian community. Indeed, there is some evidence that those Hawaiians and Part-Hawaiians who have competed more successfully in the larger community have not been attracted to the homestead program. It is possible that they have felt that its benefits should be left for their less fortunate brethren.

What is disturbing, however, is the fact that there is no clear evidence of progress in such critical areas as the educational and occupational development of the present homesteaders. That is to say, the present homesteaders do not appear to have advanced appreciably beyond the levels attained by their parents with respect to education and occupation. Even more disturbing is the indication that the benefits offered by the homesteading program do not appear to have enabled the children of the homesteaders to make any significant progress in these areas.

The argument could be made that despite any evidence of positive achievement on the part of the present homesteaders, this segment of the population might be found today to be in an appreciably poorer situation had it not enjoyed the benefits of the homesteading program. There is no way in which this possibility can be statistically examined. Still, it is a consideration which should not be brushed off lightly, for some 1,800 Hawaiian families on the homestead lands presently have adequate housing and low-cost loans.

Again, in judging the contribution of the homesteading program, it should be noted that it was brought into being in 1921 in part because of the expressed fear that the Hawaiian people were in danger of extinction. Since 1920, the number of pure-Hawaiians has decreased by half, while the size of the Part-Hawaiian population has more than quintupled. Actually the increase in the number of Part-Hawaiians and the decrease in the number of pure-Hawaiians is almost inevitable over time unless pure-Hawaiians are limited to marrying only pure-Hawaiians. If then, as some proponents of the original program suggested, its chief rationale was to prevent the further diminution of the Hawaiian community, it follows that a reexamination of this objective is now in order.

This points to a further consideration. It is clear now that the Hawaiians are not going to become extinct. Indeed, there is now the possibility that the Hawaiian Homes program, as presently
constituted, may in some ways serve to deter the further progress or rehabilitation of the Hawaiian people in the sense that the present program serves to artificially segregate homesteaders from the larger community. Such segregation tends to reinforce the existing outlook of the homesteading population which is partially responsible for the below average levels of income and educational and occupational achievement, the sharply restricted membership in community organizations, the severely limited reading habits, and related social inadequacies.\textsuperscript{13}

In short, the homesteading program, as it is presently operating, may constitute some sort of barrier to the rehabilitation of the Hawaiian people except that of increasing population--and even this achievement cannot be chiefly credited to the program. These considerations require the systematic consideration of some of the chief obstacles with which the program has had to contend.
Chapter III

OBSTACLES TO PROGRESS

The fundamental problem faced by the Hawaiian Homes program since its inception in 1920 may now be restated as follows. The originators of the program, in casting about for solutions to the manifest problems of the Hawaiian people, determined that the surest path to rehabilitation was homesteading. Having made that determination, they did not succeed in securing resources required for the successful implementation of a homesteading program of the traditional type. Granting their good intentions, it was virtually impossible in Hawaii in 1920 to launch a successful homesteading program for, among other reasons: (1) arable land of proven quality was specifically excluded from the program; (2) water resources were not developed, nor were sufficient funds provided for water development; (3) access to markets was poor; (4) money for road construction was not provided; and (5) funds made available could, at best, have provided for the settlement of a sharply limited number of people.

These multiple obstacles which lay in the path of development of a broad scale, genuine homesteading program of the traditional type meant that those responsible for program development were forced to seek alternatives. As a result, the "homesteading" program was rapidly transformed into what might be termed a subsidized, low-cost housing program located on a small portion of the lands which had been made available.

URBAN HOUSELOTS VERSUS AGRICULTURAL HOMESTEADING

The basic differences in approaches represented by rural homesteading in the traditional pattern and development of urban housing are discussed in two related reports. Homesteading, as has been noted, has traditionally referred to agricultural development of public land, with cultivation of the soil and construction of housing taking place simultaneously. Although the Hawaiian Homes Commission Act differed from comparable state and national legislation in respect to its racial restrictions, it was originally intended to provide the kinds of opportunities inherent in development of "family farms." Thus, the Act provided for settling families on designated portions of the public lands and helping them to finance the costs of agricultural development and home construction. Its provisions were designed to secure water for irrigation and facilitate the formation of agricultural cooperatives to assist in marketing. The Act was definitely oriented toward the development
OBSTACLES TO PROGRESS

of rural homesteading, but its administration, subsequent to the early and unsuccessful Molokai experiments has been increasingly oriented toward the development of urban housing.2

This change in emphasis from agriculture to urban housing is a striking reorientation in the Hawaiian Homes program, yet all too little effort has been devoted to a systematic consideration of the implications of this change or to a revision of the provisions of the Act to facilitate the new approach. A damaging tension has resulted for the administrators, for they have been forced by the turn of events to move in a direction almost exactly opposite from that envisioned in the Act. Their predicament has inevitably hindered the development of the urban housing program into which the homesteading program has evolved over the years. This fact reinforces the suggestion that the disturbing socioeconomic profile of the present homesteader population, sketched earlier, does not necessarily reflect on the capacity of the program's administrators.

99-YEAR LEASE VERSUS PERMANENT TENURE

There may well have been an unrealized tension between the development of a homesteading program based on the traditional American understanding and the policy of providing only 99-year leases under the Hawaiian Homes program. Homesteading programs have typically provided land tenure through which the homesteader feels that his efforts in development of the soil will lead to its inalienable possession by his family and his descendants. The efforts of homesteading settlers in the United States have been understood as having contributed importantly to the creation of permanent communities through the development of hitherto undeveloped resources.

By contrast, the Hawaiian Homes program has, at least by implication, pointed to the possibility that land tenure is transitory. Any leasehold system necessarily implies as much, for the lessee has no sure security against eviction from his land for any one of a variety of causes, and he cannot but be aware of the fact that at some date, however far in the future, the lease will be subject to renewal. At that time, the land may be lost to him or his heirs; as applied to the Hawaiian Homes program this realization may well serve to dampen enthusiasm for maximum development of the land.

If, indeed, such a feeling exists, it may be heightened by an unresolved issue in the basic conception of the Hawaiian Homes
program. This is the question of whether homesteaders are to remain on the land once they have been rehabilitated, or whether their stay on the land is temporary. In the latter case, they might fear that, once rehabilitated, they may be asked to move on, while other Hawaiians in greater need of rehabilitation take their place on the land.

ABILITY TO PAY VERSUS NEED

Another obstacle which has plagued the program from its beginning has been the nagging and unresolved question of whether: (1) leases should be allotted to qualified applicants whose financial and other needs are large, but who do not possess educational and other qualifications which promise to make them outstanding contributors to the homestead communities; or (2) whether leases should be assigned to applicants possessing backgrounds which make it likely that they will be model homesteaders—but who, for this very reason, may live comfortably and work successfully in the general community. Applicants in dire need may very well be unable to profit from rehabilitation efforts; applicants with good background may not require such assistance. The former may let debris pile up on their houselots, permit their children to miss school, lose their jobs and be unable to meet loan payments, thus depriving others of loans. Promising applicants may never fail on such counts. The former can make the program look unsuccessful, the latter will help the program to look good.

The difficulty of resolving this question stems partly from the ambiguity of the frequently enunciated, but insufficiently defined objective of the program, namely, rehabilitation. Unless greater specificity is achieved as to the meaning of rehabilitation, it will continue to be nearly impossible to decide what qualifications, besides Hawaiian ancestry, an applicant should have. If rehabilitation is defined largely in terms of providing improved physical conditions under the terms of 99-year leases, then perhaps the program should be geared to meeting the needs of those Hawaiians at the lower end of the socioeconomic scale, though not so low as to impede the repayment of loan installments on which the continuation of the program depends. If, however, rehabilitation is defined more in terms of preparing homesteaders for successful adjustment and contributions to the larger community, then applicants should be screened on the basis of their ability to meet these larger objectives. The program's objectives must be considerably clarified, then, if this important question is to be resolved.
OBSTACLES TO PROGRESS

MERIT SELECTION VERSUS LIMITED CHOICE

The Hawaiian Homes program has historically been subject to a number of problems associated with its unique personnel policy. Personnel selection has traditionally been based on the principle of giving employment preference to those of Hawaiian ancestry. It can readily be understood that such a policy has not invariably resulted in selection of the best qualified personnel. The magnitude of this particular obstacle to the successful management of the program was substantially diminished by the state legislature in 1963 when it enacted Act 207 placing the Hawaiian Homes personnel within the State's civil service system.

Preference in employment continues to be given to Hawaiians, but only after qualification on a competitive examination. This procedure may have reduced the tension inherent in the conflict between limited choice and merit selection. It may be added that these principles did not always conflict. Nevertheless, it is unquestionably the case that over the years the Hawaiian Homes program was precluded from securing the services of highly qualified Hawaiians, who had no desire to serve in a department where opportunities were extremely circumscribed, and similarly qualified non-Hawaiians who were not considered for employment.

COMMISSION VERSUS SINGLE EXECUTIVE

The final obstacle which requires discussion is that of the conflicts inherent in the use of a part-time commission charged with responsibility for program administration. Since the difficulties inherent in such an arrangement are by no means unique to the Hawaiian Homes program, they may be discussed here in rather general terms. A part-time commission is inevitably handicapped in dealing with the broad and complex problems facing a major department of government. Furthermore, it is extremely difficult to secure members whose chief interest is program administration, for, after all, these men will generally be making their livelihood elsewhere and have only limited time and energy for commission work. These shortcomings are compounded when executive officers in a department resort to the practice of turning to the commission for guidance on matters of administrative detail. Being overburdened, the commissioners are unable to devote themselves to the task of providing guidance on major policy matters.

Act 207, noted above, partially rectified this situation in the case of the Hawaiian Homes program by making the chairman of the
commission a full-time employee appointed by the Governor. The commission is authorized to delegate to the chairman whatever functions it deems advisable. Under this arrangement, this individual acts in the dual capacity of chairman of the commission and ex-officio executive officer. The commission as a whole continues to be responsible for major policy decisions and program review as well as for such administrative responsibilities as it has not delegated to the chairman.

The problems connected with a plural-headed department can be rectified further if a single executive were substituted for the board. It appears that the Constitution of the State of Hawaii does not mandate a plural executive for the Department of Hawaiian Home Lands. Therefore, consideration might well be given to having the commission sit in an advisory capacity to a department head appointed by the Governor, once the Attorney General has reviewed the constitutional question. Such a change would centralize responsibility.
Chapter IV

LOOKING TOWARD THE FUTURE

The preceding chapters of this study, along with the Bureau's previously published reports on major aspects of the Hawaiian Homes program, indicate the need for clarification and reconsideration of the objectives and probable modification of the substantive program. To summarize briefly the presentation thus far: the originators of the Hawaiian Homes program determined that rehabilitation of the Hawaiian people should be sought through a homesteading program patterned on the traditional American practice. The underlying assumption of this approach was that a "return to the land" would produce such benefits as economic security, sound character development and increased initiative. These objectives have been achieved in but limited measure. The condition of the Hawaiian homesteaders indicates that their need for rehabilitation remains. Far more disturbing is the evidence that the homesteading experience has contributed very little toward rehabilitation, whatever measurement is used, and that there is little prospect for better results among the children of current homesteaders. On the basis of these findings it can only be concluded that the Hawaiian Homes program requires critical reevaluation and restructuring. A number of suggestions for improvement of the program are offered in this chapter. It is the Bureau's hope that these suggestions will be the subject of intensive examination and discussion, not only by those most directly affected--the Hawaiian homesteaders and their program administrators--but by the general public as well. Such broad concern with the development of the Hawaiian Homes program has come to be increasingly important, for the ultimate support of all such programs of social betterment in a democratic community rests upon the willingness of the citizenry to provide financial support and related assistance.

REHABILITATION

Rehabilitation is the standard by which proposals designed to strengthen the Hawaiian Homes program must be evaluated, by which the entire program must be judged.

THE MEANING OF REHABILITATION

Rehabilitation, within the context of the program, may be broadly defined as the goal of restoring to a sound and responsible position in the community those Hawaiians who are now deprived and
dispossessed. The indices of rehabilitation are those measures which show the degree to which the members of a community have been restored to a sound and responsible position in the community. They are the same indices which are used in describing the standing in the community of any of its members. In today's community some of the more significant measures are individual and family educational attainment, occupational achievement, financial well-being, home environment, and social, political and community relations. The raising of levels of aspiration and of practice of the members of the group to be benefited to the community norms in these and other important respects constitutes the specific meaning of rehabilitation.¹

There may be those who would object to this understanding of rehabilitation on the grounds that it appears to point to the amalgamation of the Hawaiian people into the larger community, with the resulting loss of much that is unique and valuable in the Hawaiian tradition. This consideration is certainly one to which serious attention must be given by those who are concerned with the preservation of all that is valuable in the Hawaiian way of life. At the same time, it should be pointed out that precisely this same problem has been faced by each and every one of the peoples which have been incorporated into the heterogeneous American community. Hawaii provides a striking illustration of this process, for the original population has long since been supplanted by the mass immigration of Chinese, Japanese, Filipinos, Portuguese, other Europeans, mainland Americans and others. Each of these peoples has been transformed to a greater or lesser extent in the process of becoming an integral part of an integrated and unified community. Some of the traditional values have remained relatively unchanged even though social and economic integration has been accomplished; but many or most of the traditional ways of doing things, of looking at things, have been lost—or at least diluted—in this process. But much more has been gained through full membership in the larger community which has been synthesized from the diverse contributions of diverse peoples.

ACCOMPANYING REHABILITATION THROUGH HOMESTEADING

In the light of a specific understanding of rehabilitation, it is imperative that those concerned with the Hawaiian Homes program thrash out the question of whether rehabilitation can be accomplished by the type of homesteading program which the founders of the Hawaiian Homes program established in 1920. It is doubtful whether
it was meaningful then to attempt to develop a program designed to return the Hawaiian people to the land, but this is now a matter primarily of historical interest. The pressing question now—the one of concern in 1964—is what are the chances of success of a program designed to establish family farms and ranches under present conditions. The evidence on this question suggests that it is not feasible. The number of family farms both nationally and in this State is declining\(^2\) and over the years it has become increasingly difficult for the family farmer to "make a go of it."

This argument should not be understood as a contention that family farming has become impossible, but rather that it has become inherently very difficult and that it should be engaged in only by those who possess sufficient capital and skill and the enormous dedication required to overcome the innumerable obstacles which now beset small-scale agricultural enterprises.\(^3\) Nor should this be understood as a recommendation that genuine homesteading be entirely abandoned, or that the existing homestead farms and ranches be liquidated. It is suggested, however, that this approach can serve as only one path to rehabilitation, and then for only a relatively small portion of the potential beneficiaries of the Hawaiian Homes program.

**REALITIES OF THE PRESENT SITUATION**

A sketch of the meaning of rehabilitation has been provided in the hopes that it can assist the department and the community in arriving at a more adequate statement of the objectives of the program. This is an urgent task, for without comprehensive and long-range goals the program will continue to be crippled. One note of caution should be added, *viz.*, that while such goals must be defined and must serve as long-term guides, the degree to which they can be achieved at any given time will be governed by what may be termed the "realities of the present situation."

These realities are the inescapable limitations of financial and other resources which necessarily circumscribe any program of action, governmental or private. While such limitations may be partially overcome and are always contingent upon many other factors, the likelihood of major external changes in the situation of the Hawaiian Homes program seem remote. By taking prior and full account of these realities, program designers and administrators can minimize the loss inherent in unrealizable projects and minimize frustration, even as they secure the maximum return from available resources. A brief examination of some of the governing realities is accordingly indicated.
HAWAIIAN HOMES PROGRAM

LIMITED FINANCIAL RESOURCES

The Hawaiian Homes program, as presently constituted, depends on sharply limited financial resources. Though the revenues available to the program may be increased to a limited extent, there is presently no indication that such increases would be of major proportion. The bulk of the program's present income is derived from: (1) a share of the revenues received by the State from public lands leased to plantations for sugar cultivation; (2) a share of income received from state water licenses; and (3) income from Hawaiian home lands leased to private users. No economically feasible alternative uses are foreseen for these lands which would substantially increase the revenues realized by the Department of Hawaiian Home Lands. Nor is there any reasonable prospect of growth in the sugar, pineapple or ranching industries in Hawaii which would materially increase income to the program or serve to enhance the value of Hawaiian home lands substantially.

Neither is there any reason to expect that substantial sums will be appropriated from the State's general fund, either now or in the foreseeable future, to supplement the program's income. Three major considerations point to this conclusion: (1) the State's general fund is presently under extremely heavy pressure to meet demands being placed on it by those programs for which it is the sole or at least primary source of support; (2) should state revenues rise markedly as a result of increases in tax rates or economic growth, programs supported from the general fund, especially education which is expanding at a very rapid rate, would likely secure the bulk of the added revenues; and (3) legislators have an understandable, as well as traditional, reluctance to appropriate from the State's general fund to support special fund agencies.

The realistic conclusion, which should be reiterated on the basis of these considerations, is that there is no reasonable prospect that the total financial resources available to the Hawaiian Homes program will be significantly increased in the foreseeable future. The intermediate goals of the program should therefore be established at a level consonant with the limitations of available funds. This consideration deserves special emphasis, for there is the ever-present danger that an agency imbued with a sense of mission may be tempted to spread its efforts—and finances—over such a broad area that the results achieved will be superficial and of a token character. To avoid this pitfall it might be sound for the commission to redefine program objectives by way of developing priorities among them and thus make the most effective use of its funds. More specifically, this might require that limits be established on
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the number of agricultural homesteads and urban houselots and that no new projects be opened except on a replacement basis. The crux of the matter is that, wherever these lines are drawn, the department must make a firm, official judgment regarding the effective limits of the program's capabilities, and it must abide by this judgment until changing circumstances permit modification of the limits so established.

LIMITATIONS ON AGRICULTURAL DEVELOPMENT

Rehabilitation through a return to the land has been the avowed objective of the Hawaiian Homes program since its inception, but this policy requires reconsideration at this time in view of the findings discussed both in this study and in the Bureau's report on Land Aspects of the Hawaiian Homes Program. 4

Less than 5 per cent of the total of 1,752 homesteading families are engaged in pursuits compatible with the avowed objective of the program. There has been some discussion of homesteading 416 additional farms and 42 additional ranches. 5 It is difficult, however, to understand how this expansion of agricultural enterprises can be financed from the various departmental loan funds unless the development program is indefinitely extended. Even more pressing is the consideration that the likely applicants for such farms and ranches lack the training and experience which would insure a reasonable chance of success.

One of the most fundamental realities of the present situation, then, is the fact that there is little likelihood that the Hawaiian Homes program could or should attempt to extend the scope of its agricultural homesteading program in the foreseeable future. A related problem must also be faced, namely, the question of whether the limited available funds should be used to assist further, and perhaps improve, those agricultural enterprises which are already in operation. Any decision to do so will require sober consideration, for further extensive investment in these enterprises could have the effect of sharply curtailing the development of alternative programs. This consideration is quite pertinent if it is understood that the total agricultural program can, at best, assist only a very small proportion of the Hawaiian population eligible for the program's benefits.
HAWAIIAN HOMES PROGRAM

ACCEPTANCE OF THE BASIC PURPOSES OF THE ACT

It is probable that most political and other leaders in Hawaii have some commitment, active or passive as the case may be, to the purposes of the Hawaiian Homes Commission Act, however they may understand and interpret these purposes. This commitment has been largely passive on the part of non-Hawaiians, for there has been an understandable tendency over the years for the community to view the administration and leadership of the program as a special prerogative of the political and social leaders of Hawaiian ancestry. This tendency can be explained in large part as follows: the Hawaiian Homes Commission Act was envisioned and was directed through Congress by these leaders, who then showed themselves willing, even eager, to assume heavy responsibilities in its administration. At the same time, they and their successors have discouraged other non-Hawaiian leadership in the community from active participation in the program. As a consequence, the extent of non-Hawaiian leadership or direct involvement in the program has been extremely limited.

This past dependence on a relatively limited portion of the community for program leadership has clear-cut dangers for the program's optimum future development, though it has not directly endangered the program in the past. The continuation of the program has been approved on two recent occasions—in 1950 when the state constitution was drafted and in 1959 when it was ratified. Furthermore, despite the oft-raised question of the Act's constitutionality, no one has yet challenged the Act in court. Still, these are largely negative considerations. They establish little more than a general willingness on the part of the non-Hawaiian community to leave the present program undisturbed—perhaps as long as no major innovations are proposed.6

While such a passive attitude on the part of the larger community may have been workable in the past—and perhaps all that the Hawaiian community sought—there is a very real question as to its desirability in the future. Serious doubts exist in the community concerning the efficacy of the present program and the adequacy of the measures being utilized by the department to achieve the purposes of the Act. One of the realities of the present situation, then, to which recognition should be given is that the time is ripe for the present leadership of the program to recognize that the Hawaiian Homes program is the legitimate concern of the entire community. Its operation depends on the use of public lands and public resources. If significant advances are achieved in the rehabilitation of the Hawaiian people, the entire State benefits. If the community of
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Homesteaders suffers, the entire State suffers. The goal of rehabilitation can certainly be advanced with greater rapidity and sureness of purpose if the active cooperation and enthusiastic support of the larger community is enlisted in this important cause.

New approaches

Since its inception, a variety of new approaches have been suggested and discussed by individuals and organizations concerned with helping the Hawaiian Homes program better to achieve its objectives. Some of these suggestions are more practical than others and appear to offer greater prospects of success. None of them could possibly serve as the sole solution to the program's problems. While it is not feasible to consider the details of every possible suggestion, it is necessary to discuss the merits and shortcomings of some of them.

Agricultural demonstration projects

This proposal calls for the upgrading of the agricultural sector of the program through the creation of demonstration farms and ranches. Such demonstration projects would be developed and operated by experienced farmers and ranchers. The implementation of this proposal would require the awarding of a number of agricultural homesteads to Hawaiian farmers and ranchers who have already demonstrated their capability. Such an approach could be immeasurably strengthened by drawing on the extension and research services of the federal and state governments.

The rationale of this proposal is that the settlement of a number of successful agriculturists on homesteads would, by precept and example, serve to instruct the less successful homesteaders, thereby hopefully raising their level of aspiration and contributing to marked improvements in their farming practices. Negatively, it can be argued that since the successful agriculturists are, by definition, less in need of rehabilitation than others, it would not be proper to allocate to them any part of the sharply limited supply of good homestead lands.

While the foregoing suggestions certainly merit serious consideration, it is also necessary to direct attention to some of their apparent shortcomings. (1) At best, farming and ranching can provide the chief means of support for no more than a very small portion of the Hawaiian population eligible for Hawaiian Homes program benefits,
as has been stressed throughout this study. It is imperative, therefore, that no inordinate amount of resources be utilized in the implementation of these suggestions, for they can benefit only a sharply limited segment of the program's potential beneficiaries.

(2) There is the possibility that unless aspiring farmers and ranchers receive intensive training in agriculture prior to taking up residence on farm homesteads that they will be unlikely to survive long in this increasingly complex and highly competitive field, in spite of generous financial and other assistance. As in other fields, today professionalization and specialization have become characteristic of commercial agriculture and the untrained and inexperienced are severely handicapped. (3) A solution to the marketing problems of homestead farmers and ranchers must be found. There is no certainty that the suggestion for establishing cooperatives (discussed below) would prove adequate. (4) In order to improve and expand its agricultural programs, the Hawaiian Homes program must be prepared to expend substantial amounts to develop water supplies and distribution systems. There is no present indication that the necessary funds are available.

In conclusion, it should be noted that the establishment of a standard 300-acre ranch requires an investment of some $20,000 and a standard 30-acre farm approximately $10,000. A major commitment to development of the agricultural sector of the program would then require the allocation of substantial assistance to a limited number of homesteaders in place of limited assistance to a much larger number of families.

SUBURBAN FARMING COMMUNITIES

It has been further suggested that techniques be devised to overcome what appears to be a disinclination on the part of eligible Hawaiians to apply for agricultural homesteads because of their preference for living in more close-knit communities. Although the evidence of such a disinclination has not been clearly established, it could, if it exists, be counteracted through utilization of those provisions of the Act which permit the assignment of two plots of land for a family. One plot would consist of the farm site, while the other would provide a homesite within what might be termed a suburban community.

DEVELOPMENT OF COOPERATIVES

A further suggestion for improvement of the agricultural section of the program envisions greater emphasis being placed upon the
development of purchasing and marketing cooperatives, for certainly the difficulty of marketing produce in the markets of Hawaii has retarded the development of diversified farming among Hawaiians as well as others. The rationale of this suggestion is that the development of cooperatives would permit homesteaders to achieve savings in the purchase of supplies and equipment, while providing them with better opportunities to market their produce at a profit.

The development of cooperatives may appear very promising in general terms, but such an approach should be attempted only with the greatest caution and on the basis of careful prior determination of exactly what could be expected from such arrangements. Among other relevant considerations is the possibility that cooperatives restricted to Hawaiian homesteaders would be too small to operate efficiently. If this appeared to be the case, the possibility of amending the Act in order to permit homestead-sponsored cooperatives to accept non-homesteaders as members--thereby strengthening the position of the cooperatives with regard to purchasing and marketing--might be considered. It is also worth noting that, attractive as cooperative arrangements may be in theory, their successful implementation requires a degree of understanding and devotion to common purposes which is frequently extremely difficult to obtain in practice, especially in the inherently competitive fields of diversified agriculture and ranching.

THE LEADERSHIP APPROACH

There is the feeling on the part of some that significant improvements can be achieved within urban homestead communities through settlement of a nucleus of eligible Hawaiians who have above-average educational backgrounds, who hold responsible positions in the community and whose family life is exemplary. It is contended that the presence of a nucleus of such families, even for a limited period, would provide leadership in the homestead communities. Even more important, it is contended that the presence of such people in the community would provide an example which would result in other homesteaders having higher aspirations, more devotion to schooling and a higher regard for both self-help and group cooperation.

Whatever the merits of this proposal, the history of the program reveals that individuals of this type have not been generally attracted to the Hawaiian homesteads. This raises the question of whether the department would be successful in attracting a sufficient number of these people, even with the most inviting and imaginative recruiting campaign. Considerable self-sacrifice would be required
on the part of these potential leaders, who would be asked to give up a secure and comfortable situation in exchange for the presently uninviting prospect of life on the homesteads. Such a move could not be undertaken lightly.

Even should the homestead administration succeed in attracting a sufficient number of such families to establish such nuclei of leadership families on the homesteads, there is no assurance that their example would be accepted and followed by any significant proportion of the other homesteaders. The gulf between the two groups would be extensive. There is the very real possibility that resentment rather than inspiration would be engendered among the other homesteaders.

The Bureau's study of the homesteads uncovered some examples of seemingly superior families whose level of achievement is higher than that of their neighbors. While no systematic attempt was made to measure quantitatively the degree of influence of these families on others, it appeared that it was not great. Interviews with members of these families of achievers revealed the belief that they were living in relative isolation from other homesteaders. They felt that their isolation was to some extent attributable to: (1) that having achieved a somewhat higher degree of success in the broader community, they were looked upon as outsiders; and (2) that they themselves tended to reject their less highly motivated neighbors.

These observations are not intended to disparage the possible worth of the suggestion of introducing families of achievers into the homestead communities nor to discourage intensive consideration of this approach. However, it is evident that good results cannot be expected to follow automatically the settlement of such families and any such program should be undertaken only after the most careful preparations have been made.

PEPPERPOTTING

The converse of the nuclear approach is "pepperpotting", a term used in New Zealand to describe: "a method of dispersing Maori homes among European homes in the interest of hastening integration and understanding." Since isolation of large numbers of families with similar needs in geographically separated areas fails to provide stimulus for improvement, some have suggested that the Department of Hawaiian Home Lands should provide financial assistance, at reasonable interest rates, to eligible needy Hawaiians for the purchase of adequate housing in the community-at-large. Two benefits are
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foreseen in this approach: (1) the prospects for rehabilitation on the part of the Hawaiians would be enhanced through settlement in superior communities; and (2) the Hawaiian homes administration would be progressively relieved of the responsibility for administering isolated and expensive homestead projects. Under the pepperpotting approach, the department would gradually be transformed into a lending agency. It could either guarantee home loans in their entirety or some portion of loans made by commercial mortgage companies or other financial institutions. Alternatively, it could provide loans for down payments on such properties and then assume second mortgages.

The rationale underlying this proposal for integration of Hawaiians into the general community is based on the observation that, aside from the immediate family, the proximate community environment plays the most important part in shaping motivation and standards. Pepperpotting would serve to broaden horizons, especially for Hawaiian young people, while the existing homestead settlements have precisely the opposite effect. Other arguments are also advanced by proponents of the pepperpotting approach: (1) the cost of resettling families in a pepperpotting pattern is far less than the cost of developing farms, ranches and even urban housing settlements; (2) by living within the general community, Hawaiians have easier access to a broader variety of occupations; (3) many of those Hawaiians who are not presently on homesteads would prefer to continue to live in the larger community, especially if needed financial assistance could be secured for home ownership; (4) reimbursable loan funds required for implementation of a program of pepperpotting may be obtained more easily from the legislature than non-reimbursable loan funds—for this approach would call for the repayment of loans with interest to the general fund; and (5) Hawaiians could be more easily reached by the broad array of social services available in present-day Hawaii. The young people would attend schools which did not have large homestead populations and would have better access to other community institutions.

Several possible objections to the pepperpotting approach should be noted: (1) the Hawaiians who would be most likely to choose this arrangement are precisely those who have already enjoyed the greatest success in adjustment to the larger community while the Hawaiians whose need for rehabilitation is most dire would be least likely to adjust successfully within a pepperpotted community or be able to carry the loan payments; (2) unless communities within which pepperpotting is to take place were properly prepared to understand their new neighbors, destructive friction might ensue and the potential benefits of the program negated; (3) under the pepperpotting approach the demand for homes would undoubtedly be greatest.
on Oahu, where land and house prices are highest, and this might serve to limit severely the number of families which could be re-settled in this fashion; and (4) taken alone, pepperpotting makes no provisions for social and related services which may be required.

Adoption of the pepperpotting approach would, in any event, raise a number of policy issues. It would require reexamination of the existing techniques for the selection of applicants to be assisted. The limits and requirements for loans would have to be reconsidered. More broadly, any decision to emphasize the pepperpotting approach would necessitate a reexamination of the existing homestead program. Would it point to liquidation of existing homestead projects, with present homesteaders to be pepperpotted throughout the community over an extended period? If this were the case, then what use would be foreseen for Hawaiian home lands no longer required for homesteads? Would they, or should they, be opened for lease or purchase by non-Hawaiians with the objective of creating additional pepperpotted communities? These and related questions would require sustained discussion before any wholesale commitment were made to the pepperpotting approach.

SALE OF HAWAIIAN HOME LANDS IN FEE

It has been proposed that the department be given the option of leasing its lands, the present practice, or of selling the fee to house lots and agricultural homesteads once homesteaders have established their ability to manage property successfully. An argument advanced in favor of this proposal is that the proceeds from such land sales would enable the department to develop additional lands which, in turn, could be managed in the same fashion. It is further contended that a larger number of needy Hawaiians could thus be assisted. Adoption of this suggestion would require major changes in the Hawaiian Homes Commission Act, and would undoubtedly generate heated controversy inasmuch as it was the firm intention of the originators of the program to make Hawaiian home lands inalienable. Any such proposal might tend to accentuate the feeling of some Hawaiians that their people have been unjustly deprived of their lands. The corollary contention among some is that Hawaiians have been unable to hold on to their lands and must therefore be protected through leasehold arrangements under the supervision of the department. 10 Among the other objections which might be raised to this proposal is the contention that by requiring or even encouraging the purchase of the fee in the land, the department might discourage the most needy applicants, for many do not have the financial ability to assume the burdens of fee simple home or farm ownership. Also, the demand for house lots would be greatest on Oahu, where the department
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has the least amount of land suitable for urban or suburban development.

MODIFICATION OF LONG-TERM LEASES

The inherent tension between rehabilitation and long-term lease tenure on homesteads has already been considered in this report as well as in the report on Land Aspects of the Hawaiian Homes Program. If rehabilitation is understood as a transitory process designed to integrate Hawaiians into the social, political and economic activities of the general community, then the device of long-term homestead leases is of dubious value.

While it may be difficult as well as undesirable to modify existing lease arrangements, consideration might be given to modifying those portions of the Hawaiian Homes Commission Act governing leases and tenure so that a variety of arrangements may be available in the future. Such arrangements might include the possibility of sale of the fee, pepperpotting, shorter term leases with or without the right of succession, resale of properties through the department, straight rental of homes, and even some system requiring the payment of full rental value on properties if it is established that rehabilitation has been achieved. In those cases, hopefully rare, where it is clear that rehabilitation is not feasible, the department might be authorized to move such families into areas where they can be assisted by the regular welfare programs of the State.

In support of these proposals, it can be argued that inasmuch as the time and pertinent techniques for rehabilitation vary considerably, land tenure arrangements should be tailored to meet individual needs rather than being inflexibly fixed as they are now for 99-year periods with right of succession.

SUPPLEMENTARY FINANCING BY OTHER INSTITUTIONS

It has been suggested that if loans, guaranteed totally or in part by the department, were made directly to homesteaders by banks and other financial institutions, the following advantages would accrue: (1) large amounts of departmental loan funds would be available for other purposes; (2) departmental administrative expenses would be reduced; and (3) loan repayments would probably improve. If sound arrangements along these lines could be devised, the scope of the program could undoubtedly be expanded, for the department
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would then have more funds available for other developmental purposes. The department is now actively engaged in laying the basis for this course of action. Eventually it may be able to secure loan guarantees from the Federal Housing Administration, Veterans Administration, and direct loans from the State Veteran's Loan Fund, and the Farm Loan Fund. Given the fact that the greatest degree of dissatisfaction expressed by homesteaders is the unavailability of ready and sufficient loans, this new departure might be particularly desirable to those responsible for the administration of the program.12

Portions of the Act may require amendment to permit utilization of this approach, for it is not clear that the department may guarantee loans under the present Act. Furthermore, the low rate of interest currently charged on homestead loans would likely have to be raised if outside institutions are to be induced to participate in the program. Alternatively, the department might find it necessary to subsidize the difference between the extremely low rate of interest which it charges on loans and the going rate charged by outside institutions.

While the foregoing proposal is promising, it would be a mistake to place excessive reliance on it. Positively, it could stimulate program development by making available substantially increased funds. This would be a boon to the department in clearing the hurdle of inadequate finances, one of the chief obstacles for successive administrations of the program. Useful as this proposal may be, however, it must never be forgotten that more and better houses and other physical improvements cannot be equated with rehabilitation. The department would have to carefully guard itself against the assumption that because it is serving more people it is thereby necessarily achieving its ultimate objectives.

ESTABLISHMENT OF AN EDUCATIONAL FOUNDATION

Investigations carried out by the New Zealand government into the comparative educational attainment of the Maori and European populations revealed a statistically significant gap, pointing to the need for remedial education for the Maoris. The Maori Education Foundation Act, passed in 1961, provides for an independent foundation to be managed by a board of trustees composed of representatives from various Maori organizations, the education department, the Maori Affairs Department and the New Zealand Parliament. The Act provides an initial capital fund which may be supplemented by donations from the public to be matched by the government on a dollar-for-dollar basis. The Act also requires that the capital of the fund be retained intact with the interest to be used to assist Maoris by providing
boarding scholarships and grants to selected Maori students at the post-primary (secondary school), university and trade training levels. The foundation places heavy emphasis on the importance of higher education for it is realized that there is a high correlation between vocational opportunities and education. One of the goals of the foundation is to provide much needed publicity concerning the relationship between education and occupation and thus encourage Maori parents to keep their children in school.

The foundation approach has much to commend it to Hawaii, for it would provide needed flexibility in meeting the financial requirements of education for homestead children. Possibly, the department--together with other community organizations--could cooperate in organizing, financing and operating an educational foundation which could contribute needed stimulus to meeting the pressing educational requirements of homestead children. While the establishment of such a foundation could potentially strengthen the homesteading program, it would be ineffective as long as there was an inadequate realization of the necessity for advanced education. Thus, such a program would have limited significance until the more basic problem--that of creating a desire for more education--was solved.

**EMPHASIS ON SOCIAL SERVICE**

The suggestion has frequently been made that the Department of Hawaiian Home Lands might strengthen and emphasize the social service and welfare aspects of its program by adding to its staff specialists in these fields. The rationale of this proposal is that such specialists could supplement the work of the Department of Social Services and other agencies presently assisting homestead clients and that they could assist homesteaders who are not welfare clients in meeting special problems. It has been suggested that such specialists should not assume the burden of direct counseling or directly rendering other forms of assistance to individuals, but rather that they should seek to identify prospective cases, advise those in need of available governmental and private assistance, and facilitate the securing of such assistance when necessary. Such specialists would be expected to become sufficiently familiar with the homestead families in their area and to identify budding problems before they assumed serious proportions.

This proposal invites comparison with the task performed by the welfare officers in the Department of Maori Affairs in New Zealand,
who provide liaison between eligible Maoris and governmental and other agencies which assist them. Hawaiian Homes project managers on the Neighbor Islands perform this function to some extent, though none of them has professional training in social work.

Underlying this proposal is the assumption that homesteaders are confronted by problems which could be better dealt with through early identification and professional assistance. If this assumption is not valid, or if the homesteaders problems are not susceptible to correction by social service techniques, then this proposal would be of limited benefit.

REHABILITATION-ORIENTED ACTIVITIES

It has been suggested that the department sponsor rehabilitation-oriented activities in each of the project areas. While it is difficult to define with precision what is meant by rehabilitation-oriented activities, they may be taken to include those activities which will prepare the homesteader and his family to take their place in the larger community. The social service approach provides one example of a rehabilitation-oriented activity. Another might be the homestead nursery school program if its primary orientation were education, rather than the employment of mothers. Encouraging the use of libraries, adult instruction and other classes, encouragement of community projects, dissemination of information on occupational and educational opportunities and operation of community health clinics all serve as examples of rehabilitation-oriented activities. The most important requirement of such activities is that they be tailored to meet the needs of those undergoing rehabilitation. Thus the first requirement in developing such programs is to ascertain the needs of the homesteaders.

Rehabilitation-oriented activities seem particularly well-suited to the urban and suburban houselot projects where very little beyond routine departmental activities has been attempted. Still, at the very best, this approach provides only a limited means of furthering rehabilitation, for each activity is designed simply to meet a specifically identifiable and circumscribed need.

EMPHASIS ON EDUCATION: A POSSIBLE ORIENTATION FOR THE FUTURE

To this point, eleven proposals for strengthening the Hawaiian Homes program have been considered. The most far ranging and
sweeping proposal remains to be considered—the argument that the
soundest route to fundamental improvement of the program is through
increasing the emphasis on education. This proposal warrants
special and extended treatment for a variety of reasons. In the
first place, the implementation of a broad gauge educational proposal
could very well require the incorporation of many of the preceding
proposals, for education, properly understood, is not restricted to
the classroom. Rather, it encompasses virtually every aspect of
life: character development, occupational training, sound physical
growth, and the capacity to participate in a mature, constructive
fashion in the life of one's communities.

Secondly, it must be made clear that should the chief emphasis
be placed on education as the most promising orientation of the
Hawaiian Homes program of the future, this choice need not preclude
the implementation of any or even most of the preceding proposals
for program improvement. For example, far heavier emphasis could be
afforded education regardless of whether future homesteading follows
the traditional or the pepperpotting pattern, regardless of
whether the greatest investment is made in urban, suburban or rural
areas, and regardless of decisions made with regard to future
financing of the program.

THE DANGERS OF A GENERALIZED
COMMITMENT TO "EDUCATION"

These cautions are necessary because there is a very real and
ever-present danger that by making some sort of generalized commit­
ment for "better education for homesteaders" the community may be
tempted to neglect other measures proposed for strengthening the
program. There is all too-abundant evidence that a solemn commit­
ment to "education" frequently serves as a substitute for concrete
and substantial action. For example, there are young persons who,
having been poorly raised, begin to flounder about in their late
 teens. Weak characted, trained for no useful occupation, indolent,
and unsure of what they want from life, except pleasure, such
youngsters are a menace to themselves and others. In casting about
for a solution for the manifold problems of such youngsters, it is
all too easy to prescribe "better education"—to bustle the youngsters
off to special schools or to college—in the unreasonable expectation
that others can and will speedily rectify defects which are the net
result of long neglect and countless errors. Such a blind faith in
education is tantamount to a belief in magic—and just about as
efficacious. Yet any hard look at American society today reveals a
disturbing tendency on the part of individuals and the community as
It would be tragically irresponsible if, after the very real and pressing problems of the Hawaiian Homes program have been extensively analyzed, they were to be glossed over with only a pious commitment to "better education" in some vague and undifferentiated sense. Such a "solution" would amount to little more than covering-up the problems. It would amount to passing the buck to future generations, who would inherit these present problems, considerably swollen with the passage of time.

THE BROAD NATURE OF EDUCATIONAL OBJECTIVES

These warnings concerning a vague commitment to education are meant to emphasize the danger that an attractive label oftentimes conceals an inferior product. They indicate the need for an educational approach that defines educational objectives as broadly as possible and provides specific and effective activities to attain these objectives. For example, no one would quarrel with the definition of education as the process of instilling in youth basic intellectual and vocational skills such as the three R's, typing, mechanical engineering, and college preparation. Today, however, no educational system can justifiably limit its efforts to this process but, together with other institutions in society, must assume responsibility for providing youth with an understanding of the purposes of such skills, why they need to be used productively in society, and how they can be most effectively used to the benefit of the individual and society. This aspect of the educational process may be understood as the instilling of values and the partial shaping of the attitudes, beliefs, and feelings of youth.

In the case of disadvantaged youth, including most homestead children, the evidence indicates that these youth are not developing a value system which would contribute to their effective participation and perhaps integration in the larger community. An effective educational process for disadvantaged youth would require a diversity of educational programs beyond the routine three R's.

THE RELATIONSHIP OF REHABILITATION AND EDUCATION

The Bureau's earlier report on Social Aspects of the Hawaiian Homes Program pointed up the critical relationships between
educational attainment and the various measures of social and economic standing. It was observed that the homesteader with the better education holds the better job, earns more, reads the more worthwhile magazines and books, encourages his children to use the public library, has higher aspirations for his children, and depends least on unemployment compensation or welfare assistance.

The overwhelming evidence of the close relationship between educational attainment and the presence of those characteristics which constitute a definition of "successful rehabilitation" suggests that the more education an individual has, the more likely he is to fit the mold of the "rehabilitated" citizen or the citizen who is not in need of rehabilitation. In this sense, one may say that rehabilitation is the product of education, broadly understood, or, conversely, a sound program of education results in rehabilitation. This observation finds support whether one considers rehabilitation in terms of occupational status, living conditions, or the assumption of a respectable and responsible place in the community-at-large. Still, it should be emphasized that there is no direct causal relationship between education and rehabilitation through which the degree of rehabilitation is automatically increased with additional increments of education.

THE PROBLEM OF ADEQUATE MOTIVATION

The relationship between education and rehabilitation suggests that the primary hope for achieving substantial improvement within homestead communities rests with the homesteader children, for it is children who possess the greatest potential for change and development. It must also be recognized, however, that educational achievement is heavily dependent on student motivation and that it is motivation which is generally lacking among socially and culturally deprived children.

Lack of motivation in a child is most frequently attributable to his family and to other aspects of his immediate environment, for these are the factors which "exert the greatest influence in shaping the ideas and ambitions of a growing child."16 The ideas and objectives that the socially and culturally deprived child draws from his family and immediate environment are almost always of a nature motivating him toward other goals than education.17

This problem of motivation must be considered separately from the contention that Hawaiian homestead children have been provided with educational opportunities comparable to those of other children.
in the State. Hawaii's school system is centralized and is intended to be uniform throughout. Even assuming this to be the case, though a systematic comparison of teachers and school facilities throughout the State might disprove it, there is convincing evidence that Hawaiian homestead children are so insufficiently motivated as to preclude their effective participation in the learning process. It follows that most of these children must be provided with special assistance if they are to profit as much from schooling as those children whose environment encourages the pursuit of education.

The New York Higher Horizons Program. The importance of increasing motivation among the homestead children finds support from the achievements of the New York Higher Horizons program, which is seeking to increase motivation for education among socially and culturally disadvantaged urban children. It exemplifies an emphasis on education which has met with measurable success. The remarks of the principal and his staff at the high school involved in the demonstration guidance project provide some illuminating insights into the problem of providing meaningful educational opportunity for children who are not as highly motivated as other children.

The culturally deprived pupil needs more than just some extra help in school; he needs whatever may be required to compensate for his background--and this may be a great deal. Without the extra help many pupils, even the more able, will not pass academic work or even finish high school. There was ample evidence in the project that the effect of underprivilege was stronger than the possession of a high I.Q., or reading score.

A special school program should be provided for boys and girls who live in culturally deprived areas. It should start in the early elementary grades.

The needs of these boys and girls cannot be measured by the customary yardstick; these children require small classes, and sometimes, private tutoring. The program does not call for new discoveries or special techniques, only for thorough education and attention to special needs.

The special school program will have to provide not only a sound education, cultural enrichment and good work habits, but a desire to succeed as well. It was the latter which we found most difficult to accomplish. We learned very soon that with most of the pupils a show of hands as proof of educational aspiration was meaningless; the interest lasted only so long as no homework was required. We had to provide motivation to overcome a background that had little place for educational values; we also had to be careful to make no promises of success that could not be fulfilled.
Motivation is essential with disadvantaged boys and girls, but it must be related to the needs and abilities of each pupil. This New York experiment is only one of many which should be considered in the effort to increase educational motivation among homestead children. The suggestion that what is needed is "thorough education and attention to special needs" rather than "new discoveries or special techniques" might provide a sound initial direction for efforts in this area. The most effective use of Hawaiian Homes resources may be achieved through supplementing existing programs by such techniques as arranging smaller classes, strengthening the curriculum, improving or supplementing student and family counseling, offering instruction to parents in educational values and techniques, initiating pre-kindergarten classes and summer programs, and supporting the exploration of other ways for improving the motivation and performance of disadvantaged homestead children.

Strengthening the Educational Program. Effective implementation of these proposals for strengthening the educational program would require: (1) more precise and complete identification of the exact causes for inadequate educational motivation among homestead children; (2) identification of other deficiencies in their standards and aspirations; (3) incorporation of techniques into the overall educational process designed to help develop motivation; (4) inauguration of a broad educational effort throughout the homestead community and perhaps among other disadvantaged Hawaiian young people; and (5) support of continuous educational research activities, designed to discover ways of improving education, by the Hawaiian Homes Department, the public schools and other organizations engaged in activities directed toward assisting disadvantaged Hawaiians. This last point requires special emphasis, for it is not intended to suggest that the department develop its own educational system. Rather, the activities of the department should supplement and complement those of the Department of Education and other governmental and private agencies. For example, Hawaiian Homes may want to specifically supplement the offerings of the Department of Education and Kamehameha Schools by developing a pre-kindergarten system designed to foster motivation among very young homesteader and other Hawaiian children. Or again, it may find it necessary to provide counseling services for Hawaiian students and parents and to provide supplementary funds to the Department of Education for the reduction of teacher-pupil ratios in schools enrolling large numbers of homestead children. It may be necessary at the same time to broaden the course offering of these schools, equip them with unusually good libraries, provide extra audio-visual equipment, or supply resources
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designed to foster experimentation with new educational techniques and activities, pointing to broad-scale implementation of those which prove successful.

There is no gainsaying the fact that some of these proposals would be extremely costly both in terms of monetary outlay and the investment of effort on the part of Hawaiian Homes personnel. Still, maintenance or extension of the present departmental program would also require extensive outlays of money and effort. The question which must be decided is whether the anticipated results of an emphasis on education warrant the necessary allocation of resources to this area. It may be suggested that a comparable situation is presented by the case of physically handicapped children for whose education additional funds are presently being made available by the State. The parents of such children and the State willingly devote above-average efforts to their education on the grounds of their greater needs. By the same token, it needs to be recognized that the homestead children are socially and culturally handicapped, and that additional efforts are required if they are to be equipped to live on terms of equality with others—the ultimate goal of rehabilitation.

Education as a Non-Exclusive Approach. It should again be stressed that the proposal for an emphasis on education is not intended as the exclusive approach to strengthen the Hawaiian Homes program. Sustained consideration should be afforded to all proposals for program improvement. Given the program's limited resources, simultaneous adoption of all promising approaches cannot be undertaken, and priorities must be established.
CONCLUSION: CHALLENGE AND PROMISE

This report and related Legislative Reference Bureau studies:
Legal Aspects of the Hawaiian Homes Program,
Land Aspects of the Hawaiian Homes Program,
Social Aspects of the Hawaiian Homes Program,
The Maori Affairs Program, and
Organization and Administration of the Hawaiian Homes Program
have considered the genesis and development of the program (and the corresponding undertaking in New Zealand), affording special consideration to the broad array of challenges confronting the Hawaiian Homes program in the achievement of its guiding objective—meeting the need for rehabilitation of some part of the Hawaiian people. These studies have been designed to meet the legislative request for information in depth on the program and consideration of its effectiveness, thereby providing the background information required for informed policy-making. By way of ending, it may be useful to summarize the findings and conclusions of this series of studies and then to consider briefly the policy-making process in a democracy, a process which these studies are designed to assist.

A BRIEF SUMMARY OF FINDINGS AND CONCLUSIONS

The Hawaiian Homes program, as conceived in 1920, was intended at the time to resolve a number of closely related economic, political and social problems. To the Hawaiian, who by 1920 was fast becoming a disadvantaged citizen within his native land, passage of the Hawaiian Homes Commission Act promised a "return to the land." Homesteading was to be the path to rehabilitation of the Hawaiian people. Unfortunately, this homesteading program failed to develop in the intended fashion. In all likelihood the possibilities of successfully developing such a program in Hawaii by 1920 were extremely small, as was evidenced by the failure of other homesteading programs in this same period. The obstacles confronted by all such programs were compounded in the case of the Hawaiian Homes program by the assignment of poor lands, by lack of water, insufficient experience on the part of administrators and beneficiaries, lack of money, and other related factors.

The difficulties inherent in development of the original homesteading program, together with the pressure for urban homesites,
resulted in the shifting of the focus of the program to urban and suburban housing, though the language of the Act and the dominant understanding of rehabilitation continued to be that of traditional agricultural homesteading. Houselot leases and loans were provided in the urban settlements, but little more. Accordingly, the program continued throughout the years to be plagued by inconsistencies in activities, inadequate resources and an unclear concept of rehabilitation.

The average Hawaiian homesteader today continues to be disadvantaged as compared to others in the community. The Hawaiian Homes program has proved to be of only limited assistance to him and his family in achieving rehabilitation in any full sense of the term.

If the Hawaiian Homes program is to meet the needs of its beneficiaries, new approaches to rehabilitation are necessary. While each of the proposals for change discussed in this study may well have some value, the resource limitations under which the program will likely function makes it desirable to establish priorities among these proposals and to set clear limits to the scope of the program. An emphasis on education, broadly conceived, appears to hold the greatest promise for achieving the goal of rehabilitation, but this approach needs to be undertaken in conjunction with, not to the exclusion of, other approaches.

The workability of these various proposals will have to be determined in part through experimentation. It might be a sound idea for the department to experiment with them on a limited scale. Perhaps some portion of the department's annual budget could be devoted to this purpose, thereby making it possible to consider systematically the results of each approach. A major commitment of resources could then be made when agreement had been reached regarding promising changes in the program.

THE POLICY-MAKING PROCESS IN A DEMOCRACY

What is required now is the determination of policy changes which will provide a solid foundation for the Hawaiian Homes program. The process of evolving these policies will in large measure define the program of the future. Thus, as the Bureau's studies are concluded and the decision-making process moves ahead, it is important to be cognizant of the essential elements of the policy-making process in a democracy.
CONCLUSION: CHALLENGE AND PROMISE

Fritz Morstein Marx, a leading authority on public administration, describes this policy-making process as beginning with:

... the spotting of some concrete needs and identification of the problem, bringing forth investigation and analysis. It is carried forward to the point of corrective recommendations, leading in turn to formal initiation of the proposed action for review and approval or rejection. ... 1

The Bureau's studies of the Hawaiian Homes program have attempted to identify the needs of the program and its beneficiaries and to define the problems of meeting those needs. Going further, a number of proposals for improvement of the program have been enumerated and lines of action suggested for consideration by the department, the legislature and the community-at-large. What is called for next--after appropriate public discussion and deliberation--are specific policy proposals to be approved or rejected. The initiation and review of such policy proposals is the joint responsibility of the Department of Hawaiian Home Lands and its beneficiaries, other departments and officials within the executive branch of government and the legislature.

The making of policy decisions is a remarkably broad, complex and even cumbersome process involving the development of specific substantial agreements among those with a stake in the decisions.

... Administrative policy-making is ordinarily not reduced to any single action either of a homogeneous bureaucracy or of the responsible administrator. It is more in the nature of a gradually developing conglomeration of agreements among a large variety of groups--agreements sufficiently widespread and substantial to outweigh remaining unresolved conflicts. ... 2

It remains to be seen whether those concerned with and responsible for the Hawaiian Homes program will reach the "gradually developing conglomeration of agreements" required to insure a sound future for the program. Such agreements should be based on systematic discussion of every aspect of the program. In this connection it is strongly recommended that the department draw upon the services of a broadly representative advisory group--an ad hoc committee which could be composed of homesteader representatives, civic leaders, legislators, educators, administrators from related programs, and other organizations. Such a committee would be an indispensable forum in reshaping the objectives, providing the impetus for decision-making, laying the groundwork for effective coordination, and promoting results.

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The Hawaiian Homes program, in meeting the need of some of the Hawaiians for rehabilitation, is of the greatest importance to all the people of the State. Success will be achieved, however, only if the program is appropriately modified to meet changing conditions and only if the members of the many agencies and communities directly and indirectly involved accept responsibility for the program's development. On this basis the Hawaiian Homes program can move forward with renewed vitality and a rekindled sense of mission which will engender firm hope and dedication among those whom it serves directly and among the members of the wider community.
CHAPTER I

1. See Allan A. Spitz, Land Aspects of the Hawaiian Homes Program (University of Hawaii, Legislative Reference Bureau, 1964, Report No. 1b) for a detailed discussion of the location and uses of the lands and Allan A. Spitz, Social Aspects of the Hawaiian Homes Program (University of Hawaii, Legislative Reference Bureau, 1964, Report No. 1c) for an examination of the socio-economic profile of the homesteaders.

2. For a discussion of the term "race", as used in this report, see Spitz, Social Aspects, pp. 3-4 and pp. 8-9.


7. While large numbers of Japanese and Caucasians were residents in the Territory at that time, many of them had been born abroad and were ineligible for citizenship. Most of the native-born American citizens among them had not yet reached their majority. See Lind, Hawaii's People, p. 89.

8. See Romanzo Adams, The Peoples of Hawaii (Honolulu: Institute of Pacific Relations, 1933), pp. 39-41. Adams' data indicates that non-juvenile Hawaiian and Part-Hawaiian males had an above-average number of convictions in Territorial courts for manslaughter and fraud, and a significantly higher number of convictions for burglary, robbery, embezzlement, forgery, offenses against chastity and drunkenness. Hawaiians and Part-Hawaiians had the highest number of juvenile delinquency convictions per 100,000 children 10-17 years of age of all races except the numerically small Korean group.


10. See particularly the Homestead Act of 1862, 12 Stat. 392. Also note that "Most states recognize a real property concept known as the homestead to which particular homestead rights apply. Homesteads are usually defined as a portion of the holding, limited both as to total area and value, owned and occupied by families as their home. (In the rural areas of Michigan, for example, property owners hold homestead rights to their dwellings and not more than 40 adjoining acres of farm land with an exempted property value of not more than $2,500. Homesteads of this type are exempt from forced sale for debt; and they cannot be mortgaged or sold during the lifetime of the husband and wife without the consent of both parties. ..."") Raleigh Barlowe, Land Resource Economics (Englewood Cliffs, N. J.: Prentice Hall, 1958), p. 346.


12. See the report on "Public Land Policies of Hawaii," to be published by the Legislative Reference Bureau.


14. The annual reports of Hawaii's Commissioner of Public Lands are revealing on this score, see especially the reports for the two-year period ending December 31, 1918, the report for the period ending December 31, 1920, and the report for the period ending December 31, 1922. Some twelve major leases expired during this period, including those held by such plantations as the Waiakea Mill Co., Onomea Sugar Co., Hawaii Mill Co., Hawaiian Sugar Co., Honomu Sugar Co., Honolulu Plantation Co., Lihue Sugar Co., Waimanalo Sugar Co., Mokuea Sugar Co., and the Kekaha Sugar Co. Short-term "Planting and Harvesting Agreements" were entered into by the companies and the Territory under terms of the Presidential Proclamation of June 24, 1918. These agreements made it possible for the plantations "to cultivate and harvest until homesteaded, paying to the Territory after marketing 5 per cent of gross proceeds less marketing expense." (Page 85, 1920 report.) That they involved extensive acreages of rich land is indicated by the fact that the Territory collected over $200,000 under these agreements on the 1921 crop alone.


16. The Report of the Commissioner of Public Lands for the two-year period ending December 31, 1925 notes on page V under the "Homestead" entry that "No new homestead tracts were opened, but 71 lots in tracts previously opened were allotted to homesteaders. The demand for the opening of new homestead tracts practically ceased with the withdrawal of the remaining Government cane lands from homesteading and the passage of the Hawaiian Homes Commission ..." (emphasis supplied) Comparable statements in most of the Commissioner's reports throughout the 1920's and 1930's. For example, in the report for the period ending June 30, 1930, it
is noted that "no new Homestead Tracts were opened, for by the withdrawal of the remaining Government cane lands from homesteading by the passage of the Hawaiian Homes Commission Act, the demand for opening of new Homestead Tracts practically ceased. In the tracts previously opened for homestead entry, a few lots are available for homesteading. These, however, are far from being choice lots, being most lots on the outskirts of the tracts, or lots not easily accessible by road, or lots which could not be profitably worked without labor and capital, being wooded and gully. A few Homestead Lots were taken during the past two years, totaling 45 in all, having a total area of 576 acres, valued at $11,147.00. The majority of these, however, were Homestead Lots which were forfeited to the Government and rehomesteaded." (page VII)

17. Simultaneous removal of the 1,000 acre limitation on land holdings by corporations served to remove another troublesome thorn from the side of the sugar industry. This limitation was forced on a reluctant territorial government in Section 55 of the Organic Act and had been evaded at some rather considerable expense and difficulty from 1900 to 1920.

18. The Act, its provisions and administration, and the results of the program are discussed in this and the prior reports by the Legislative Reference Bureau. See Herman S. Doi, Legal Aspects of the Hawaiian Homes Program (University of Hawaii, Legislative Reference Bureau, 1964, Report No. 1a); Allan A. Spitz, Organization and Administration of the Hawaiian Homes Program (University of Hawaii, Legislative Reference Bureau, 1964); Spitz, Land Aspects; and Spitz, Social Aspects.

CHAPTER II


2. These data are based on a special tabulation of 1960 U. S. Census data made for the Department of Planning and Economic Development.

3. See Lind, Hawaii's People, table 2, p. 27.

4. For a more complete presentation of population data see Spitz, Social Aspects, pp. 8-10.

5. Data collected in the Social Aspects report indicate that there is no correlation on the homesteads between birth rate and race.

6. The method in current usage in Hawaii is to assign "race" on the basis of the father in all but two cases: (1) if the father is Caucasian, which is defined as a 100 per cent category, and the mother is anything other than Caucasian, then the children come under the same classification as the mother; and (2) if there is any percentage of Hawaiian blood in either parent, the children are classified as "Part-Hawaiian." Two significant consequences stem from the application of these rules: (1) the Caucasian category has remained formally unadulterated; and (2) the Part-Hawaiian category has increased substantially, but in such a way that it has become almost impossible to say whether this represents an increase in the number of Hawaiians. Relationships between race and income, education and occupation are not completely reliable because of these questions which surround the racial categories as they now exist. For a more extensive discussion of this see Spitz, Social Aspects, pp. 3-4, and footnote references to other materials.

7. See Spitz, Land Aspects, for a detailed discussion of land location and use.

8. See Spitz, Organization and Administration, pp. 31-56 for a more complete discussion of the selection process.


10. Ibid., pp. 20 cf.

11. Ibid., p. 42.


13. Ibid.

CHAPTER III

1. See Herman S. Doi, Legal Aspects of the Hawaiian Homes Program (University of Hawaii, Legislative Reference Bureau, 1964, Report No. 1a) and Allan A. Spitz, Land Aspects of the Hawaiian Homes Program (University of Hawaii, Legislative Reference Bureau, 1964, Report No. 1b).


CHAPTER IV

1. See especially Allan A. Spitz, Social Aspects of the Hawaiian Homes Program (University of Hawaii, Legislative Reference Bureau, 1964, Report No. 1c).

2. The decline in number of family size farms in Hawaii has not been nearly as precipitous as on the mainland. The decrease in number of commercial-size enterprises devoted to vegetables, melons, rice, taro, poultry, hogs and honey during the period 1952-1962 has been most noticeable. For more extensive information, see the series of reports by Howard C. Hogg and Harold L. Baker, Ranching Costs and Returns... (University of Hawaii, Cooperative Crop and Livestock Reporting Service, Statistics of Hawaiian Agriculture, 1962 (Honolulu: 1963).


5. Ibid., p. 43.

7. Spitz, Land Aspects, p. 42.

8. Spitz, Social Aspects, pp. 67-68.


14. Ibid.

15. Spitz, Social Aspects.


17. The role of lack of motivation as a barrier to the effective participation of socially and culturally disadvantaged children in the educational process is receiving increasing attention. Many of the studies and discussions of the motivational barrier have some relevance to an understanding of the problem of effectively using education as a means of rehabilitating homesteaders. The following, among others, are of interest:

(1) Kenneth B. Clark, "Discrimination and the Disadvantaged," The Search for Talent (New York: College Entrance Examination Board, 1960);

WHEREAS, the State of Hawaii in adopting the Hawaiian Homes Commission Act as part of its State Constitution evidenced its interest in the rehabilitation of native Hawaiians; and

WHEREAS, the Hawaiian Homes Commission is responsible for the implementation of the Hawaiian Homes Commission Act and is authorized to lease Hawaiian home lands, to make loans to homesteaders for agricultural or residential purposes, to undertake water development, and to "undertake other activities having to do with the economic and social welfare of the homesteaders"; and

WHEREAS, the Booz, Allen & Hamilton report on the structure of the Hawaii state government indicated that "clear policy direction is needed to provide the basis for effective future planning and conduct of operations" by the Hawaiian Homes Commission; and

WHEREAS, there is some community sentiment that greater success in achieving the aims of the Hawaiian Homes Commission Act is desirable; now, therefore,

BE IT RESOLVED by the House of Representatives of the First Legislature of the State of Hawaii, Regular Session of 1962, that the Legislative Reference Bureau be and is hereby requested to conduct a review in cooperation with the Department of Hawaiian Home Lands of the policies and programs of said department in promoting the rehabilitation of native Hawaiians, which review shall include: (1) a description of present policies, programs, practices, organization, and financing arrangements of the Department; (2) an identification of aspects which may need modification; (3) an examination of alternative approaches to legislating for and administering the Hawaiian home lands program; and (4) a comparison of the laws relating to Hawaiian home lands with the laws of New Zealand relating to Maori affairs; and

BE IT FURTHER RESOLVED that the Legislative Reference Bureau is requested to submit a preliminary report on items 1 and 2 above to the Second Legislature of the State of Hawaii during its 1963 regular session and a final report of its findings in December 1963; and

BE IT FURTHER RESOLVED that duly authenticated copies of this Resolution be forwarded to the Governor, the Hawaiian Homes Commission, and the Legislative Reference Bureau.

OFFERED BY:

________________________

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APPENDIX B

(To be made one and eight copies)  H.R.NO. 127

SECOND LEGISLATURE, 1963  
STATE OF HAWAII

HOUSE RESOLUTION

RELEATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS.

WHEREAS, the legislature of this State has made clear its interest in encouraging the best possible program and administration in the several departments in the State; and

WHEREAS, the people of the State of Hawaii have been particularly concerned with the lack of observable success of the Department of Hawaiian Home Lands in developing a satisfactory program of rehabilitation for the people who qualify under the terms of the original Act; and

WHEREAS, the House of Representatives in House Resolution 87, 1962 Budget Session, called upon the Legislative Reference Bureau to conduct a review of the policies and programs of the Department of Hawaiian Home Lands; and

WHEREAS, the first portion of that report has now been completed; now, therefore,

BE IT RESOLVED by the House of Representatives of the Second Legislature of the State of Hawaii, General Session of 1963, that the Legislative Reference Bureau be and hereby is thanked for its preliminary report; and

BE IT FURTHER RESOLVED that the Legislative Reference Bureau, in the preparation and as part of its final report, be and hereby is requested to suggest alternative program goals toward which the Department of Hawaiian Home Lands could move, to outline administrative alternatives which could be employed in achieving such goals, and to prepare a draft of a bill incorporating those suggestions which would require further legislation; and

BE IT FURTHER RESOLVED that a duly authenticated copy of this Resolution be forwarded to the Director of the Legislative Reference Bureau.

OFFERED BY: ____________________________

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### APPENDIX C

**UTILIZATION OF HAWAIIAN HOME LANDS, BY ISLAND**

**OCTOBER 1963**

(Acres)

<table>
<thead>
<tr>
<th>Use</th>
<th>Hawaii</th>
<th>Kauai</th>
<th>Molokai</th>
<th>Maui</th>
<th>Oahu</th>
<th>Total</th>
<th>Per Cent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I. Direct Use or Occupancy by Homesteader</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Houselot</td>
<td>318</td>
<td>37</td>
<td>1,000</td>
<td>11</td>
<td>295</td>
<td>1,661</td>
<td>.9</td>
</tr>
<tr>
<td>2. Farm</td>
<td>1,128</td>
<td>289</td>
<td>--</td>
<td>--</td>
<td>4</td>
<td>1,421</td>
<td>.8</td>
</tr>
<tr>
<td>3. Ranch/Pasture</td>
<td>15,159</td>
<td>--</td>
<td>750</td>
<td>--</td>
<td>--</td>
<td>15,909</td>
<td>8.5</td>
</tr>
<tr>
<td><strong>SUB-TOTAL</strong></td>
<td><strong>16,605</strong></td>
<td><strong>326</strong></td>
<td><strong>1,750</strong></td>
<td><strong>11</strong></td>
<td><strong>299</strong></td>
<td><strong>18,991</strong></td>
<td><strong>10.2</strong></td>
</tr>
<tr>
<td><strong>II. Indirect Benefit to Homesteader</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Leased or Permit Land</td>
<td>61,288</td>
<td>16,539</td>
<td>--</td>
<td>20,104</td>
<td>3,002</td>
<td>100,933</td>
<td>54.6</td>
</tr>
<tr>
<td>2. Pineapple Contracts</td>
<td>--</td>
<td>--</td>
<td>5,000</td>
<td>--</td>
<td>--</td>
<td>5,000</td>
<td>3.1</td>
</tr>
<tr>
<td>3. Community Pasture</td>
<td>3,349</td>
<td>--</td>
<td>14,882</td>
<td>--</td>
<td>--</td>
<td>18,231</td>
<td>9.9</td>
</tr>
<tr>
<td>4. Miscellaneous</td>
<td>175</td>
<td>17</td>
<td>194</td>
<td>10</td>
<td>66</td>
<td>462</td>
<td>.2</td>
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<tr>
<td><strong>SUB-TOTAL</strong></td>
<td><strong>64,812</strong></td>
<td><strong>16,556</strong></td>
<td><strong>20,076</strong></td>
<td><strong>20,114</strong></td>
<td><strong>3,068</strong></td>
<td><strong>124,626</strong></td>
<td><strong>67.8</strong></td>
</tr>
<tr>
<td><strong>III. Non-Direct Benefit to or Use by Homesteaders</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Game Reserves</td>
<td>11,124</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>11,124</td>
<td>6.0</td>
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<tr>
<td>2. Forest Reserves</td>
<td>9,634</td>
<td>--</td>
<td>250</td>
<td>8,700</td>
<td>1,413</td>
<td>19,997</td>
<td>10.8</td>
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<tr>
<td>3. Military</td>
<td>188</td>
<td>--</td>
<td>--</td>
<td>1,782</td>
<td>1,970</td>
<td>4.1</td>
<td></td>
</tr>
<tr>
<td>4. Unoccupied</td>
<td>4,630</td>
<td>305</td>
<td>1,977</td>
<td>140</td>
<td>394</td>
<td>7,446</td>
<td>4.0</td>
</tr>
<tr>
<td><strong>SUB-TOTAL</strong></td>
<td><strong>25,576</strong></td>
<td><strong>305</strong></td>
<td><strong>2,277</strong></td>
<td><strong>8,840</strong></td>
<td><strong>3,589</strong></td>
<td><strong>40,537</strong></td>
<td><strong>21.9</strong></td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td><strong>106,993</strong></td>
<td><strong>17,187</strong></td>
<td><strong>24,053</strong></td>
<td><strong>28,965</strong></td>
<td><strong>6,956</strong></td>
<td><strong>184,154</strong></td>
<td><strong>100.0</strong></td>
</tr>
<tr>
<td><strong>PER CENT OF GRAND TOTAL</strong></td>
<td><strong>58.1</strong></td>
<td><strong>9.3</strong></td>
<td><strong>13.1</strong></td>
<td><strong>15.7</strong></td>
<td><strong>3.8</strong></td>
<td><strong>100.00</strong></td>
<td></td>
</tr>
</tbody>
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