

Hawaii's Future in the Pacific

DISASTER, BACKWATER OR FUTURE STATE?

A. A. SMYSER



EAST-WEST CENTER

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Introduction

The future of Hawaii has long been the subject of intensive discussion, to the point where it would seem that little more could be added. But A. A. Smyser, in the report that follows, makes a significant new contribution. He provides fresh viewpoints on several alternative scenarios, and also compiles a unique and comprehensive listing of assets and liabilities, advantages and disadvantages, which can serve as guidelines in determining our future.

As a veteran newspaperman with more than 40 years experience as a leading reporter and editor in Hawaii, Mr. Smyser has the particularly valuable perspective of a professional observer and generalist who also has an intimate knowledge about the workings of our society. His comments and suggestions, therefore, carry a special meaning. He notes, for example, that government officeholders "more than ever before will be the shapers of Hawaii's future. More than ever before, they will be the arbiters of the community interest." And he recommends preparation of an economic plan to target preferred areas of growth based on an assessment of the costs and benefits outlined in these pages.

He also urges a strong, community-wide commitment toward seeking a more international role similar to the concerted drive for statehood, and he suggests creating a quasi-independent "Hawaii International Office" that would serve as a focal point, source of information, promotion and advice for the long-term effort.

The Smyser Report, as it has come to be known at the East-West Center, grew from informal conversations about the role of Hawaii in the "Pacific Era." The study eventually involved scores of interviews and five drafts that were reviewed and discussed by a number of concerned individuals and groups. The result is a rich variety of stimulating ideas and practical considerations.

The Center deeply appreciates the time and effort that Mr. Smyser devoted to this complex and challenging task. We are pleased now to offer the report to the public, with the hope that it will make a useful contribution toward the planning of the future of Hawaii, which Mr. Smyser concludes is "The Future State, the most Pacific place in America."

Victor Hao Li
President
East-West Center

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To the Reader:

Before you page deeper into this report, the author asks you to consider two extreme possibilities for Hawaii's future.

Either could be fulfilled. Keeping them in mind may help us make decisions that will be best for Hawaii.

The Author

First: AN OPENING WARNING . . . THE DISASTER SCENARIO

Hawaii today is one of the blessed places of the world. Some of this is thanks to the sheer luck of being where it is—but that is not the whole story.

There is no guarantee it will stay as blessed as it is.

Unless thinking, caring, visionary human beings intervene, the following things can happen:



The Disaster Scenario: frustrating traffic jams, pollution, overcrowding and the decline of the tourist industry.

- **Control of Hawaii will be lost** to outsiders who may not have its long-term interests at heart.
- Starting with Waikiki **the tourism plant will decline and decay** as have other once-bright resorts, notably Atlantic City.
- **The beautiful natural environment will be desecrated...**by polluted air...by polluted water...by noise...by frustrating traffic jams...and by insensitive man-made structures that block views, crowd neighbors, encroach on beaches and destroy pristine areas.
- **The inherent friendliness of the community embodied in the Aloha Spirit will give way to bitter animosities**—even violence—between ethnic groups, economic classes, single-issue crusaders and new vs. old residents.
- The consequences of the above will resonate disastrously through the economy, the education system and the other services of government.

Basic human selfishness, each person seeking his or her own maximum short-run advantage, can take us down these paths.

Hawaii will avoid this Disaster Scenario only through the type of enlightened selfishness illustrated by the Parable of the Commons. It shows how all citizens profit from growing no more cattle than can be sustained without destroying the common grazing grounds, and how all lose when the commons is overgrazed. Fortunately, this kind of forbearance is not unknown to Hawaii. Otherwise it would be far more scathed than it is by overdevelopment.

Second: ... A WORD OF HOPE

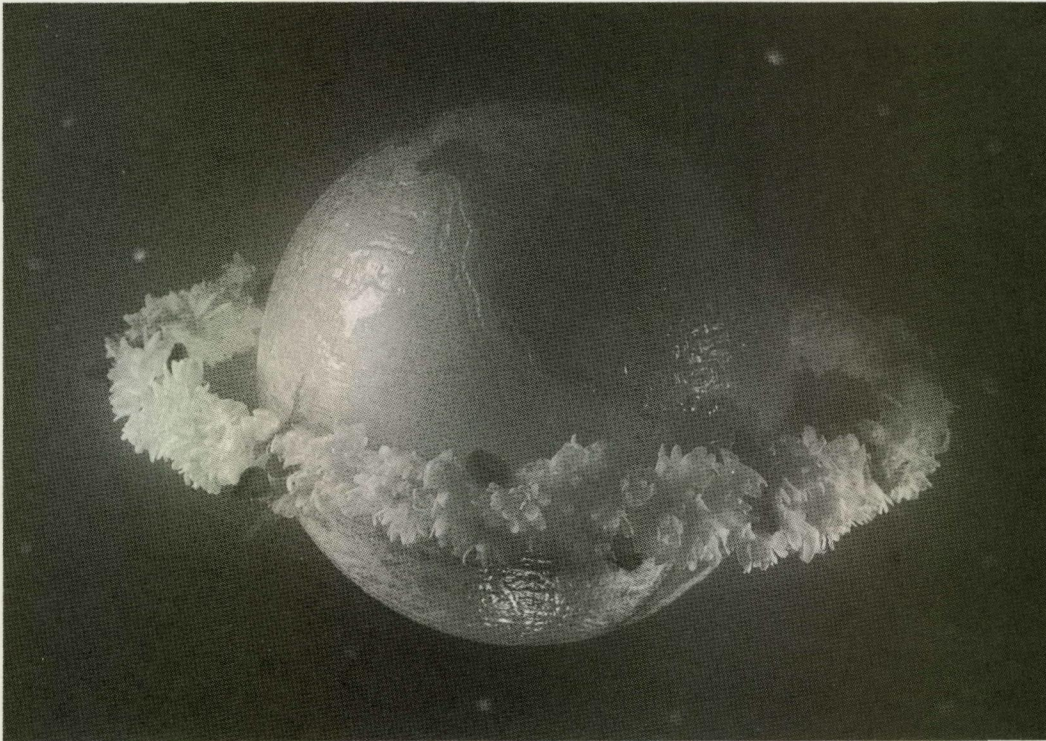
The world may be marching toward a new day in which Hawaii can play a small but meaningful role.

Agricultural advances are so significant that giant nations like China, India and Indonesia have achieved or are verging on food self-sufficiency.

If hunger can be eliminated in these nations there is reason to expect it can be eliminated from the rest of the world as well.

A few cents worth of electricity can perform the physical work it takes a man a day to do...and can do calculations it once took men lifetimes to perform.

Such advances, coupled with tremendous strides in energy development, open the door to vastly improved standards of living throughout the world.



Hawaii can be the Future State, a place ideally fit to help build a better world.

At the same time, telecommunications and transportation improvements are linking the world's people together as never before.

Hawaii is positioned to play a role in this spreading of affluence and convergence of cultures.

As a microcosm of all the peoples of the Asia-Pacific area it can be a major center for East-West cultural interaction...and for training.

As America's only tropical state in a world where many of the most vexing problems are in the tropics, it can be an ideal center for agricultural, environmental and earth-sea-space sciences...and training in these fields.

As a highly developed group of islands with superb visitor facilities near the center of the Pacific Ocean, it can be an ideal meeting and headquarters site.

It can do all of this in addition to retaining its role as a major tourism center and as a command and basing-training center for American military forces in the Pacific.

Hawaii, in short, can be the United States of America's "FUTURE STATE," a place ideally fit to help build the better world that can lie ahead.

President Theodore Roosevelt once called Chautauqua, N.Y., "the most American place in America." **In the Pacific Era, Hawaii can be the "most Pacific place in the U.S.A."**

Hawaii's Future in the Pacific

Section I

An Overview

1. What this Report Is About

The challenge that led to this report was the desire of Victor Hao Li, president of the East-West Center, to look at Hawaii's future in the Pacific in terms of where individual or group decisions might effect significant change.

The East-West Center has undertaken futures studies for other areas in the Asia-Pacific region. President Li felt an inquiry was in order as to whether and where Hawaii could better mesh with its Pacific neighbors.

Once the study was underway it became apparent that many of Hawaii's leaders want to see the state, small as it is, render significant service to the Pacific region, including the United States, as well as profit from such associations.

The author has undertaken to compile an inventory of Hawaii's options for Pacific involvement and to list pros and cons of a more internationalist role for Hawaii. In the final section he expresses his own strong hopes and convictions as developed during the compilation of this report.

Pacific as used in this report embraces the entire Pacific Basin region from South America to Southeast Asia and the Arctic to the Antarctic. **Pacific-Asia** is used to refer to the western Pacific region from Indonesia and Southeast Asia north to Japan and Siberia. **Inner Pacific** is used to refer to the island nations and territories of the Pacific including Hawaii but not including Australia and New Zealand.

This work's value is as an idea book, a compilation of ideas from many people and sources—"brain picking" if you will. It seeks to bring together in a compact report much that seems obvious in a way that can help decision-makers identify and evaluate the choices that are offered.

The author has over 40 years experience in Hawaii as a journalist. In addition, he has spent much of the past year interviewing people about Hawaii's future and reading already published works.

From these he has developed the scenarios and lists that make up this report. He has subjected them to critical review by a number of concerned individuals and groups. As a consequence he believes the lists are reasonably inclusive and the scenarios broadly representative of the choices ahead.

He started with three broad future scenarios—Hawaii as a Pacific Crossroads, Backwater or Special Place.

Crossroads fell out quickly. This once was a favorite concept made plausible by geography and early 20th century transportation and communications. There was a

need for stepping stones to bridge an ocean as vast as the Pacific. Hawaii seemed to be in an ideal location.

Modern technology overtook this concept. Planes now cross the Pacific nonstop. Communication can be worldwide and instantaneous from just about every major city of the world and a lot of smaller places as well.

Hawaii may still be a meeting place in the future. It may be a beacon of racial harmony and the aloha spirit. It may still be a bridge between the United States and the Orient, a place for guidance and cultural interaction. It may be a U.S. outpost in the Pacific. But it will not be a major crossroads or hub in the old sense of people crossing the Pacific from North, South, East and West being obliged to stop here because their ships or planes need refueling or resupply.

And if Hawaii one day silently sank beneath the waves the vitality, excitement and prosperity of the dawning Era of the Pacific would hardly be affected at all. It is worth bearing in mind that Hawaii can be useful to the rest of the Pacific but is not essential to it.

Hawaii can, however, still encourage people to come to its shores either to visit or stay, or both. It has an amazingly broad list of options to shop among if it wants to be more involved with the world around it. The lists in this report will make that clear. If it chooses to do so it also starts with the advantage of already having one of the world's finest visitor plants.

On the other hand, Hawaii could choose to minimize its Pacific participation. It could slow tourism, seek reduction of the military bases in the islands and turn away from opportunities that might bring it more investors, more visitors and more residents. This would be a radical change, contrary to the commitment of its present State Plan to controlled, quality growth, but it is a possible one.

In considering suggested scenarios it must be remembered that Hawaii, as a U.S. state, can never lock out visitors and in-migrants.

Further, its present flow of five million tourist visitors a year is an element of its economy so significant that radical change would be extremely disruptive. No economic studies see any early substitute for it as Hawaii's main income source. Tourism's magnitude is such that a 1 percent change in its dollar volume equals the combined dollar volume of three small agricultural industries—the growing of macadamia nuts, coffee and papayas.

For all of this, Hawaii still has many choices to make in regard to its future development.

An option deserving special concern pertains to its unusual cultural heritage. Hawaii is the world's most successful mixed ethnic community. It brings together in unusual harmony the cultures of the Pacific islands, Asia, Europe and America.

However, some conflicting trends are at work. The mix is getting some new vitality from in-migration from Korea, Hong Kong, the Philippines, Samoa, Vietnam, Thailand and the American mainland. On the other hand, each passing year moves important older groups—the Japanese, most notably—farther away from their cultural origins and brings a greater homogenization of Hawaii's population through mixed marriages and a preponderance of in-migration from the U.S. mainland. If military families are excluded, more than half of the children now born in the state are of mixed ethnic parentage.

Hawaii can work to protect its cultural richness, or let this unique asset erode.

Another option deals with the language facility of Hawaii's immigrant ethnic groups. This has eroded badly for some of the older migrant groups whose third and fourth generations barely know the language of their forebears. It might be restored if positive advantages are perceived in greater internationalism.

What Hawaii does about preserving its cultural and language diversity will significantly affect the role it chooses to play—or not play—in the Pacific.



Hawaii is the world's most successful mixed ethnic community.

One observation about all attractive future activities is that they generally require skills and training. Key employees may be moved here if such activities relocate here. But local jobs will be created, too—many of them challenging ones.

For Hawaii's people the opportunities to participate can be great, but only if they have the necessary education and skills. It is hard to conceive of any attractive scenario for Hawaii—even a slow growth one—in the next 20 or 30 years in which education will not be important.

From among the many people who reviewed this report in its preliminary drafts no concern was raised more consistently. As one wrote, "The heart of the matter is to develop a society composed of citizens who handle the English language well, who are well grounded in mathematics, history and geography, and who can therefore contribute to making Hawaii a better 'mousetrap' for business and research enterprise." Others went on to stress the importance of training for leadership. Absolutely no one viewed education as overemphasized or a minor concern and many viewed our present status as a bar to progress.

Whichever path Hawaii travels—that of involvement in the Pacific or that of non-involvement—the tumble into the Disaster Scenario threatens if leadership fails.

2. Scenarios for Hawaii's Future

From Backwater to Future State

Where human choices exist regarding Hawaii's future, great responsibility also exists for every participant in making those choices.

There are dozens, hundreds, even thousands of variables bearing on Hawaii's future—many of them likely to be still unrecognized, unknown or undiscovered.

Among the recognized variables the worst would include nuclear war, disruption of the Earth's climate through mischief with our protective upper atmosphere, and world or U.S. financial collapse. Such prospects may be as realistic as any but they lie beyond rational contemplation in this report.

The author has placed another constraint as well on the scenarios he contemplates. He assumes Hawaii will remain a state of the United States of America.

Hawaii could have more direct control over two important aspects of its development—immigration and external investment—if it again became an independent nation as it was prior to 1898. Some few residents favor this. It is ruled out here because the idea has minimal support due to its many disadvantages, runs counter to the concept of U.S. indivisibility upheld in the Civil War and is unlikely of attainment in the next few decades, if ever.

What then are the possible lines of development for Hawaii, the 50th state, over the next 20–30 years?

The answer will depend heavily on Hawaii's choices in two central areas:

- 1. Quality control:** This will be crucial to both developing standards that protect the environment and to protecting fair and congenial social relationships.
- 2. Degree of involvement:** Will Hawaii seek more or less involvement in U.S., Pacific and world affairs? Its primary income source today is a tourism industry that draws more than five million visitors a year to the islands. Its second main income source is a military establishment that also brings in many outsiders. Obviously it is no mid-Pacific hideaway. And it can not readily turn away from these without suffering severe economic hardship. But it still has many choices in regard to encouraging or discouraging specific new activities.

Four broad future scenarios flow from combinations of these two elements.

SCENARIO A – Low quality. Low involvement.

The state's main emphasis is on discouraging new residents, something that is hard to do as a U.S. state. Whether by accident or design, the state succeeds by becoming unattractive. It lets animosities build up and environmental quality fall. It becomes known as a place hostile to visitation and hostile to investment. Because its income is low it has relatively little to spend on education, welfare and other public services. Entertainment, cultural and sports activities suffer from a weak economy.

The author sees this as a **BACKWATER SCENARIO**, attainable but of doubtful attractiveness. Some critical individuals feel Hawaii is moving to this status now.

SCENARIO B – Low quality. High involvement.

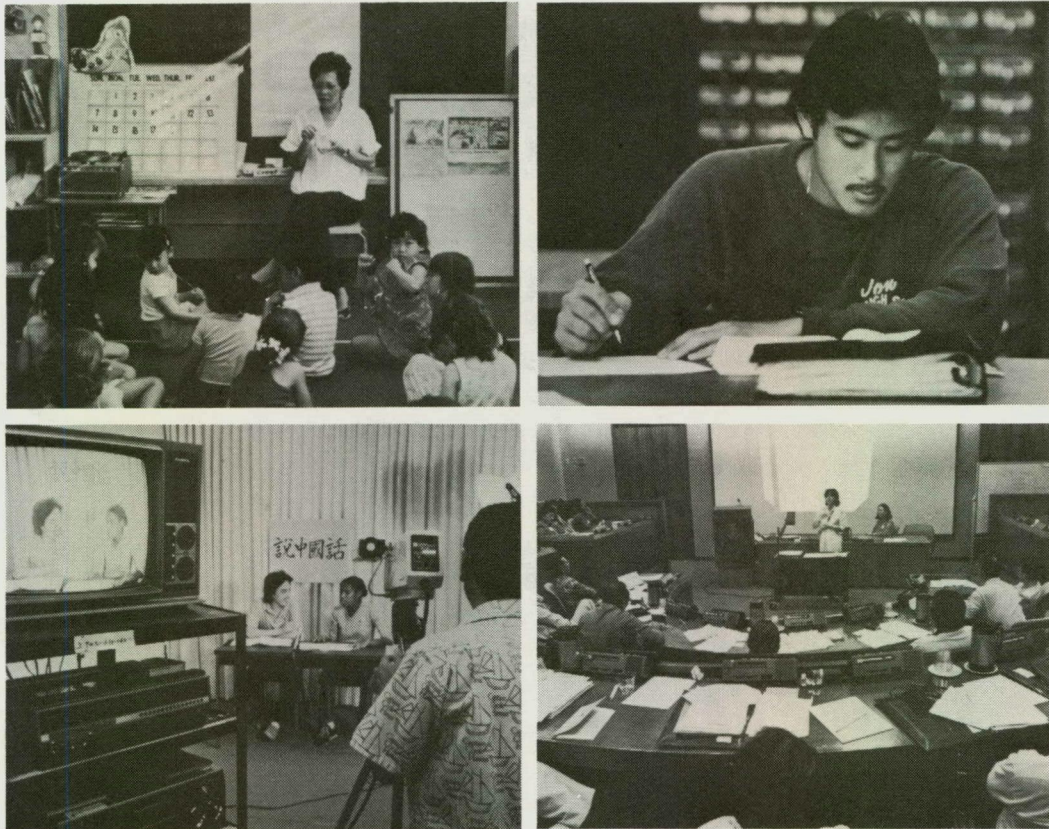
The state continues to grow in population at a fairly fast rate. It welcomes new investors and new businesses uncritically. It lowers environmental standards to attract more investors. It is oblivious to the animosities that develop as wealthy outsiders crowd longer-term local residents out of desirable lands, favorite beaches and surfing places, preempt much of the best in other public facilities, and push adequate housing—rental or privately owned—beyond the reach of low-income residents so that ghetto living becomes commonplace.

The author sees this as a **THIRD WORLD SCENARIO**, Hawaii being driven toward the same rich-poor extremes that have blighted Puerto Rico and much of the Caribbean, Latin America, Africa and Asia.

SCENARIO C – High quality. Low involvement.

The state maintains strong environmental quality controls, aiming to farm the environment in a way that will yield rich harvests for generations to come rather than to mine and exhaust it. Leaders of all significant community groups work to maintain congenial community relations. State policy seeks to discourage in-migration and emphasize self-sufficiency with more people farming, fishing and using home-generated energy. State policy aims to limit tourism growth and frowns on new industries that will draw more residents here. The U.S. government is encouraged to reduce its military presence.

In the author's view this is a **NOSTALGIA SCENARIO**, attractive in concept but probably impossible to attain. The quest for its charms would founder on the hard realities of a depressed economy and heightened community animosities fanned in the drive to attain it. Independent, self-sufficient local economies are a near-impossibility in the modern world. **FORTRESS HAWAII** is another name for this scenario.



For Hawaii's people the opportunities can be great, but only if they have the necessary education and skills.

SCENARIO D – High quality. High, diversified involvement.

Hawaii insists on high environmental standards, as in the Nostalgia Scenario. But it also promotes an international participative role for itself. It seeks especially new activities that permit participation by longer-term local residents and that fill its need for more middle-income jobs.

It capitalizes on the East-West ethnic and cultural diversity of its people as well as on its natural beauty, year-round moderate climate, and the advantages of its time zone situation. As with Scenario C, it strives to farm the environment in a way that will maintain and enrich it for future generations, rather than to mine and exhaust it. It succeeds in maintaining simultaneously a prosperous economy, a high quality environment and its famous Aloha Spirit. It becomes a significant contributor to East-West interaction in the Pacific.

The author sees this as not easy to attain but within much closer reach than Scenario C, the Nostalgia Scenario. It could make Hawaii **THE FUTURE STATE** of the United States. If Hawaii chooses to move in this direction it will be immensely assisted by its existing advantages outlined in Section II, Chapter 5.

The fall to the Disaster Scenario could take place from any of the above scenarios.

The author didn't place it at the front of this report because he thinks it will be fulfilled. He doesn't. But it needs to be kept in mind as a warning because, like nuclear war, it could be easy to drift into unless leaders and planners work consciously and constantly to avoid it.

To wit:

Loss of control to outsiders: Outside investment is seen as good for Hawaii. But even nourishing foods can kill in overdose. Absentee owners can be uncaring about Hawaii and its future, more oriented to short-term bottom-line success than to Hawaii's long-term good, and quick to leave when things turn sour. Hawaii's leaders need to see that, wherever the ownership of Hawaii's lands and businesses may lie, the welfare of Hawaii's residents remains paramount.

Tourist decay: Atlantic City is an American tragedy, a once-proud resort city that decayed and then turned to gambling to rescue itself only to find that casinos were of little benefit to the community generally. Hawaii could travel that path. Or it could follow the path of resort areas like Switzerland and Bermuda that take pains to regularly renew their attractiveness.

Environmental decay: Hawaii's environment has suffered some despoilment from development. But it has also undergone enrichment. Golf courses and agricultural industries, thanks to irrigation, have often created greenery where none existed previously. Even parts of inner Honolulu have abundant greenery. Such trends actually make Hawaii lovelier. To protect and enhance Hawaii's environment must be a high priority goal of future leaders.

They can be helped by the adoption of planning concepts such as **Controlled Growth** and **Quality Growth** and the use of such planning measures as seeing that sufficient environmental **Carrying Capacity** exists in the areas of transit, sewers, water supply, etc., to avoid **Overload**. Such concepts do not stop growth but they do pace it. American courts have held such processes can be a reasonable exercise of government planning power.

Even Hawaii's climate—moderate year-round with few storms—is not beyond human meddling and must be protected. Pollution of streams, beaches and the air can diminish enjoyment of it, and has to some extent already. Over-construction can raise temperatures. Deforestation can affect rainfall and reduce our all-important water supply.

Death of the Aloha Spirit: Hawaii's Aloha Spirit is seen as artificial by some, but not by those who have been to communities where friendliness grows in flinty soil, where hostility is common. Such people know the value of Hawaii's Aloha Spirit and prize the cultural and ethnic diversity it embraces. To keep this emphasis positive is another "must" goal for future leaders. Democracy, decency and fairness at the leadership level will be crucial to this.

3. Potential Roles for Hawaii in the Pacific

What We Can Offer Our Pacific Neighbors

Hawaii is already embarked to some degree on most of the following activities. In many cases market forces will determine which will thrive and which will wither. Leadership, however, has the opportunity to identify and promote activities that seem most attractive to Hawaii's people or discourage those that seem undesirable. "Windows of opportunity" will be opening—and closing—in the years ahead. The state will be most effective in capitalizing on these if it is prepared in advance to go after the opportunities that seem most preferred.

Tourism:

- A year-round tourism center that includes some of the world's most popular resorts.
- A convention and conference center.
- A place specially suited for international meetings (translation facilities, etc.).
- A travel industry research and management training center located in one of the world's premiere and most professionally managed resort areas.

Sports (Tourism-Related):

- A year-round locale for major sports events such as the annual Pro Bowl football game, the Hula and Aloha Bowls (football), and the Hawaiian Open, Nissan Cup and Women's Kemper Open (golf), all of which are nationally or internationally televised. Also the Ironman Triathlon, International Billfish Tournament and tennis, surfing, windsurfing and bicycling competitions. The island of Maui is rapidly becoming the world's capital of windsurfing.
- One of the world's finest board-surfing locales because of its outstanding waves and beaches.
- One of the world's premiere yacht-racing and gliding locales because of its temperate climate and steady trade winds.
- The natural home of outrigger canoe racing because of its link with Hawaiian history.
- A site for Olympic-type sports competition spanning the alphabet of competitions from archery to water polo and wrestling.

- A manufacturing site for specialized sports equipment, such as is developing now for windsurfing.
- A year-round recreational sports site—golf, tennis, swimming, surfing, boating, fishing, scuba diving, hang-gliding, hiking, jogging, kite-flying, frisbees, canoeing, cricket, lawn bowling and much more.
- A sports training and education center, possibly backed by a major school at the University of Hawaii.

Health/Fitness (Also Tourism-Related):

- A site for health resorts and spas bolstered by the fact that Hawaii residents have the longest life span of any U.S. state.
- A base from which U.S. health care expertise can be exported to Asia, including training services.
- A health research center capitalizing on the opportunity to study lifestyle and ethnic differences within Hawaii's population.
- A pioneer center in geriatric care and a retirement center where special health/fitness programs are available.

A Pacific Headquarters Site and Operations Center:

- A congenial location from which the normal business day overlaps North and South America in the morning and the western Pacific and the Asian Rim in the afternoon. (Some operations, including 800-number answering services, are based in Hawaii to link into Eastern U.S. connections in ways that capitalize on off-peak telephone rates.)
- A regional business, financial and communications center.
- A foreign trade and trade show center.
- A foreign trade zone.
- A Pacific distribution center.
- A base for Pacific Basin franchising and franchising instruction.
- An entry point for Asian businesses interested in the U.S. market.

- A departure and training point for U.S. businesses interested in Asian and Pacific operations.
- A potential locale for pooling the interests of U.S. businesses too small to enter the Asia-Pacific market on their own.
- A logical headquarters site for the United States to handle its dealings with island nations and territories of the Inner Pacific.
- A place for factoring operations to supply the islands of the Inner Pacific.
- A headquarters site for international secretariats.
- A headquarters site for institutions operating in the Pacific Basin such as the Red Cross, religious orders, etc.
- A hub for some Pacific aviation operations.
- A base for shipping to the Inner Pacific.

A “Base of Choice” for Highly Mobile Industries and Individuals:

- A place for retirement and vacation homes of upper-income families.
- A cottage industry basing point for people working via computers and telecommunications for businesses located elsewhere.
- A headquarters for think industries and information processing industries.
- A manufacturing site for industries whose products are so light in weight and small in bulk that shipping costs are not a major factor.

A Pacific Military Center:

- The present headquarters for the top U.S. Pacific commands—unified, Army, Navy, Air Force, Marine. Also a Coast Guard command.
- A year-round training site whose climate permits more training days per year than at almost any other U.S. locale.
- A basing point for units to be deployed in the Pacific.

- A site for research and development supporting military activities involving space, land and sea.
- A hub for mobilizing Pacific area disaster relief.

A Pacific Peace and Mediation Center:

- A World War II and Pacific Wars (Korea, Vietnam) memorial center.
- A Peace Institute Center (University of Hawaii).
- A headquarters site for international peace organizations.
- A center for mediating and arbitrating international disputes.
- A place that has developed such a successful and unusual pattern of ethnic cooperation and harmony that its insights into social issues and dealing with diversity are worth studying for export.
- A place for studying the social aspects of intelligence.
- A source of Third World training for agriculture and industrialization.
- A place for peace and environmental studies that may help head off some of the world's worst threatened disasters.

A Space Center:

- An ocean-surrounded site for intermediate size commercial space launches, both polar and equatorial. Hawaii conceivably could offer the only wholly commercial space launch facilities in the United States. A place for research on communications with satellites, the use of lasers in space and other space science.
- A place for space observations from high mountains above much of the Earth's atmosphere—Mauna Kea, Mauna Loa and Haleakala.

A Pacific Knowledge/Cultural Center:

- The site of the greatest concentration of Pacific-Asian scholars in the United States (primarily at the University of Hawaii and the East-West Center). Focuses exist on the Pacific island nations, China, Japan, Korea, Southeast Asia, the Philippines, Indonesia and Hawaii.

- The locale of the leading museum concerned with the peoples, flora and fauna of the Pacific (Bishop Museum).
- A Pacific information and data center.
- A Pacific language learning center.
- A Pacific cultural learning center.
- An international art mart.
- A training center and source of consultant services for Asians interested in U.S. techniques and methods of interpersonal communication and decision-making.
- The same for Americans going to Asia.
- A place for research and technology transfer.
- A place to train people for existing and future jobs in the Pacific islands.
- A source of employees who feel comfortable abroad.
- A center for collegial international research.
- A basing point for Chautauqua-type roving lecture-entertainment programs to spread more knowledge of the Pacific.
- A site for Pacific-wide cultural events such as orchestra, arts, song, dance and film festivals, possibly under the auspices of the University of Hawaii or the East-West Center.
- A site for more theme parks and cultural parks such as the Polynesian Cultural Center, Maui Tropical Plantation and Sea Life Park which introduce visitors and residents to the Pacific and to science.
- A site for Hawaiian studies and research, including studies of the peculiar bonding of lifestyles achieved in Hawaii under the umbrella called the Aloha Spirit.
- A source of talent for Pacific operations.

An Ocean Industries Center:

- A potential ocean mining base at the heart of a 200-mile radius exclusive American economic zone nearly as big as the land area of Alaska.
- A bauxite and ocean minerals processing site.

- A fisheries base embracing the same 200-mile exclusive economic zone.
- A fish canning site.
- An aquaculture site.
- A base for ocean research and education.
- A headquarters for man-in-the-sea studies.
- A shipping service and repair base.
- A major naval base (Pearl Harbor).
- A base and port-of-call site for vacation cruises.
- A place for ocean recreation.
- A potential site for ocean energy manufacture.

A Small Pacific Manufacturing Center:

- A Pacific fashion and garment-manufacturing center.
- A film-making center with good year-round daylight natural lighting.
- A site for high technology companies to back up locally based ventures in astronomy, ocean science, renewable energy production, military research, space, sports applications, etc. Many of these might work in connection with the University of Hawaii which is already strongly into many of these fields.
- A site for manufacturing to supply the local market of more than one million people. New possibilities for import substitution may open as the market grows and techniques change.
- A site for manufacturing such export products as:

Tropical lotions	Cosmetics
Garments	Optical instruments
Computer software	Electronic parts
Processed foods	Canned fish
Processed steel	Cement
Refined petroleum products	

(Some of the above may have limited markets, perhaps in other Pacific islands only.)

- The headquarters of an active construction industry with the capacity to train personnel from afar and export know-how.

A Diversified Agriculture, Aquaculture, Mariculture Center:

- A site for raising such export crops as:

Sugar	Pineapple
Flowers and foliage	Coffee
Macadamia nuts	Guavas
Passion fruit	Papayas
Mangoes	Grapes
Avocados	Lychees
Ginger	Seed corn
Other spices	Fibres for textiles
Watermelons	Cocoa beans
	Vanilla
Oysters	Abalone
Prawns	Shrimp
Seaweed	Algae

Marijuana, now widely grown illegally, might be produced for medical and other legal purposes.

Cold deep ocean water, the by-product of ocean thermal energy development, can be used ashore to raise a number of seasonal crops including strawberries.

- A site for raising crops to supply the local market of more than one million people.
- A locale for research in agriculture, aquaculture and mariculture with climate zones that replicate large portions of the world.

A Renewable/Alternative Energy State:

- A state now 90 percent dependent on imported oil for its energy and seeking greater energy self-sufficiency through:

Geothermal energy to be transported to other islands via a pioneering undersea cable.

Ocean thermal energy conversion with a fresh water by-product in one process and a cold seawater by-product in another. (The latter is highly useful for aquaculture.)

Direct solar applications in one of the sunniest areas in the world.

Windmills.

Hydropower.

Conversion of garbage to energy.

- Export of applications to other Pacific island areas.
- A site for developing alternative energy systems.

A Science Center:

(Most of the following possibilities are also included in other categories but have been grouped together here to emphasize the possibilities for synergistic interaction.)

- The site of some of the world's best astronomical observation points.
- An isolated natural laboratory for studying the evolution of flora and fauna; a base said to have greater potential for such studies than Charles Darwin found in the Galapagos Islands.
- A volcanology-earth studies center with two active and several dormant volcanoes plus offshore undersea volcanic activity.
- An ocean studies base surrounded by generally benign seas.
- A research center for tropical agriculture and aquaculture.
- A living laboratory for health and fitness studies based on the ethnic, cultural and lifestyle differences within the local population.
- A space launch and research site with high altitude bases for laser space research.
- An alternative energy research center with rich solar, geothermal, wind, ocean thermal and hydro potential.

Hawaii's Future in the Pacific

Section II

Factors to Weigh

Note: The chapters in this section catalogue factors mentioned by a great variety of sources as relevant to Hawaii's future.

Some items and ideas appear on more than one list. They are included in order to have each list be self-sufficient.

Some factors, such as Hawaii's population size of just over one million, are seen as advantages from one perspective and disadvantages from another...and so make both lists. It is the same with our geographic location.

It also is true that we need greater skills and training for our labor force, yet already have the best skilled labor force in the Pacific islands.

There are still other seeming contradictions. How, for example, can Hawaii present itself as a neutral meeting place in the Pacific and a place that enjoys great political stability because the American flag flies overhead?

Yet it does—just as in the years of campaigning for U.S. statehood it presented itself to Congress as a very Americanized place and to potential tourists as a place that was exotic and different. It succeeded in both efforts because both images were truthful. The same may apply to other apparent contradictions found here, though others may not be so easily dispelled.

The lists have one convenience factor. Users of this report can easily make their own additions and subtractions in order to keep them current.

1. The Aloha Spirit

It was only after several different drafts of this report were circulated that the author became convinced a chapter is necessary on the Aloha Spirit.

The necessity springs from diverse perceptions of it. In particular it springs from the perception of a great many people that the Aloha Spirit is just a nice, trite term used in promotions by the Hawaii Visitors Bureau.

The Aloha Spirit may be intangible but it is real.

Some see it as a development of island life where arguments had to stop short of unpleasantness since people had to live with each other next month and next year.

It is a basic softness in person-to-person relations. It involves friendliness, openness, consideration for others, sharing, a desire, if possible, to avoid confrontations—but not weakness. At its base are caring for one's fellow men and women, and mutual respect. It lubricates the contacts of everyday living. It makes life measurably richer and more pleasant.

Some see it as a convergence of Eastern and Western cultures built on a Hawaiian base.

It involves far less probability of rejection due to skin color or facial features which mark differing ethnicities.

It brings far greater likelihood of being met with a smile than with a neutral expression or scowl.

Whatever it is, it is uncommon. Many parts of the world are without it or anything comparable to it. They are the poorer for it.

The best way to appreciate the Aloha Spirit is to go to a place where it doesn't exist. Then it becomes apparent that it is like breath. We take it for granted when we have it. We miss it terribly when we don't.

To protect the Aloha Spirit should be a paramount goal of all of Hawaii's residents and participants, now and into the future.

2. World and Pacific Trends that Seem Likely to Affect Hawaii

(Note: Not all trends are consistent with each other. Some collide.)

- Long-range aircraft are reducing Hawaii's role as an air crossroads though it still may remain a hub for some flights in the Pacific region.
- Containerization and development of versatile, long-range cargo vessels have similarly outmoded hopes that Hawaii could become a Pacific cargo transshipment center.
- Telecommunications improvements and the creation of worldwide 24-hour networks are eroding the importance of geographic location.
- A "global economy" is developing in which physical and political boundaries are losing their importance.
- Nevertheless, trade imbalances are spurring protectionism and stalling or reversing the trend toward freer world trade.
- The possibility of future world production surpluses due to scientific and technological advances accents the threat of trade wars, protectionism and fragmentation of the global economy.
- A strong potential exists for the creation of both greater wealth and wider gaps between rich and poor nations and individuals.
- There is a U.S. and world shift toward an expanded, computer-assisted service economy.
- The potential now exists for producing sufficient food and energy for all of the people of the world and of using this capability to promote world peace. This is so even though world population has passed five billion and is still increasing.
- Population control promises to become an increasingly important issue.
- Modern communications make possible global communities based on common interests rather than geography.
- The Pacific area is outpacing the Atlantic in world trade growth, fueling talk of a Pacific Century. Since 1980 U.S. trade with the Asia-Pacific area has exceeded trade with Western Europe. The gap is widening. The Pacific promises to be a major focus of U.S. interest in the years ahead. Within the United States, the center of population in the 1970s moved west of the Mississippi (into Missouri) for the

first time. The West Coast city of Los Angeles is overtaking the East Coast city of New York as the nation's largest city.

- The Pacific area wants and needs America as a trading partner. We have the largest economy in the world. Our purchase of Asian goods and our protective armament shield have contributed to soaring growth rates in many Pacific countries. We are on friendly terms with all but a few, most notably Vietnam and North Korea.
- The increased activity across the Pacific creates a growing need for greater East-West understanding.
- Japan has moved to the forefront of the world's economic powers and become the largest creditor nation in history at the same time the United States has slipped to being the world's largest debtor nation. Current exchange rates are encouraging heavy Japanese investment abroad, including in Hawaii.
- Future external investment flows seem likely from Taiwan which has accumulated some of the world's largest financial reserves.
- The Soviet Union is increasing its military and diplomatic presence in the Pacific, and may follow with increased economic activity. It was a 19th century economic power in the Pacific. The July 1986 speech at Vladivostok by Premier Mikhail S. Gorbachev signaled it is returning to the area once again. The U.S.S.R. has a 5,000-mile long Pacific coastline, greater than that of Japan or China. It is the closest Asian nation to Hawaii.
- In part, Japan and Russia are moving into a vacuum left by the United States when it pulled back from Vietnam.
- The People's Republic of China plans to quadruple its gross national product between 1980 and the year 2000. It is substantially increasing its Pacific trade activity.
- Hong Kong in 1997 will become part of the People's Republic of China, a reality that may prompt some Hong Kong-based activities to locate elsewhere, including Hawaii.
- The Republic of Korea is emerging as a strong exporting nation with a strong domestic economy.
- The Association of Southeast Asian Nations (ASEAN) is moving toward greater economic cooperation among its members, though far from the closeness associated with the European Economic Community. ASEAN includes Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand. The doors have not been closed to future membership by Vietnam, Cambodia and Laos if political developments are favorable.

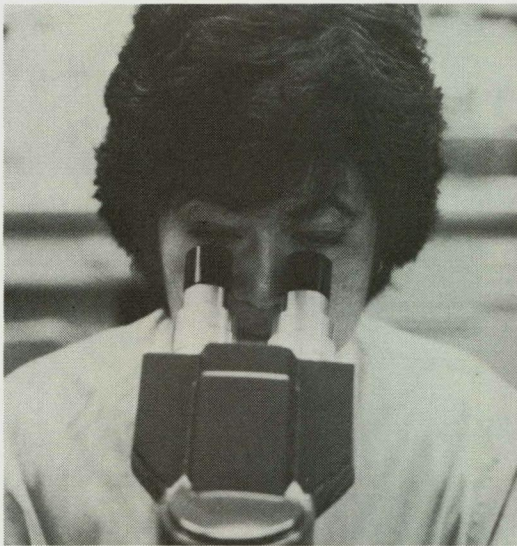
- While no formal grouping exists, economists frequently speak of the NICs or newly-industrialized countries of the western Pacific, meaning Singapore, Taiwan, Hong Kong and Korea. Their economic growth has outpaced all of their neighbors except for Japan. Mexico and Brazil also are considered NICs.
- Conflict possibilities include India vs. Pakistan, China vs. Taiwan, North Korea vs. South Korea, more turmoil in the Philippines and Indochina, and ethnic or religious confrontations in Sri Lanka, India, Malaysia, Indonesia, Fiji, New Caledonia and other French Pacific territories. On the east rim of the Pacific, Central America is the most unstable area. Changes are possible in economic systems.
- No overall Pacific political grouping or Pacific Community is foreseen in the near term.
- Economic growth is likely to bring to Asia-Pacific countries more stress and more rapid cultural, social and political change.
- Leadership of the Asian Rim nations is undergoing significant changes, which also could bring fundamental policy changes, due to both the aging of incumbent leaders and pressures for more democracy.
- The number of small island nations in the Pacific has grown steadily and the number of non-self-governing Pacific territories is now small. Independence is bringing with it more independent policies but economic dependence remains.
- The Anglo-Saxon Pacific nations (Canada, the United States, Australia and New Zealand) still cooperate but are seeking more ties with other Pacific nations. A serious rift has developed between the United States and New Zealand over nuclear policy.
- Canada and the United States have negotiated (but not yet ratified) a pact to join by 1999 into the world's largest open market.
- Central America with a 3,000-mile Pacific border and South America with a 5,000-mile Pacific border are still outside the mainstream of Pacific commerce, but are showing interest in greater Pacific trade and involvement.
- The nations of Asia, the western Pacific Rim and the South Pacific are making uneven but fairly steady progress toward greater industrialization and agricultural productivity.
- The combined Asia-Pacific labor pool is so great the economies of the area may have serious trouble adapting to the labor-saving potential of new technologies.
- Successful development of fusion power (still elusive) could make the world independent of fossil fuel and redistribute the world's economic power dramatically.

- Developments such as superconductivity and new alternative energy production methods also promise to increase the energy supply.
- The National Aerospace Plane that President Reagan dubbed the "Orient Express" will be able to take off from and land on conventional runways yet transport people and cargo into orbit. In addition to its space potential it can be an ultra-fast intercontinental transport plane. Travel times to Hawaii could be cut to a fraction of what they are now.
- Shrinking distances make distant places stronger competitors for the tourists who now come to Hawaii. They also diminish Hawaii's flow of stopover visitors. Conversely, they give Hawaii the potential to reach out farther for new visitors.
- The United States is getting an increased flow of Asian immigrants under its liberalized immigration laws—about 250,000 a year, primarily from the Philippines, South Korea, China, Taiwan, India and Vietnam. Americans of Asian ancestry have increased from around one million 20 years ago to five million now. The immigrants tend to be a well-educated, elite group with a great potential to revitalize the nation. But there are still serious adjustment problems.
- A birth dearth is distorting age distributions in the U.S. population with older age groups increasing in relative numbers. In Miami Beach 50 percent of the population is over 50 versus 11–12 percent in Hawaii where the elderly percentage is increasing. A U.S. labor scarcity in the final years of the 20th century is one probability, with the problem intensified by a mismatch between available skills and labor market demands.
- Health care costs are consuming a steadily growing portion of income in numerous nations.
- Armament costs remain a high factor in many national budgets.
- Strong Pacific-related academic programs are developing around the Pacific Rim and in Fiji, Guam and Papua New Guinea, eroding some of the Asia-Pacific advantage sought by the University of Hawaii but also creating the possibility of greater synergism among institutions.

New U.S. centers are developing at the University of Washington; the University of Montana (where the center is named for Mike Mansfield, former senator and U.S. ambassador to Japan); the University of California campuses at Los Angeles, Santa Barbara and San Diego; Arizona State University and the University of Texas at Austin. The Oregon Historical Society is proposing a North Pacific research center.

Canada has Pacific centers at the Universities of British Columbia, Alberta and Toronto. It recently established an Asia-Pacific Foundation, headquartered in Vancouver.

- Within the United States, knowledge and brain-power are being pulled together in significant industrial-research clusters: the Silicon Valley area south of San Francisco, Boston's Highway 128, the Raleigh-Durham Research Triangle, Cactus Valley embracing Tucson and Phoenix, and Prairie Valley at Austin, Texas. The question is raised whether such a cluster would be feasible in Hawaii based on Asia-Pacific knowledge and training. Could Hawaii also host a science center for geophysical research tied in with space and/or military matters?
- Hawaii's population is shifting back to its neighbor islands with Oahu down from a peak of 82 percent in the late 1970s to under 77 percent in a 1986 estimate.
- Change is so rapid that all future planners must aim at moving targets.



Hawaii is an ideal place for earth, sea, space and energy sciences.

3. Potential Benefits to Hawaii from a Greater Pacific Involvement

- Increased economic opportunity and more jobs. Downtown Honolulu's high-rises are filled in large measure by jobs created since statehood in 1959. Pacific involvement could carry forward this trend.
- More jobs with a potential for higher income in science, technology, academia, international business, diplomacy and other new or expanding fields.
- Higher average income.
- The likelihood that the new jobs created could fill the need for middle-income jobs that tourism is not creating and be somewhat more insulated against economic ups and downs.
- Wider entrepreneurial challenge.
- Increased tax income from increased economic activity.
- Diminution of our heavy (some say dangerously excessive) dependence on traditional vacation-oriented tourism.
- Intellectual stimulation derived from an international environment.
- An opportunity to convert Hawaii's rich cultural, ethnic diversity to greater economic advantage for all ethnic groups and cultures.
- A potential "aloha dividend" from greater interaction with people of other nations and cultures.
- An opportunity for Hawaii's people to contribute to the general development and harmony of the Pacific Basin.
- Strengthening of cultural pride along with a greater emphasis on preserving the cultures and languages of the Pacific, including Hawaiian.
- Potential leadership opportunities for Hawaii's people in various fields of Pacific activity comparable to those opened up by statehood for our Congressional members and others on the U.S. national political scene.
- More Pacific-wide employment opportunities for Hawaii's people.
- Opportunities for Hawaii's young people to find attractive jobs at home.

- Stimulation of cultural and arts activities.
- Stimulation of sports activities.
- Development of stronger communication links with other areas.
- An increased demand for Pacific area and international news along with greater international interest and sensitivity.
- An erosion of parochialism.
- Strengthened pluralism.
- Increased pressure for a stronger public education system.
- Replacement of imports with more locally produced products as market growth stimulates a favorable economy.
- Increased production of exportable products.
- Diminution of any “brain drain” from the state.
- A healthier state balance of payments with the rest of the world.
- Attraction of more outside investment capital.
- Preparation and qualification of local residents for jobs elsewhere in a world economy becoming increasingly global.
- Local fall-out benefits from health research that may explain why most Hawaii residents have exceptionally long life spans while ethnic Hawaiian life expectancy is significantly shorter.

4. Potential Costs to Hawaii of a Greater Pacific Involvement

- Population crowding could be further accelerated. Present trend lines raise questions as to how many residents can be accommodated congenially. The same question applies—even more sharply—to the number of motor vehicles.
- Too rapid change could bring with it significant social disintegration and health consequences. Such results have been documented previously in heavily impacted Pacific island areas and on Hawaii's Big Island at Kona and North Kohala.
- Key new jobs might be filled by people from out of state rather than by residents.
- Local residents, particularly those near the bottom of the economic ladder, who cannot see any personal advantage from internationalism, might feel more isolated and alienated.
- New residents might include street people and welfare cases as well as people of greater means.
- The introduction of an enlarged "international class" of residents could create a sense of inferiority in local residents, even among community leaders who do not feel abreast of international events.
- Hawaii could be sold out to out-of-state investors whose community interest might be low and whose primary concern would be short-term profit.
- The state could be seen as having a puppet economy, manipulated from afar.
- Rich vs. poor class differences might be exacerbated and the middle class diminished as a buffer.
- Public costs for attracting international activity could exceed advantages derived by the community-at-large.
- Local control of local affairs might be challenged. An example is the concern over lowering restrictions on interstate and international banking.
- The local community could develop a sense of being exploited—even raped and pillaged—by outsiders. High hostility would be one consequence.
- The case for native Hawaiian rights could be overwhelmed by the growth in the number of non-Hawaiian residents.

- Housing availability and costs for local residents might be affected negatively. Ghetto living might be the consequence for the poor.
- Unless growth is carefully paced, increased activity will bring with it the threat of environmental overload—destruction of view planes and beauty; air, water and noise pollution; straining transportation and utility services beyond their capacities; crowding of beaches, parks and other public facilities. These developments, in turn, could impose heavy corrective costs on the tax-paying public. Serious overcrowding pressures already exist in many parts of Hawaii.
- The Aloha Spirit is a social lubricant that makes life in Hawaii immensely richer. It could be diminished by the speed or strains of overdevelopment or political exploitation.

5. Hawaii's Advantages in Dealing with its Pacific Neighbors

- Natural beauty.
- An equable climate year-round.
- The political stability of full statehood under the U.S. flag, an advantage underlined by the recent turmoil in Fiji.
- The access to U.S. power centers afforded a U.S. state.
- A significant role as America's principal outpost in the Pacific.
- A not-insignificant role as the only U.S. state in the tropics.
- A place described as: **"An intersection—the only one—of the delightfulness of being on a Pacific island with the excitement, convenience and efficiency of being in the U.S."** – An in-place tourism and visitor infrastructure that is among the world's largest, finest and most professional.
- A population base of over one million that is sufficient to support first-rate educational, health, cultural, athletic and recreational activities.
- A skilled, educated labor force—some of the richest human resources in the Pacific island areas, though still deficient in numerous respects in relation to potential market demands.
- The most developed area in the Pacific east of the Asian Rim.
- The center of an ocean 200-mile economic zone nearly as big as the land mass of Alaska where the United States has exclusive fishing and mining rights.
- A friendly Aloha Spirit that overlays interactions with visitors to an extent uncommon in other places.
- A casual atmosphere that discourages formality and promotes relaxed exchanges. Even many business meetings are conducted in aloha attire.
- An ethnic mix (part mosaic, part melting pot) drawn from most of the peoples of the world that tends to make visitors from any region feel more comfortable than in some other unfamiliar place. It is already a popular site for U.S.-Japan conferences away from the turmoil of Tokyo and Washington, D.C., and for meetings of Pacific island leaders.

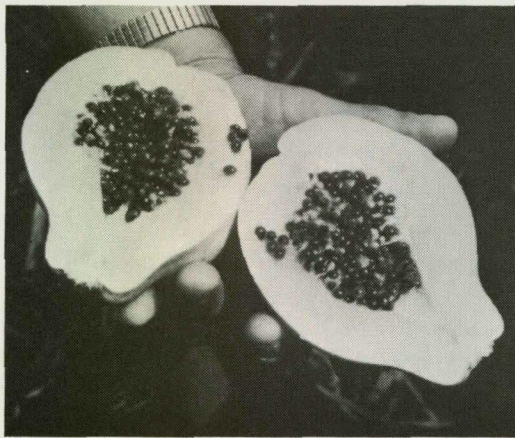
- A place whose mixture of Asian and Pacific ethnic groups makes it a true micro-cosm of the Pacific area as a whole.
- A community that is, simply, the world's most harmonious and successful blend of races.
- An unusual situation in which there is no majority ethnic group.
- An "eating out place" with some of the world's top-rated restaurants and a wide variety of cuisines in all price ranges.
- A time zone location that permits dealing in the course of a normal business day with North and South America, Asia, Australia, New Zealand and the Pacific islands.
- Modernity.
- Cleanliness and high health standards.
- High-quality medical care.
- Full and frequent domestic and international air connections that minimize remoteness.
- Full modern domestic and international communications capability. Fiber-optic trunk cable connections to the rest of the world and a digitalized local telephone system help make Hawaii, by one description, "an international telecommunications hub superbly positioned to play a pivotal role in the Pacific Age of telecommunications."
- Good courier services.
- Good meeting facilities.
- A regular flow of visitors that facilitates establishing contacts.
- A number of significant institutions dealing in Pacific affairs that together make up one of the greatest concentrations anywhere in the United States of Pacific knowledge and scholarship:
 - The U.S. military command headquarters for the Pacific and Indian oceans.
 - The East-West Center, federally supported to stimulate Pacific academic and research interchange.
 - The University of Hawaii with a wide range of international exchange, research and instructional programs.

- Bishop Museum, with a century-old commitment to biological research and anthropological studies and the largest collections extant of Pacific plants, animals and cultural artifacts.
 - Brigham Young University-Hawaii serving a student body drawn in large measure from the Pacific islands or "Inner Pacific".
 - The Japan-American Institute of Management Science.
 - Kansai Gaidai Hawaii College which affords English language and American cultural training to students from Japan.
 - An international branch of Japan's Tokai University scheduled to open in 1989.
 - About 30 Pacific-region business headquarters.
 - Full-time consular representation from Japan, Korea, the Philippines, Australia and France with about 27 other nations represented by part-time honorary consuls. Taiwan also has full-time non-diplomatic representation.
 - The Western Program Office of the National Marine Fisheries Service.
 - The United States Information Agency Pacific Islands Program Office.
 - The Pacific Forum which convenes regular consultations on regional matters. (Honolulu also has an active Pacific-Asian Affairs Council addressed to local residents and a chapter of the Council on Foreign Relations.)
 - Headquarters for the Pacific Telecommunications Council, the international Law of the Sea Institute and the secretariat of the World Futures Studies Federation.
 - A peace studies institute at the University of Hawaii that is one of the two first (the other is at Notre Dame) to be established on U.S. college campuses.
- Collectively the resources of the University of Hawaii, Bishop Museum and such libraries as those of the Mission Children's Society and the Hawaiian Historical Society make Hawaii **the preeminent place in the world for studies of the Pacific islands, the "Inner Pacific."** The University of Hawaii Pacific studies staff of 26, embracing social science, history and linguistics, is the largest anywhere.
- Collectively, also, the University of Hawaii and the East-West Center have **the greatest concentration of Pacific-Asian scholars and Pacific-Asian language instructors in the United States.**
- By virtue of the above, Honolulu is one of the best U.S. cities for gaining information about the Pacific.
- English, the world's premier international language, is the spoken tongue.
- Existing facilities can provide translation and interpreter services for international meetings.

- International monetary exchange rates that currently make Hawaii a relatively low-cost area for foreign visitors and investment.
- A strong private school education system. The public system is still below average in many national rankings but committed to improvement.
- Strong existing bases on which new research can be built in:

Astronomy Health Ocean sciences Genetics and evolution Pacific concerns	Alternate energy production Agriculture-aquaculture Tropical environmental studies Travel industry management Social interaction
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- A scientific support infrastructure that includes the Pacific International Center for High Technology Research (PICHTR) associated with the University of Hawaii, an Office of Technology Transfer and Economic Development, also associated with the University, and a state-organized High Technology Development Corporation. Hi-tech parks are being developed on three islands.
- Direct access to the deep ocean due to the absence of a continental shelf.
- An advantageous location for space launches thanks to equatorial latitudes and the absence of other nearby land masses.
- Mountain tops at Mauna Kea, Mauna Loa and Haleakala that are among the very best astronomical observation sites in the world. The heights of Mauna Kea and Mauna Loa put them above 40 percent of the world's atmosphere. Hawaii's latitude puts 92 percent of all stars within view. (Mauna Loa has the disadvantage to observers, however, of being an intermittently active volcano. The others are dormant.)
- A climate suitable to replicating many Third World regions for agricultural research and that permits products like seed corn for U.S. mainland farmers to be raised during their winter dormant season. Four crops can be raised per year of some plant products.
- Strong agricultural research programs at the University of Hawaii and the Hawaiian Sugar Planters Association with the potential for knowledge export.
- An isolation from other land masses that has created varieties of indigenous flora and fauna as rich as those in the Galapagos Island that led Charles Darwin to his discoveries on evolution.

- A status in the late 1980s as probably the world leader in renewable energy research and development. Highest per capita use of solar water heaters in the United States. Heavy use of fiber from fast-growing trees and sugar cane bagasse to create energy. Significant use of wind power generation. Major projects underway in geothermal and ocean thermal energy generation and in the transmission of power via undersea cable.
- For recreation, some of the world's best yachting and surfing conditions with good year-round conditions for most sports and even the possibility of winter skiing on the high altitude volcanoes.
- A special affinity for the island nations and territories of the Pacific.
- The only U.S. state with a predominantly Asian population.



Export crops such as papayas, guavas, sugar and corn can all be a part of Hawaii's diversified future.

6. Hawaii's Disadvantages and Constraints for Pacific Involvement

- Distance. At least five hours flying time away from the nearest major cities. Few nonstop flights are available to the U.S. East Coast.
- The often underappreciated vastness of Pacific Basin distances. Miami, Florida, for example, is nearly 1,000 statute miles closer to Honolulu than Hong Kong is. New York is 2,000 miles closer than Singapore. On the other hand, Honolulu is almost 1,000 miles closer to Tokyo than it is to Washington, D.C.

(Note: The distance factor will change when hypersonic aircraft come into use, probably early in the 21st century. They will move at rocket speed in flight, shrinking travel time dramatically. Costs remain uncertain.)

- The relatively small size of Hawaii's economy. Just over one million people.
- Strict U.S. immigration procedures deter some foreign visitors from wanting to return.
- The public school system is not well regarded; private schools are expensive and difficult to enter.
- The University of Hawaii excels in some areas but is only adequate in others.
- Pidgin English is prevalent and a primary tongue in many cases.
- The supply of skilled labor is inadequate in some fields. In others there is a brain drain of trained people out of Hawaii due to job opportunity shortages. University of Hawaii engineering graduates are customarily snapped up for out-of-state jobs.
- Cultural and arts offerings are rich for a small community but no match for major cities.
- There is a perceived lack of intellectual stimulus except in specialized fields.
- Hawaii food and housing costs are among the highest in the United States.
- The local economy is heavily dependent on a single fragile industry, tourism.
- While multicultural, Hawaii's outlook is more parochial than international. Some call it "parochial-international." Cities like Hong Kong and Los Angeles have leaders with a much broader international outlook than does Honolulu.

- Local government is often perceived as provincial and favoring local residents over newcomers.
- Many community leaders are perceived as not internationally oriented or informed.
- To some observers, at least, leadership by men and women of vision is lacking and such leaders are not being produced at institutions like the University of Hawaii.
- From these same quarters comes a concern that there is not enough moral indignation over matters of public concern.
- Ethnic and old vs. new resident frictions exist and could be exacerbated. Racism inevitably is latent.
- For persons interested in Pacific business and Pacific affairs, there is a serious dearth of current news and financial reports. Timely information on financial markets and developments in the western Pacific and Asia is not readily available. A chicken and egg situation exists in which it could be made available if there were more demand.
- The U.S. Postal Service has not yet extended to Hawaii its international courier service.
- Hawaii's existing Pacific knowledge resources are often unrecognized and underappreciated. International affairs discussions often suffer from low turnouts.
- Strict government controls limit new investments in the areas of:
 - Finance
 - Environmental protection
 - Property usage

Approval for major real estate developments can take four to six years at optimum because of the need to clear county general plan and zoning regulations (usually separately), the State Land Use Commission and possibly applicable federal environmental controls. The new West Beach resort on Oahu took 14 years to clear. The Maui Lani residential area on Maui was first proposed in 1974 and seems unlikely to clear before 1989 because it got caught up in jurisdictional concerns not related to its merits.
- Bureaucratic procedures, e.g. in getting a driver's license, seem to some new residents to be more onerous than in other areas.
- High local taxes.

- Above average costs for employers in such areas as workmen's compensation, unemployment compensation, health and disability insurance.
- Energy costs are among the highest in the United States.
- Interchangeability of personnel between Hawaii and a firm's business locations elsewhere is hampered by distance.
- There is a limited reserve of local investment capital; the need for out-of-state investment is high.
- Living costs are high compared to the rest of the United States. Housing costs are very high. (But comparisons with other countries may be more favorable.)
- Traffic problems can be severe.
- Widespread recognition of Hawaii as a premiere vacation "playland" makes some U.S. businessmen hesitant to use it for business for fear of misunderstandings about the seriousness of their work.
- Waikiki is seen by many as overcommercialized, overcrowded and tawdry in parts.
- In a high percentage of families both parents must work.
- New and old resident families often feel a need for second jobs because of high living costs. New families in particular may find them hard to obtain. This can deter attracting desired personnel to Hawaii.
- Although Hawaii is multiracial, most of the Asian ethnic people in the state have not learned the language of their forebears and are basically shallow in their knowledge of their parents' culture.
- Hawaii's advantage as a center where many diverse cultures have gathered and coexist will erode unless consciously studied and preserved.
- Hawaii has a Hawaiian question. The state is having real difficulty providing justice to socially disadvantaged Hawaiian residents. The state of Hawaiians in their native land needs to be better resolved than it is now for Hawaii to be a fully harmonious community. Remedial suggestions range as far as the establishment of separate Hawaiian communities.
- Foreign language facility in Hawaii is limited. There is a scarcity of qualified interpreters and translators for Asian languages, even Japanese.
- The number of meeting places with translation facilities is small.

- Some potential visitors and residents fear that Hawaii will be a primary target in any nuclear war.
- Traffic and parking problems provide more immediate visitor discomforts.
- Land availability and cost are growth constraints.
- Water availability is a constraint in some areas.
- Illegal marijuana growing is so widespread in Hawaii that effective control of it and other drugs would be likely to produce economic hardship.
- Some observers fear too much of the population is euphoric, hedonistic, sybaritic and xenophobic...all mind-sets unsuited to an energetic Pacific role.

7. Concepts that Affect Hawaii's Role in the Pacific

(Note: These can be inconsistent and contradictory)

Internal Concepts:

- Hawaii leaders, dating back to 19th century monarchs, have long perceived a role for Hawaii as a Pacific leader and catalyst for creating better East-West relations.
- While the community is committed to tourism as its primary industry, too much growth too fast has produced past outbursts of animosity. It may again.
- Concern that Hawaii is being "sold out" to foreigners and out-of-state Americans may create animosity and arouse latent racism.
- The gap between well-heeled "haves" and local "have nots" creates social frustration and can breed crime.
- More than 20 years ago Hawaii Governor John A. Burns spoke of the need for Hawaii's people to have greater confidence in their abilities to play significant roles in U.S. and Pacific affairs and to provide leadership. The need still exists. It is possible now, however, to point to such diverse role models as Daniel K. Inouye, one of the ranking leaders of the U.S. Senate; the late astronaut, Ellison Onizuka; Dr. Richard Mamiya, one of America's foremost heart surgeons; Maxine Hong Kingston, author; Sid Fernandez, a two-time major league baseball All-Star; Russ Francis, a professional football standout; and Ken Kashiwahara, national network television news announcer.

External Concepts:

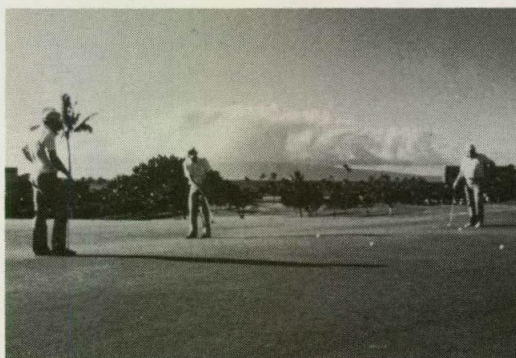
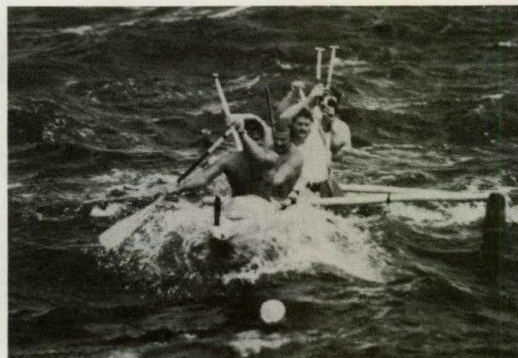
- Hawaii's cultural diversity is widely recognized, usually in a positive way. A Japanese business investor in Hawaii has said he considers it not so much a state of the United States as a part of the world.
- Many Asians and Pacific islanders look on Hawaii as an American place where they can feel comfortable...a comfortable entry point to the United States.
- Hawaii is seen as a sybaritic playground. This is positive in many ways, but can have a negative effect on choosing it as a place to do business or hold conferences.
- Hawaii's beauty and friendliness are well advertised.

- Hawaii is deemed insignificant because of its small area, small population and remoteness from other populated areas.
- There is a widespread perception of Hawaii as clubby and parochial and influenced by ethnic politics.
- Foreign businessmen may look on Hawaii as not fully American and thus not the place where they want to study America or do business with it.
- Organizations seeking a “neutral” base for Pacific operations may be deterred by the U.S. flag over Hawaii, but others see it as stabilizing and still others see Hawaii as a state distinct from the other 49.
- Hawaii has been characterized in business publications as unfriendly to business though more recent writings (1987) have tended to soften this criticism. (Moreover, its high health care cost levied on business have contributed to an outstanding health record for the state.)

8. Image Events that Shape Perceptions of Hawaii

Existing Events:

- The heavy volume of advertising and publicity for tourism.
- Cultural festivals including the Aloha Week, Lei Day, Cherry Blossom and Narcissus events and the Merrie Monarch Dance Festival. Also, ethnic immigration celebrations such as the 1988 bicentennial of Chinese migration.
- Nationally and internationally televised events such as:
 - The Magnum P.I. television series.
 - Re-runs of the Hawaii Five-O television series.
 - Football games—Pro Bowl, Aloha Bowl, Hula Bowl, University of Hawaii games.
 - Golf tournaments—Hawaiian Open, Kemper Open.
 - Tennis tournaments.



Sports are one of Hawaii's greatest assets, but they also reinforce the islands' playground image.

- Triathlon events.
 - Yacht races.
 - Surfing, wind-surfing and other water sports.
 - Numerous motion pictures, television shows and radio shows with Hawaii locales, set in time periods ranging from pre-contact Hawaii to current Hawaii.
 - Japanese-made films and broadcasts.
- World War II recollections promoted by two of the state's leading visitor attractions—the USS Arizona Memorial and the National Memorial Cemetery of the Pacific at Punchbowl Crater.
 - News coverage of such natural events as volcano eruptions, storms, military services connected with the return of remains from Vietnam, and visits by VIPs including chiefs of state.
 - Participation by persons from Hawaii, such as U.S. Senator Daniel K. Inouye, in national news events.
 - Coverage accorded Hawaii in various specialized scientific and academic journals, specialty magazines, etc.

Possible future events (some of which might be deliberately promoted to enhance Hawaii's image as a place for serious business and academic activity):

- The location here of a number of significant international secretariats. The Law of the Sea Institute and the World Future Studies Federation are now based at the University of Hawaii-Manoa. The Pacific Telecommunications Council is nearby. The Pacific Business Economic Council is contemplating a move here from California. While small in personnel, such organizations can be image builders. Larger secretariats could be sought.
- More attention-getting national and international conferences and conventions here.
- More focus on such events and on VIP figures participating in Hawaii meetings.
- More attention to the activities of the University of Hawaii, the East-West Center and other internationally-involved local institutions.
- A Pacific-oriented adaptation of the Chautauqua Institution in New York State where leading scholars, artists and government and business leaders would regularly engage in lectures, performances and discussions with interested everyday people in a relaxed environment.

- A Future State Fair or Festival oriented to the Pacific Basin, stressing that Hawaii is a part of the world as well as a part of the United States.
- An enlarged Hawaii International Film Festival.
- Significant Hawaiian fashion events including, perhaps, the development of widely recognized aloha attire for formal, business and informal occasions.
- Pacific Basin performing arts, dance, drama, orchestra and band festivals comparable to the famous annual Spoleto Festival in Charleston, S.C.
- Major yacht races.
- A joint 49th and 50th states event to celebrate the common fight for statehood made by Alaska and Hawaii and focus on their potential for cooperation in the future.
- A steady news flow to specialized publications about Hawaii activities in such areas as agriculture, aquaculture, astronomy, fashion, fish, volcanology, energy, social science, architecture and dozens more.

9. What Hawaii Might Do to Play a Greater Pacific Role

Specific Pacific Role Recommendations: (For broader recommendations to accompany an all-out commitment to a Pacific role please see Section III, Chapter 3.)

- There must be continued ready accessibility for air travelers from all parts of the globe.
- Communication links must be maintained as the equal of the best available anywhere.
- The timely availability of Pacific area news and financial information must be increased. This is a chicken-egg situation involving demand and availability in which the introduction of some services could be stimulated with temporary subsidy.
- More interpreters must be qualified and available along with adequate facilities for meetings requiring simultaneous translation. (A translation center has just been organized at the University of Hawaii.)
- Leaders and planners should distinguish between the “Inner Pacific” island nations and the “Outer Pacific.” While Hawaii is small in relation to the latter it is large in relation to the former. Many of the leaders of the Inner Pacific have trained and studied in Hawaii, and Hawaii is an ideal place from which to provide services to the Inner Pacific.
- Hawaii has the prerequisites to be the leading PACIFIC INFORMATION CENTER, the primary place to which people from East and West might come for information, training, study and research. It will be helped in this role if:
 - There is more synergy between the University of Hawaii, the East-West Center and other concerned institutions.
 - The federally-backed East-West Center is encouraged and funded to be the leading center for international research and interchange focused on the Pacific.
 - The state adequately funds appropriate programs including the new School of Hawaiian, Asian and Pacific Studies at the University of Hawaii. In the case of the school, consideration should be given to whether placing the name “Hawaiian” first downgrades to persons out-of-state the great Asian-Pacific strength that has been developed.
 - The University builds on its strength in studies on Japan, China, Korea, the Philippines, Southeast Asia, South Asia and the Pacific islands. To these, appropriate additions might be Australian and New Zealand studies which now get minimum academic attention in the United States.

- The University increases its international student exchanges and engages in more joint projects with Pacific Basin and Asian institutions.
 - Appropriate mechanisms are established for outsiders to “buy in” to the mass of information and training opportunities that are available here.
- An international headquarters building and trade center could offer individual ventures the advantages of colocation with other organizations with which they interact. The state governor is proposing a state center for coordinating and assisting international programs in everything from business to education. The Honolulu mayor is suggesting a landmark structure in midtown Honolulu for international services. Redevelopment of the Honolulu waterfront could include an appropriate center. Coordination and cooperation seem desirable in whatever is done.
 - The University and the East-West Center should be encouraged to interact more with the Hawaii community. They could perform the service of helping Hawaii’s leaders be more conversant with Pacific affairs.
 - Asian language training should be promoted in the public and private schools of Hawaii and at the University of Hawaii.
 - Culture and the arts should be promoted. Public funding is appropriate to enhance the capability of cultural and scientific institutions to better serve the community and its visitors.
 - Hawaii should build on its close ethnic ties with Japan. Nearly one-fourth of its population is of Japanese ancestry. It already is a site for substantial Japanese investment and joint ventures. It is a highly rated vacation choice for Japanese travelers. It could be a place for even more U.S.-Japan cooperation in business, science and training.
 - The University of Hawaii should also be encouraged in developing further its other areas of excellence such as astronomy, oceanography, Pacific law and economics, travel industry management, medicine, public health and architecture and related high technology endeavors. Computer science needs to be emphasized to prepare students for the business and scientific worlds. A program of attracting outstanding scholars with special chairs and inducements in crucial fields should be endorsed. The rationale is a simple one: “Brains follow brains”.
 - Barriers to doing business in Hawaii should be minimized to the extent considered desirable and possible. The state government should take the lead in cutting red tape. Controls are needed—but the six- to 14-year approval times noted for some major developments are shocking (See Section II, Chapter 6).
 - An inventory of the state’s resources for Pacific participation and an assessment of its assets would be useful and a promotional tool.

- While preserving its image as an ideal place to vacation, Hawaii must also transmit an image of a place where serious business, study, training and research take place.
- The state government should take the lead in courting desired businesses to locate here and participate in Hawaii's Pacific role. Community business leaders should join in. A marketing effort comparable to the one that built tourism would be appropriate.
- More participation in local affairs should be encouraged from out-of-state investors and temporary residents.
- An executive program should be considered to help would-be investors find trained local talent and attract back needed, trained local individuals who may have moved elsewhere.
- Hawaii consciousness should be promoted wherever possible. As an example, Hawaii should seek inclusion on all maps depicting the 48 contiguous states and in all appropriate lists and tables.

10. Walls that Hawaii Could Erect to Minimize its Pacific Role

- Allow the quality of its environment to deteriorate.
- Allow its Aloha Spirit and friendliness to visitors to deteriorate.
- Allow the quality of its tourism plant to deteriorate.
- Allow the unique cultural and environmental heritage to be cheapened by commercial exploitation.
- Retain and strengthen restrictions on building and investment. Hog-tie enterprise with red tape.
- Raise forbidding price barriers.
- Abet the deterioration of transportation and communication services.
- Communicate a negative, even hostile, attitude toward in-migration and foreign investment.
- Allow community hostility to disrupt the tourism industry.
- Strictly limit international studies and activities at the University of Hawaii and other institutions of learning.
- Discourage language education and international education.
- Keep public schools sub-par in relation to U.S. standards.
- Discourage the U.S. military establishment in Hawaii from further expansion and seek its relocation elsewhere. Limit its training opportunities.
- Discriminate against non-residents to the maximum extent allowed by the U.S. Constitution.
- Persist in a course of parochial multiculturalism instead of internationalism.
- Promote the idea that working hard and competitively is foreign to our cultural base, that hedonism is the island norm.
- Allow the Disaster Scenario to become reality.

11. Directions of Change from Hawaii Today

Backwater vs. Future State

Subject Area:

Population	Growth likely in any attractive scenario. Growth from Third World in-migration might occur even in unattractive scenarios. Backwater is more likely to spur a "brain drain."
Per capita income	The Future State scenario should produce the highest average income and the largest middle class.
Cost of living	Probably somewhat above the U.S. mainland in any event but living standards should be higher as the Future State.
Ethnic composition	The possibility exists that migration from other U.S. states (predominantly Caucasian) could end the existing situation in which Hawaii has no ethnic majority group. Asia-Pacific in-migration is an offsetting factor.
Total visitors	Trending upward if Hawaii's attractiveness continues unless actively discouraged. Future State should attract the highest spenders. The travel industry will be sensitive in any case to national and international factors.
Convention and non-vacation visitors	Higher in the Future State.
Research	Much more in the Future State.
Education	Higher standards will be required and stimulated as a Future State.
Construction	Greater volume in the Future State.
Military spending	Dependent on U.S. policy and local receptivity.
Manufacturing	Limited in any event, but more growth likely in the Future State.
Agriculture-Aquaculture	Should play a significant role in all scenarios.
Arts-Culture	Should be best-funded and most active in the Future State scenario.

Fishing	????
Deep ocean mining	????
Growth indexes	Will be higher in the Future State.
Quality of life	Highly dependent on quality of leadership.

12. Some Notable Quotations

John Waihee

Governor, State of Hawaii

"If we want the 21st century to be our century we must move to the cutting edge of Pacific affairs...We must lead the way rather than merely beckon for attention."

George R. Ariyoshi

Former governor, State of Hawaii

"I am of the belief that we truly can and must be the masters of our destiny, rather than the victims."

John A. Burns

Former governor, State of Hawaii

"I am hopeful, indeed I am optimistic, about the prospects for the Pacific and Asia. But you know there are some businessmen so pessimistic they'd complain about the noise if opportunity knocked."

Javier Pérez de Cuéllar

Secretary-general, United Nations

"In the original discussions on the establishment of the United Nations, Hawaii, together with the Azores, was suggested as an alternate meeting place for the Security Council."

David Ramsour

Vice president and chief economist, Bank of Hawaii

"Few of you, no doubt, have ever heard of the great city of Jefferson, Texas. In 1880 it was the most prosperous city and trading center in that dawning age of the Southwest. It sat as a riverport (of great importance at that time) 300 miles inland from which steamboats could run year-round to the Gulf of Mexico."

"Shortly after the Civil War, the great railroad builder, Jay Gould, proposed to make the city his major rail terminal from which lines would spread throughout the"

west. The city fathers refused to grant the out-of-towner permission. Gould's plan, they declared, would bring what regulators in Hawaii guard against today—destructive and demoralizing competition—into the city, ruining their great river freight companies.

"As Gould was run out of town he swore that Jefferson would die. He moved his plans further down the road to a dusty little place that didn't have anything going for it, especially no river. It was an army fort named Worth not far from a small village named Dallas.

"Today if you care to visit Jefferson you and the only other few people there will be tourists. On most days the tourist population outnumbers the town's 100 residents.

"Perhaps the people of Jefferson have what they really want today. And perhaps Hawaii doesn't want to be another Dallas-Fort Worth. But what we do get will be the result of our conscious decisions today."

Herbert C. Cornuelle

Honolulu businessman

"If you don't know where you're going any road will take you there."

Paul F. Hooper

Author of *Elusive Destiny*, a history of Hawaii's search for an internationalist role in the Pacific

"Despite the fact that the internationalist movement has clearly been a positive force both in and beyond Hawaii, it must also be noted that past success is no guarantee of future success..."

"Despite persistent efforts at a serious portrayal of Hawaii, people elsewhere continue to view the Islands as little more than a glamorous playground. Few people are aware of the deeper issues and fewer still care enough to take them seriously. It may well be that even the people of Hawaii are succumbing to this tendency. To cite only the most obvious examples, building ethnic tensions and a growing inability to translate paradisaical rhetoric into meaningful action are prominent features of contemporary Island life."

Seiji Naya

Director, Resource Systems Institute, East-West Center

"Hawaii's image is very soft, reflecting our orientation towards tourism. Few think of Hawaii as being a center of commerce or intellectual activity. They think merely of warm trade winds and soft beaches.

"It is very important to turn this soft image into an advantage; to turn a negative point into a positive one. Many people live in Hawaii. But at the same time we will need to add a new dimension to Hawaii's image to include an atmosphere conducive to the development of other industries..."

"Let us resolve to take the initiative and make Hawaii a 'Bridge of Information' across the Pacific."

Harlan Cleveland

Former president, University of Hawaii

From a 1974 speech entitled "A Think Industry for Hawaii"

"The State of Hawaii is not required to be visionary; it can of course elect to be another island backwater. But this community has an impressive supply of practical visionaries, and visionary practitioners."

"These visionaries have developed one of the world's great astronomical sites, on Mauna Kea; they have made Hawaii a prime tourist destination; they have built on a unique mix of races and cultures to produce a great center for Asian studies and Oriental languages; they have reached out to put Hawaii's stamp on innovative development of the world's largest ocean; they presumed to educate all Hawaii's citizens, so that one in 16 of them are today registered for more education in the state university system; they are reaching out now to make Hawaii a center for the study of natural energy from the sun, the sea and the innards of volcanoes."

"A community with such a record, with so lively an interest in futures research, in trail-blazing legislation, and in Pacific leadership, is not likely to be fazed at the thought of development in these Islands of a new non-polluting industry, using information as its natural resource, human intelligence as its processing machinery, and human betterment as its motive power."

Robert J. Pfeiffer

President and chief executive officer, Alexander & Baldwin Inc.

"In the early 1960s Matson Navigation Company was the largest customer of the Port of San Francisco, providing about 25 percent of the cargo handled there."

"Around 1964, as president of Matson Terminals, I called on the port director. I told him that more and more cargo was moving by containers and said Matson needed the port's help in building container-handling facilities."

"Even though he was a good friend he scoffed at me. He told me I was nuts to think the port would build such expensive facilities for a company delivering pineapples from Hawaii."

"Next I called the director of the Port of Oakland, across the bay. He was Ben Nutter who formerly was public works superintendent for Hawaii. Even though he was on vacation his office helped me track him down in Mallorca.

"Nutter liked the idea so much he said he would pack his bags to return to Oakland immediately and we would start work on the project the next day.

"Now you see the result. Others followed us to Oakland. Today the Port of Oakland is busy, the Port of San Francisco is dead."

William Shakespeare

From his play, "Julius Caesar" (Act IV, Scene 3)

*There is a tide in the affairs of men
Which taken at the flood leads on to fortune;
Omitted, all the voyage of their life
Is bound in shallows and in miseries.
On such a full sea are we now afloat, and we must take
the current when it serves;
Or lose our ventures.*

David H. Murdock

Chairman of the board and chief executive officer, Castle & Cooke, Inc.

"Hawaii is a marvelous multi-cultural community. We should cherish and preserve this rich cultural heritage. But being multi-cultural and being international are not the same thing. In our hearts we all know that Hawaii is not truly international.

"Hawaii tends to be inward-looking, focused on local affairs, rather than outward-looking, aware of the rest of the world. Hawaii often seems to lack confidence when dealing with the outside world.

"But the economy is now a world economy, and the world economy gives us our cues for long-term economic trends. We have to look outward to succeed. That means we must become international."

"Hawaii is not good at making decisions now. Even if a project is obviously good for all the people and there is little or no opposition, it can still take years to get all the necessary government approvals. This is not only frustrating—it prevents Hawaii from getting the money and projects it wants. This makes no sense at all."

Gregory G. Y. Pai

Vice president and chief economist, First Hawaiian Bank

"Building a diversified economic base for Hawaii will require a far more systematic approach to economic-development planning and policy implementation than can be achieved through individual projects.

"A truly effective program must embody:

- 1 – An explicit strategic plan based on achievable objectives and specific time frames.*
- 2 – An appropriate organizational structure to implement the objectives.*
- 3 – Adequate resources to achieve the goals.*

"Successful economic development programs focus on two major areas:

- 1 – Developing a political and economic atmosphere conducive to business development.*
- 2 – Encouraging business with such things as capital and managerial assistance, human resources and technical support.*

"Hawaii needs to embody all these concerns in an organizational system that will make policy explicit and accountable. It must be part of a commitment to economic stability for generations to follow."

Hideto Kono

Public official

From a report to the Social Science Association of Hawaii

"One of the complexities of Hawaii is evidenced in the quest for federal reparations for Native Hawaiians. It is being pursued by those who have the bloodlines of both the people who were 'given the shaft' in the historical past and those who gave it."

Fujio Matsuda

Former president, University of Hawaii

"The Aloha Spirit that is important to me is not what we sell in tourism. It is the way we treat each other in this community.

"Hawaii's culture is not American. It is not Japanese. It's unique. It's Hawaiian.

"It is far from the contentious culture of, say, New York City or the polite but highly competitive Japanese culture. It is built on Hawaiian attitudes of sharing and friendship as a mother culture. It absorbs and blends into itself the virtues of immigrant cultures without losing its warmth and grace.

"It may make Hawaii the place where people can work best together.

"Could Hawaii be a Special Place for culture? If only what we have could be kept—and exported—the world could be a better place."

Kenneth F. Brown

Honolulu architect-businessman

"Both the Eastern and Western civilizations have been animated by the search for knowledge. The Western civilization has typically used this knowledge to control those elements of the world with which man interacts. Man pries out Nature's secrets in order to conquer her.

"In the East, on the other hand, knowledge has been more often used by man to help him conform with Nature rather than change her.

"Now these two systems are studying each other across the Pacific. And Hawaii, the product of physical geography, now finds itself in a crucial situation in a new geography—the geography of ideas, philosophies and cultures.

"We are positioned between the two great cultural forces which face each other across the Pacific. Because we are a product of both...we are in a position of influence...

"We must make ourselves a welcome way station for those who now carry on East-West dialogue and commerce...We can create here a model society which combines the best in Eastern, Western and Polynesian values and techniques."

Victor Hao Li

President, East-West Center

"A critical need is for Americans to better understand Asia. Unless we can substantially raise the level of expertise about Asia—its cultures, languages, societies and history—we cannot expect our country to work effectively with the region. Our capacity to deal with Asia and the Pacific is growing more slowly than the need."

Mark Twain

Novelist, lecturer

From an 1889 speech about Hawaii which he visited only in 1866

"No alien land in all the world has any deep, strong charm for me but that one. No other land could so longingly and beseechingly haunt me, sleeping and waking, through more than half a lifetime, as that one has done.

"Other things leave me, but it abides. Other things change, but it remains the same.

"For me its balmy airs are always blowing, its summer seas flashing in the sun. The pulsing of its surf beat is in my ear. I can see its garlanded crags, its leaping cascades, its plummy palms drowsing by the shore, its remote summits floating like islands above the cloud rack.

"I can feel the spirit of its woodland solitude. I can hear the plash of its brooks. In my nostrils still lives the breath of flowers that perished years and years ago."

Hawaii's Future in the Pacific
Section III
Getting to the Future

1. Who Will Lead?

Suppose the people of Hawaii want to take charge of their future to the maximum extent possible. Suppose they want to choose a direction and a goal instead of drift. Suppose they want to make choices such as those suggested in Chapters 9 and 10 of Section II of this report. To whom do they turn?

For the first half of the 20th century Hawaii's direction was pretty well set by a powerful Caucasian ruling elite that owned and managed the principal businesses in the islands and was pretty much dominant in politics as well.

The ruling group was constrained by the U.S. Constitution, which applied in large measure (but not fully) to U.S. territories, but the group was the key to setting policy for the islands and shaping the economy.

After World War II this domination was successfully challenged by a strong union labor movement and by a political front formed by labor and Americans of Japanese ancestry. The result was not so much a total displacement of the old leadership as it was a sharing of leadership by the old and new forces. Labor and business now worked together to shape the community's course. And business came to be represented more by hired professional managers than by the old line owners.

What continued for awhile, however, was that Hawaii was essentially owned and managed by people who lived in the islands. Government policies tended to reflect the leadership decisions—such as the commitment to tourism—that came from these owners, managers and leaders.

What has developed in the final decades of the 20th century is that ownership of most business in the islands has passed out of local control into the hands of people who are primarily investors seeking a profit.

This is not to suggest for a minute that profit is bad. It is the motivating force of the world's most successful economic systems. And it is not to suggest that outside investors cannot make highly useful leadership contributions to Hawaii. They can—and do.

But it does change the leadership equation. The people who own much of Hawaii today or tomorrow are not necessarily going to live here themselves or raise their children and their grandchildren here. They often will not have the same perspectives on Hawaii as local residents. Their sense of community responsibility—perhaps with strong individual exceptions—is not likely to be as strong as that of the earlier owners. Their decisions are apt to be more “bottom-line” oriented. At worst they could become plunderers.

Where then do we turn for leadership to represent the residents of the islands? The answer is the residents—or more precisely the residents as they express themselves through the political process.

In the view of the author of this report, the present trend towards out-of-state ownership makes the leadership role of elected officeholders immensely more important than it has ever been in the past century. They will still be setting laws and policies as in the past, but they may not have the same strong community-oriented guidance as in the past. More of the original leadership responsibilities may rest directly with them.

In no sense were past elected officeholders mere “rubberstamps” for strong leadership elements in the community. But, contrarily, in no sense did past officeholders have the degree of responsibility that gradually but steadily seems to be shifting their way at the windup of the 20th century. More than ever before they will be the shapers of Hawaii’s future. More than ever they will be the arbiters of the community interest.

The “shaping” they will do will involve rule-setting and priority-setting. It also will involve knowing when to stand aside and give private enterprise free rein. It doesn’t mean a need for bigger government, just for very good government.

It doesn’t mean the private sector still will not make very strong contributions or still be a principal reservoir of talent. It will.

¹ Handling the future will require networks for policy development that tap the best talents and judgments available, in government and outside it.

It may very well involve having our leaders travel elsewhere to see what others have done—and not accusing them of “junketing” for doing it. The experience of the U.S. Southeast in building its renaissance from an agricultural plantation background with numerous similarities to Hawaii has been suggested as one appropriate area for study and interaction.

Totally hands-off policies by government could lead to the Disaster Scenario suggested at the front of this report.

Total control could be both oppressive and depressive.

But there are intermediate scenarios of economic development freely worked out within government-set constraints pertaining to the environment and the general welfare.

One caveat: The state will have the greatest freedom of choice if its economy is strong and vital, the least if it is depressed and at the mercy of any comer who will offer it “help.”

Another caveat, of course, is that the state can maintain its quite remarkable progress of the past only if its policies have a wide base of support. This is one of the key functions of the democratic process.

It has been said that ideal leaders possess vision, intellect, inspirational ability ...and luck (defined by one source as "opportunity presented to a prepared mind.") They also are value-driven, process-oriented, have decision-making ability and possess management, social and communication skills.

Hawaii's ideal leaders of the future must choose among the smorgasboard of opportunities facing Hawaii and come up with a menu that leaves the state well and healthy, and not sick or broke.

They must choose for the state only what it can digest. They will do best to promote coordination and synergism, not fragmentation.

The process will be helped immensely if the community has a fairly clear vision of where it wants to go. To help inform and stimulate discussion of what such a vision might be has been the object of this book of ideas brain-picked from a great many sources.

It is a book largely devoid of credits because there have been so many contributors. But the preparation process reassured the author that our leaders will tap into reservoirs of great goodwill and love for these islands as they try to build a better Hawaii.

2. A Deeper Look into What the Future State Could Be

We do not always get what we want in this world.

But goals nevertheless are essential. They give our efforts direction and purpose. They are immensely helpful when we have to establish priorities and make choices.

This report originally used the term **Special Place** to describe what Hawaii might become. It was used by default. It doesn't conjure up an immediate picture in our minds. But I was at a loss to find one that does so satisfactorily.

I thought of **Shangri-La**, the idyllic city of the novel and motion picture "Lost Horizon." Hawaii is beautiful like Shangri-La. It has outstanding racial harmony. Its people enjoy the longest life spans in the United States. In these respects Hawaii is well on the road to resembling that wonderful imaginary place. And it should strive to make the resemblance even stronger.

But Shangri-La is a dreamland. That gives the name a connotation of unreality.

Geneva of the Pacific occurred, and has been used by others. But it is too narrow in connotation, too focused on an international meeting place. Hawaii may aspire to that role. I think it should become a highly international place, much more so than now. But, beyond meetings, it also wants roles in the sea, in space, in education, in agriculture, in aquaculture, in sports. "Geneva of the Pacific" doesn't seem right either.

Finally help came from a remote quarter. Lawrence H. Fuchs, professor of American civilization and politics at Brandeis University, read a draft of this report. Many Hawaii people will remember him as the author of *Hawaii Pono*, a superb political-social history of the state.

Hawaii can be and should be called **The Future State**, he said, because it can be a center of creative vision and action for the discovery and dissemination of knowledge in (1) East-West cultural interaction, (2) agricultural, environmental and space sciences, and (3) applications of the first two in industry or otherwise.

I tried **The Future State** on others. It comes closest of any term yet proposed to crystalizing the aspirations many have for Hawaii. A Japanese businessman seemed to underline this by saying he thinks of Hawaii not as a state of the United States but as a part of the world.

There was a time when Hawaii, in fighting for statehood, tried to stress how American it was. With that assured by Hawaii's 50th State status, perhaps the time has come to stress the contribution the Future State can make to the United States by being *the most Pacific place in America*.

Join me in imagining what Hawaii could be by the year 2010 or thereabouts:

- Careful stewardship will have protected its clean air and clean waters, leaving them even cleaner than in the late 1980s despite a large population increase.
- Hawaii's natural beauty will have been enhanced, not spoiled, by new development. Protected green areas will have been expanded. New construction, while heavy, will be attractive because it is well-placed, sensitive to the contours of the land, avoids blocking view planes, and provides breathing space and greenery even in intensively developed high-rise areas. The travel industry will have done its part with attractive new resorts interspersed with many new green acres of golf courses.
- Development will be sited rationally because much attention will have been given to "carrying capacity" and "overload"—two terms that can mean much for environmental protection. Development permissions will have been contingent on support from an adequate infrastructure of utility services (electricity, water, sewage disposal, drainage), transportation services (roadways and public transit services) and provisions for environmental protection.
- Hawaii will still be the state where people live the longest thanks to healthy personal lifestyles, strong public health measures, an effective health care system and benign surroundings.
- The diverse ethnic groups in Hawaii—preferably still lacking any majority group except possibly "mixed"—will continue to show outstanding respect for each other



Hawaii must strive for quality development while maintaining a quality environment.

and for differing cultures, mores and lifestyles. That fragile human quality called "the Aloha Spirit" will still manifest itself in a way that enriches everyday life for residents and visitors alike. In the past 20 years it will have grown even stronger as the community has become more harmonious. Native Hawaiians and part-Hawaiians in particular will sense a new and secure place in the community.

- International ownership and investment will have been readily accommodated. It will be viewed as helpful in drawing people here and enriching Hawaii's mosaic and melting pot of peoples. Outside investors will be respectful of development guidelines laid down by local government. There will be a sense of mutual dependence and respect between out-of-state owners and the resident population. The internationalization of Hawaii will have opened increased employment opportunities both in and out-of-state for Hawaii's residents. The late 20th century need for more middle-income jobs will have been met.
- Hawaii's public education system will have improved so successfully in the past 20 years that private school enrollment will have dropped dramatically as a percentage of total school enrollment. Institutions of higher education and research such as the University of Hawaii, the East-West Center and Bishop Museum will command international recognition.
- Though study abroad will still be applauded, Hawaii will also have at home first class training for its future leaders. The employment market will be such that there will be no "brain drain" of talented young people away from the islands. On the other hand, Hawaii will offer a talent pool of people ideally fitted for East-West dealings elsewhere.
- Poverty will not have been eliminated, but a "floor" will be in place that assures minimum standards of food, health care and shelter to every individual in the community. Public education, public libraries, public beaches, public events and public places will assure a wide variety of opportunity to all regardless of income.
- Economic prosperity to assure all of the above will still be heavily dependent on the tourism industry but the non-tourist sector of the economy will have strengthened greatly and be a source of considerable pride. The Future State will be contributing in recognized ways to building a better world and a better America. The community will be buffered against extreme Third World-type rich-poor economic segregation by its new middle-class jobs.
- Hawaii will be considered the premiere place or at least a premiere place for many fields of endeavor—meetings and conferences, trade shows, health treatments, the production of quality tropical foods, astronomy, ocean research, commercial space launching, training for service elsewhere in the Pacific-Asian area, the study of Asian and Pacific languages and culture, economic, social and legal studies, research on the Asia-Pacific region, international arbitration and mediation, training for travel industry management.

- Over 200 international businesses and institutions including international secretariats will have established headquarters here.
- Think industries will have increased greatly in number.
- New light-manufacturing industries will have developed as an adjunct to the scientific and think activity.
- Hawaii will be a preferred place for staging international cultural festivals and sports events because of its attractiveness, climate and location.
- It also will be the home of Chautauqua-like intellectual get-togethers devoted to wider “common man” understanding of Pacific Basin concerns.
- While not a “crossroads” in the old sense of intersecting travel, Hawaii will have made itself a “bridge” and “gathering place” to which people from both sides of the Pacific and from other Pacific islands repair when they want to be introduced to and learn more about the region and each other.
- Community life will be rich with recreational, cultural and educational opportunities, thanks in great measure to the volume of economic activities attracted here.
- The state will be producing most of its own energy instead of importing it in the form of oil. Geothermal, ocean thermal, wind and direct solar sources will have been developed. One of the first deep-water cable systems in the world will carry geothermal power from the island of Hawaii to other islands in the state.
- Agriculture will remain economically important and continue its contribution to keeping the terrain green. Even though sugar and pineapple will have diminished in importance other crops will have developed new needs for agricultural lands.
- Aquaculture and mariculture will be significant, too, supplying both local and export markets.
- Hawaii’s tourism resorts will have developed into some of the most attractive ones anywhere. They will show a great sensitivity to the environment and a concern for meshing congenially with the local residential areas around them. They will be strong on cultural and historic interpretations.
- Hawaii will remain the U.S. military command center for the Pacific and the basing-training point for significant numbers of military personnel. The numbers may be even greater than in the late 1980s because of pullbacks of forces from the western Pacific.
- The USS Arizona Memorial and the National Memorial Cemetery of the Pacific at Punchbowl will remain significant visitor attractions and a part of Hawaii’s image.

- America's only commercial space launching center will be in Hawaii, probably at either Barking Sands on Kauai or South Point on the Big Island.
- Inner Honolulu will be showing the results of the successful implementation of the Kakaako redevelopment plan to keep traffic at street levels and move pedestrians on malls 40 feet above the street. Rejuvenation also will have produced a popular and bustling new Honolulu waterfront, a multi-ethnic "Chinatown" in downtown Honolulu, and a widely known water sports center at Keehi Lagoon.
- Inner and fringe Honolulu will be better connected than ever thanks to high speed mass transit.
- Planned new cities and resorts will be accommodating most growth while preserving large greenbelts on all islands.

By general acknowledgement, Hawaii will be one of the world's most notable places—still alluring and romantic as it was seen in the 20th century but also known now for the serious and important work accomplished in the islands in the 21st...truly
THE FUTURE STATE.

3. Recommendations

In the year that I worked on this report my conviction deepened that Hawaii's brightest future lies with trying to play an active part in the Era of the Pacific. Section I, Chapter 3, of this report outlines 14 existing areas of strength on which we can build.

Within these areas we have good prospects to develop new jobs and new tax sources to help us pay our bills and enjoy the good life while making a positive contribution to the world around us. In particular it seems reasonable to expect they could supply the middle-income jobs that are in short supply with our present tourist-oriented economy.

Our needs, after all, are not great. We are a relatively small place seeking only a small (but high quality) piece of Pacific Era activity.

While it isn't absolutely necessary that we change the image we have of ourselves and that others have of us to go down these paths, I have become convinced it would be a great help.

I think a certain dynamism would be added to our efforts in all of the 14 fields mentioned in Section I, Chapter 3, if we thought of ourselves every day—and outsiders did, too—as an intermediary place between East and West, as America's Future State, as the most Pacific place in America.

The old, romantic image of Hawaii wouldn't have to be sacrificed. But this new more serious, more purposeful image could be added to it.

What can and should we do if we want to move in such a direction? A number of specific suggestions are in Section II, Chapter 9. Below are some broader perspective thoughts about the building of the Future State .

General Recommendations:

1. Commitment: For maximum effectiveness a strong community and community **LEADERSHIP COMMITMENT** is needed to the general concept of Pacific involvement.

There have been two major instances of successful commitment reshaping Hawaii's future in the mid-20th century.

The first was a 25-year quest waged between 1934 and 1959 to win statehood for Hawaii and with it full equality within the United States. The drive began after the Massie Case and the Jones-Costigan Sugar Act in the early 1930s demonstrated

the danger of political and economic discrimination from Washington, D.C., under our territorial status.

We learned from those experiences that a mere territory of the United States could have a commission style of military government imposed on it against its will or have its then-primary product, sugar, subjected to a high tariff on entering the U.S. market.

In World War II Hawaii soldiers of Japanese ancestry literally died for this cause. They fought first to be allowed into combat in order to prove their loyalty to the United States and thereby help statehood. Next they compiled the most heroic combat records of any U.S. units in the war.

After the war there was still some opposition to statehood, here and in the 48 states. Foes of statehood tried to placate us by offering halfway measures such as commonwealth status, direct election of our own governor or making us a county of California. But a steadfast commitment to the goal of full equality gradually dispelled misunderstanding and eroded opposition until a Statehood Bill was enacted in 1959.

The other major community-wide thrust was to develop tourism. This was touched off after World War II by the need for new jobs to offset the unemployment generated by the mechanization of the sugar and pineapple industries, then by far the largest employers in the islands. It was a conscious, coordinated effort undertaken cooperatively by industry and government. It has succeeded so well that tourism today dwarfs all other economic activity in the state.

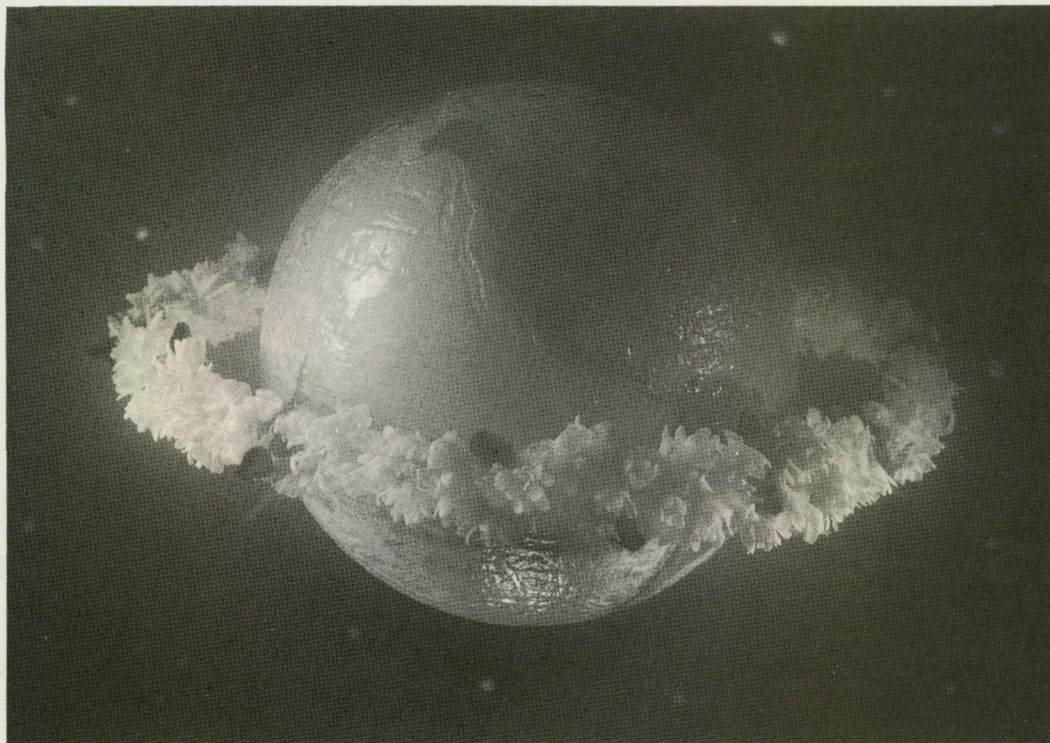
Since the 19th century Hawaii has made verbal commitments to Pacific involvement but never attained the community commitment generated for statehood and tourism.

In part this is because Pacific involvement has not had the vested interests (business, ethnic groups, etc.) behind it that rallied to the earlier causes. It may be that they exist now within the 14 categories mentioned in Section I, Chapter 3, but still are fragmented.

Statehood was helped by the establishment of a Hawaii Statehood Commission (and, earlier, a Hawaii Equal Rights Commission) to coordinate efforts on its behalf. For tourism the Hawaii Visitors Bureau performed a major coordinating role.

A major quest for a role for Hawaii in the dawning Century of the Pacific would seem to require some coordinating agency of comparable visibility and commitment.

A Hawaii International Office within the state government but with a high degree of independence might make a contribution similar to those of the Statehood Commission and the Visitors Bureau. It would not need a big staff like the HVB or an enormous budget. The Statehood Commission had only a handful of employees. But it would need a strong, highly visible leader who could be a coordinating center for those interested in international activity—a source of information, a source of advice,



Hawaii: the Future State, the most Pacific place in America.

a pleader and promoter of Hawaii's case, a person who knew what was going on, a person who could counsel leaders on steps that might help Hawaii's international participation and a person newcomers and strangers could turn to as well.

Government and the private sector should prepare themselves to be able to take advantage of WINDOWS OF OPPORTUNITY which are sure to present themselves as significant national and international decisions are made on where to locate an activity Hawaii desires. The preeminent astronomical facilities atop Mauna Kea represent a successful reach for one such opportunity two decades ago. More recent quests to bring the 1990-91 America's Cup to Hawaii and have a battleship homeported in Pearl Harbor failed but had significant side benefits. Having promoted its assets, Hawaii appears likely to get other yacht races and other navy ships.

The existing Hawaii State Plan and 12 development plans perhaps should be supplemented with an ECONOMIC PLAN establishing growth preferences and priority target areas. This should flow from a cost vs. benefit assessment of opportunities such as those enumerated in this report.

2. Education: For Hawaii's people the opportunities to participate in Pacific-related activities can be great, but only if they have the necessary education and skills.

From among the many people who reviewed this report in its early drafts no concern was raised more consistently than education. Absolutely no one viewed education as overemphasized or a minor concern. Many viewed our present status as alarming and a bar to progress. Others went on to stress the importance of training for leadership.

Choosing a Pacific role will carry with it an implied commitment to a strong public education system from grade school through graduate work.

3. The Aloha Spirit: As described in Section II, Chapter 1, the need for its preservation seems fundamental. A perception of fairness in whatever is done will be basic to this.

Leaders of all ethnic groups should place stress on transmitting and preserving the CULTURAL HERITAGES and LANGUAGES that have led to today's Hawaii and the MUTUAL RESPECT for such heritages that has made Hawaii the world's most successful mixed ethnic community. This, however, is within the context of maintaining Hawaii as a unified English-speaking community.

4. The Physical Environment: An involved Hawaii with a high quality of life should accept the likelihood of population growth higher than the U.S. average and plan for it.

There is no rigid number defining an ideal population for the state. The number can fluctuate as our supporting infrastructure develops (or deteriorates).

We should be watchful of our CARRYING CAPACITY in such basic concerns as water supply, sewers, highways, airports, communications and access to public places. When OVERLOAD threatens (or develops, as it has now with Honolulu traffic) steps should be taken to relieve it. These could include steps to increase capacity, diversions to other areas and/or temporary or permanent growth controls.

The Hawaii visitor plant must be renewed constantly to prevent decay and blight. Study of and wide public awareness of the failures in Atlantic City, Jamaica, Mexico, Mallorca and Torremolinos would provide useful examples of what to do and what not to do. Awareness should also be fostered of success stories in such areas as Switzerland and Bermuda.

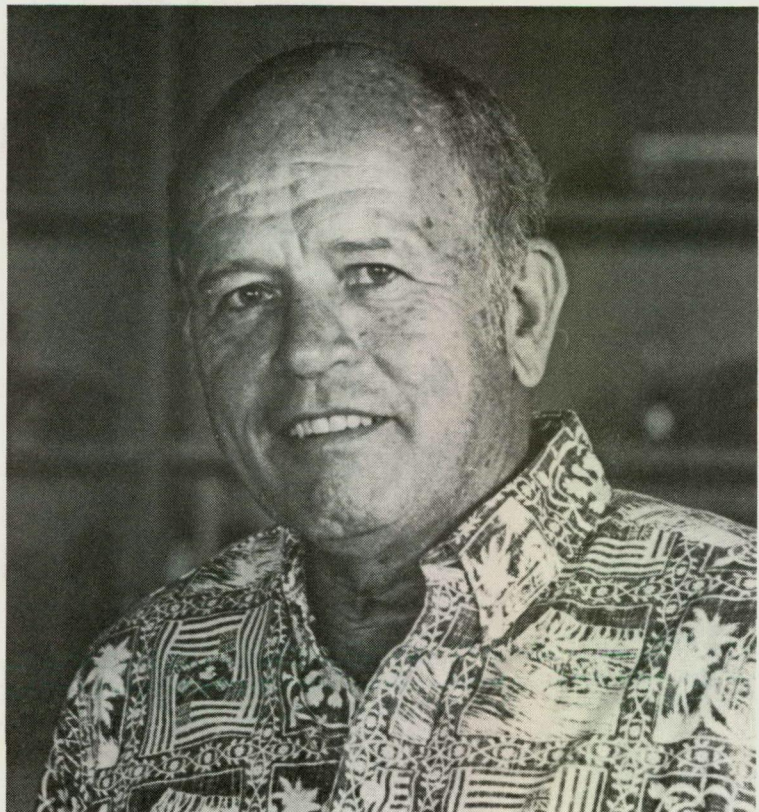
The potential rewards seem worth the effort—a state that is vital, fair, exciting to live and work in, and even more beautiful than ever—The Future State, the most Pacific place in America.

About the Author

A native of Pennsylvania, Adam A. (Bud) Smyser first saw Hawaii as a World War II naval reserve officer from the decks of an amphibious troopship assigned to the Pacific. When the war ended he was hired by the *Honolulu Star-Bulletin* based on his previous experience with the *Pittsburgh Press* and as editor of Penn State's daily student newspaper. He retired from the *Star-Bulletin* in 1983 after serving in a variety of positions, including editor and editor of its editorial pages. He continues to write commentary for the paper with the title of contributing editor.

Early in his career at the *Star-Bulletin*, Smyser joined actively in the paper's crusade to see Hawaii become a state. Later he played a leadership role in campaigns to bring no-fault auto insurance to Hawaii, to free leprosy patients from being confined and restricted like convicted criminals, to adopt one of the nation's most permissive abortion laws, and to win wider acceptance of the concept of hospice care for the terminally ill. In 1972-73 he chaired a Temporary Commission on Statewide Environmental Planning that saw most of its recommendations adopted into law.

Smyser has traveled extensively and served with a great many newspaper professional organizations and Hawaii community groups.



The East-West Center

The East-West Center is a public, nonprofit educational institution established in Hawaii in 1960 by the United States Congress with a mandate "to promote better relations and understanding among the nations of Asia, the Pacific, and the United States through cooperative study, training, and research."

Some 2,000 research fellows, graduate students and professionals in business and government each year work with the Center's international staff on major Asia-Pacific issues relating to population, economic and trade policies, resources and development, the environment, culture and communication. Since 1960, more than 25,000 men and women from the region have participated in the Center's cooperative programs.

Principal funding for the Center comes from the U.S. Congress. Support also comes from more than 20 Asian and Pacific governments, as well as private agencies and corporations. The Center has an international board of governors.

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