

CONFIDENTIAL

HERBERT K. HORITA
STATEMENT OF ASSETS AND LIABILITIES
(Unaudited)
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These statements were prepared for internal planning purposes only and do not include all disclosures which may be necessary for a fair presentation. Estimated values shown assume that proceeds from projects will materialize and be available for distribution.

residents of West Beach itself who work at the resort will no longer be required to commute daily to Downtown thereby easing peak volume.

It has not been demonstrated that traffic from hotel users would add significantly to congestion. Instead, the likelihood is that such traffic would tend to occur throughout the day in both inbound and outbound directions. In fact, the visitor would be encouraged to avoid travel in peak directions so that the time available for doing other things is maximized. The likely use of some form of mass transit such as charter buses for tour groups, shuttle and group limousine service would also tend to lessen the traffic impact.

e. Enhancement Of The Cost-Benefit Ratio

The tourism industry's economic benefits to the State are substantial. However, these benefits are reduced as Hawaii's labor force is absorbed into the visitor industry since labor shortages due to the growing influx of visitors will have to be met by immigrants. These immigrants will require sustantial public outlays for housing infrastructure and maintenance, fire and police protection, education of their children and a host of other support requirements. In essence, the cost-benefit ratio for visitors falls sharply as the proportion of immigrants in the labor force needed to serve the additional visitors grows.

Therefore, as additional resort facilities are developed in the less populated areas of Oahu, the cost-benefit ratio accruing from the added visitor expenditures will drop. Public outlays will be required to support the immigrant population required to operate the resorts. If, however, resorts are allowed to be developed in areas where support facilities are already existing or planned, such as at West Beach, the cost-benefit ratio from additional visitor expenditure should not experience any dramatic change inasmuch as