

DEVELOPING A



DREAM DESTINATION

*Tourism and Tourism Policy
Planning in Hawai'i*

JAMES MAK



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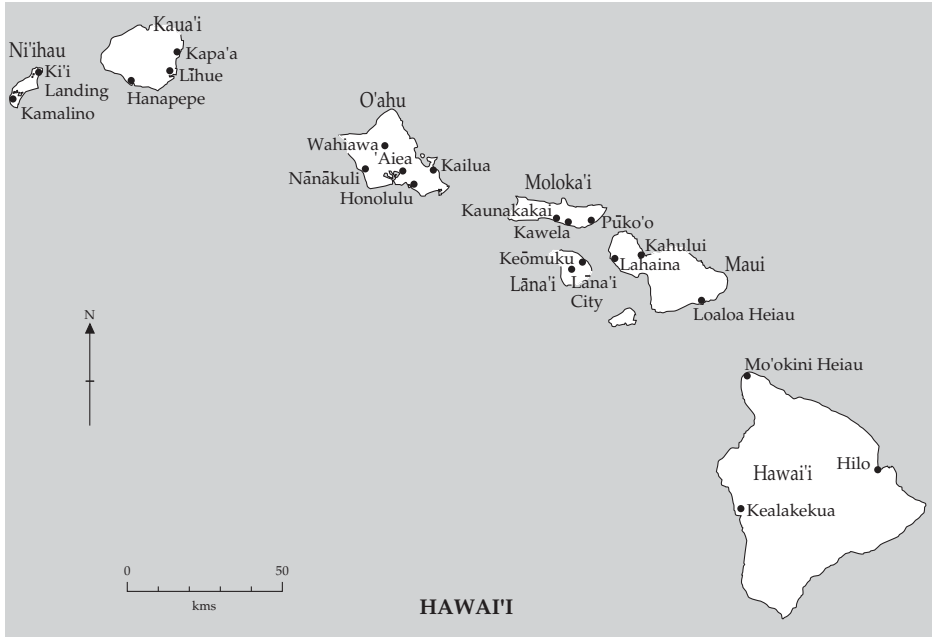
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Preface

This book began almost thirty years ago as a collaborative project between Tom Hamilton and myself. Thomas Hale Hamilton had served as the seventh president of the University of Hawaii from 1963 to 1968. After that he was briefly the managing director of the Hawaii Visitors Bureau. I did not know Tom in either of those capacities. When I first worked with him in the mid-1970s, I was a relatively junior faculty member in the Economics Department at the University of Hawaii and he was special advisor to the trustees of the powerful Bishop Estate, a multibillion-dollar charitable trust and the largest private landowner in Hawaii. But for those who knew him, he was the most astute observer and student of tourism in Hawaii. He was *the guru* of Hawaii tourism during the '70s.

In the 1970s, tourism was booming in Hawaii. From less than a quarter of a million tourists that came in 1959—Hawaii's statehood year—the number had exploded to nearly 1.8 million by 1970. Boeing 747 jumbo jets were bringing in hundreds of tourists at a time at the Honolulu International Airport. It was the beginning of mass tourism in Hawaii. Nothing—not even the Arab oil embargo in 1973—seemed to interrupt this tidal wave of humanity.

For many locals, the changes brought by this avalanche were more than just a bit unsettling. Some very serious questions were being raised about Hawaii's tourism. Some of them were apt, relevant, and justified. Others were simply part of the larger picture of the antibusiness and antiestablishment tenor of the times. It was, after all, the Vietnam War era. Even those who supported the growth of tourism had doubts about the flood of immigrants moving to the state and what that might do to the quality of life in Hawaii.

Some of these questions had to do with what tourism might or might not be doing to the environment and the delicate ecological balance of the islands. Questions also were raised as to how valuable tourism really was economically as far as the people of Hawaii were concerned. There were

complaints that tourists were monopolizing the beaches, and that local citizens no longer had free and easy access. Crowding in Waikiki, transportation, sewage problems, and a diminution of the Aloha Spirit all came in for criticism. There were debates, some very bitter, about how many visitors (and residents) the small landmass of Hawaii could accommodate. In the 1960s, a number of studies were done on tourism. But until the 1970s most studies were filed and forgotten. At most, another study was authorized. Thus Hawaii approached America's bicentennial year with a number of social and economic uncertainties.

In January of 1970, the late governor John A. Burns convened the first Governor's Travel Industry Congress. There were two important features of this congress: One was that excellent staff work was done before it convened, and the other was that it was representative of all sectors of Hawaii society. Eight hundred invitations were issued, and four hundred individuals actually participated in the two-day discussion. Media coverage before, during, and after the congress was excellent.

This was the largest group of representative citizens in any political jurisdiction ever to meet to discuss the visitor industry as it related to their lives. It sensitized the state to tourism in a new and constructive way. And this sensitivity has remained. More important than the recommendations that came out of this congress was the focusing of statewide community attention on the visitor industry.

From this beginning, a number of studies, task forces, and groups were formed to continue the examination of tourism. Tom Hamilton was at the center of this process. He was more often than not the chair of a citizen task force, a study group, or a committee on tourism, and the one responsible for holding everyone together to complete each assignment, no matter how little money was available to accomplish the work. His absolute integrity and diplomacy made him an ideal person to chair such citizen committees. It did not hurt that he was enormously well liked and already highly respected in the community. Bryan Farrell described Tom Hamilton as a person who "never shirked from confronting the industry or the community with critical situations as he saw them."¹

In 1975, I worked with Tom when I was an economic consultant to yet another unpaid citizen committee on tourism that he chaired. Partly as a result of the reports that were drafted, the 1976 Legislature passed Act 133, which was signed by the governor.

Act 133 was unique in the history of tourism policy planning in Hawaii,

as it was the first statute that called for continuing and comprehensive planning for Hawaii's visitor industry. The law called for the development of an interim tourism policy that would be replaced by the policies of a State plan—a broader and more inclusive scheme—when and if such a plan was approved by the Legislature. The law also called for the development of “a ten-year master plan for the growth of tourism for presentation to the 1978 session of the Legislature.” This time, money—and quite a lot of it—was made available to pay for technical studies.

After the technical studies were completed and submitted to the Department of Planning and Economic Development—which had the responsibility for crafting the tourism master plan—Tom and I met privately at the Willows Restaurant (at his “usual” table next to the bar) to discuss the possibility of writing a book on the planning process and the plan itself after it was accepted. To the best of our knowledge, no other tourist destination had done anything this comprehensive for an exotic business that was spreading globally.

It was finally decided that there would be two volumes. The first volume would be designed for the general reader and tourism's practitioners. It would contain some historical material and a general description of the plan for Hawaii's tourism. The second volume would be for the scholar, the technician, and the government planner. Tom would be largely responsible for the first volume, and I would be assigned the second. Tom presented the idea to the director of the University Press of Hawaii (Bob Sparks) and received his blessing. With this encouragement, Tom charged ahead, and within a year or so he completed the first four chapters of volume one. Unfortunately, the project was never completed as Tom passed away.

Tom's four chapters were filed away in my office for nearly thirty years. In 2004, when I was cleaning out my research files after having finished my book, *Tourism and the Economy* (University of Hawaii Press, 2004), I came across the file containing Tom's chapters. They were so enjoyable to read again that my interest in finishing the project was rekindled. Of course, nearly thirty years of tourism history had slipped by since Act 133 was enacted, and the original plan is no longer appealing. Too much else has happened since then.

In the 1970s, people were concerned about an industry that was perceived to be growing too fast. Act 133 was intended to address the concerns of that time. But in the 1990s, tourism was in the doldrums, which raised quite a different set of issues. Then there is the matter of sheer numbers. In the

early '70s, there were fewer than 3 million visitors a year to Hawaii, versus over 7 million visitors a year (and rising) in 2005. Questions about tourism proliferated with the increasing scale of tourism. In the '70s, the phrase "sustainable tourism" had not yet been invented. The book, if it is going to be complete, has to tell the story of how public policies toward tourism changed over this whole period. This is that story.

Some of the materials in Tom's four chapters have been incorporated in chapters 2 and 3 of this book. Everything else is new. Readers should be warned that this book is not a history of tourism in Hawaii. That book has yet to be written. This book is about the development of public policy toward tourism in Hawaii, roughly between statehood (1959) and 2005. The year 2005 is an appropriate soft ending date, partly for data reasons, but—more importantly—by then the tourist industry in Hawaii had fully recovered from the effects of the September 11, 2001, terrorist attacks and other terrible global shocks. Also, in 2005 the State revealed its new ten-year (2005–2015) strategic tourism plan, and in 2006 the counties revealed their parallel strategic plans (2006–2015); thus, 2006 begins a new chapter in Hawaii's tourism saga.

As an economist, I have tended to focus on policy issues that have an economic slant. However, anyone who has reviewed the news events of this period will agree that the tourism policies that I have chosen to write about are also those that have been at the center of people's concerns in Hawaii.

Developing a Dream Destination should appeal to students studying tourism policy planning and development as well as to tourism professionals and policy makers. Although this book is about the development of tourism in Hawaii, the lessons from Hawaii's lengthy experience in developing a modern "dream destination" should be of interest to readers both in and outside of Hawaii.

There are various models of tourism development, ranging from the *command-and-control* model (e.g., Bermuda, Vietnam, and China), where the government plays the central role in directing tourism development, to the *market-driven* laissez-faire model, where tourism is largely left to the private sector. It is widely believed that to maintain a destination's competitiveness and sustainability, tourism development needs to be tightly controlled. Hawaii's model of tourism development—which I characterize as "market-friendly interventionism"—relegates the government to an important but secondary role. The book also points out that government can be a part of the problem as well as a solution. Destinations interested

in adopting a form of tourism development with less government intrusion should find Hawaii's experience enlightening.

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This book is appropriately dedicated to the memory of Tom Hamilton.

Note

1. Farrell (1982).

Reference

Farrell, Bryan H. 1982. *Hawaii: The Legend That Sells*. Honolulu: University Press of Hawaii.