

Kauai's economy is a shambles *FHB sees a long, winding road*

By **PETER WOLF**

LIHUE — If a bright and rosy future for Kauai was on the horizon, the Kauai Chamber of Commerce wasn't told about it.

Hundreds of Kauai business leaders gathered at the Kauai Outrigger Hotel to hear Dr. Leroy Laney, First

Hawaiian Bank vice president and chief economist, deliver a stark look at the state and Kauai's economy.

"We are in a recession," said Laney, who keynoted the 18th Annual Kauai Business Outlook Forum. "And I don't hold out much hope for 1993."

In some ways, said Laney, the hurricane recovery is disguising the true

state of the economy.

"We were already in trouble," Laney said.

Kauai's tourism industry is virtually non-existent, said Laney, and it

isn't much better for the rest of the state.

Even the one bright spot of tourism — Eastbound arrivals — can't be counted on for the future.

"While there was growth in the Japanese visitor counts," Laney said, "almost all of it occurred in the first six months of the year."

He said there has been a down-

ward adjustment, as the state headed into 1993.

Laney also discounted the optimism of other economists in the state, *See ECONOMIC on A-4*

INIKI OHANA PROJECT

FEMA finds a million bucks to fight stress

By **SUE DIXON-STONG**

KAUMAKANI — Most days at the Kaumakani School on Kauai's westside, there's someone around whose only job is to be there to support people struggling with the emotional stress of recovering from a disaster.

At the food bank in Hanalei, there

neighbors, our towns, and we're going to make this work for ourselves," Tomas said.

That's one reason that an effort has been made to staff the project with people who Tomas calls natural helpers. These people are known in their communities for being involved, volunteering to help, just always there when they're needed.

Fig Mitchell, education coordinator for the project, calls Iniki Ohana



JUST ANOTHER DAY IN HANAIEI!

Follow the leader: Sandy Zietz, 2, sets the pace for her brothers and sisters as they romp

ISLE GOES BIG TIME

Contraflow seen as traffic jam solution

By **MARY DAUBERT**

HANAMAULU — Finally, a long-awaited solution to Kauai's traffic problems will soon be implemented.

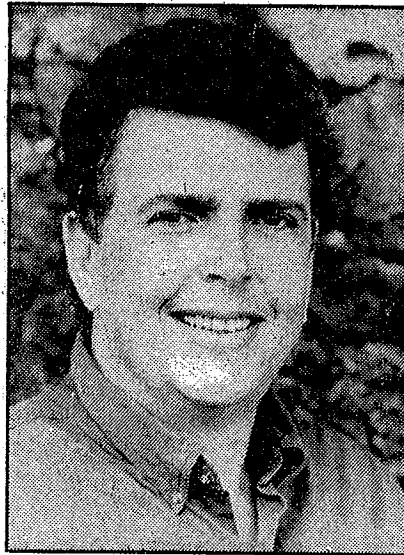
Contraflow operations is scheduled to begin on Monday, Feb. 1 between Hanamaulu (intersection of Kapule Highway/Kuhio Highway) and Wailua Houselots (intersection of Haleliio Rd./Kuhio Highway).

During the morning peak traffic hours, 6:30-8:30 a.m., cones will be set up, resulting in two lanes heading from

CHARLIE'S CORNER

Current economic boom is only temporary, folks!

By CHARLIE VESPOLI



You sense your family is doing O.K. with its bills and you probably are making ends meet. There is now so much cash due to insurance payments that some banks have had a difficult time keeping hundred dollar bills on hand. Our community's economy is being propped up, in a very temporary manner, by the funds that the insurance settlements provide.

Our sixteen percent unemployment rate is probably the highest in our recent past. Are we headed for a disastrous restart of our billion dollar a year tourist economy? Time will tell. Thankfully we still have a restart of our real economy, tourism. What worries me is we have a large group of elected politicians leading this effort and few of them have any real experience starting a business.

As a matter of fact it scare me. When you go to a bank or the S.B.A. to fund a business start up, the amount of planning they want to see is immense. No one here is really ready to do this jump start of our visitor economy. Some off island help is in order for this work. A media coordinator might help.

Within six months I suspect we will start to see our inflation rate increase, thus driving up the mortgage rates making home buying even more difficult. Your rents will increase due to high demand and diminished supply. Clinton will increase fuel taxes. Kauai Electric is in a deep hole and will substantially raise our electric rates. One eastsider told me both her homes and her father's electric bill doubled in cost.

Homeowners insurance, when you can get it, will cost a lot more.

tion policy that used to which I haven't sourced properly yet to believe says that for each \$1000 in value your home has, you will be charged 100 dollars.

I doubt if the mayor would do this, but the idea that the county's budget shortage be made up by an increase in property taxes will be lively.

The point is that Kauai's families need lots of work and most need to work more than one job to have a family that's going forward. You need to work more than one job to have a successive generation is better educated, better skilled and more prosperous. That's what every parent wants for their kids.

The stress on you and your check-book is going to increase in a noticeable way. The list of increases could mean as much as a 20 percent increase in our fixed bills. That's you putting out a lot more cash and really not getting anything additional for that money. Just the cost of staying where you are is going up.

make sure that we do not screw up the restart of our visitor business. This restart is one of the most important undertakings we as a community have ever had to undertake. I encourage the people involved in this restart to put out as much press as possible. Let us know about your plans, and about the struggle that you are going through trying to implement them. All of us need to be informed, supportive off and involved in the start. It is just to damn important to be left to business as usual.

Do you remember that long wait the people who had money in Manoa finance had to endure? The 80 million or so that H.I.G. is short will be a long time coming. I remind you that getting an S.B.A. loan till those funds free up a necessity. I also wonder if a class action suit will be brought against the people who run H.I.G. It needs to be explored. Don't those people have some liability or at least tell us why they took in more business than they could cover. Isn't a worst case scenario something that they were paid to consider.

It's so bad that people are taking their money out of American Savings because they are run by the same people who run H.I.G. and the electrical plant on Oahu. Cash is so tight that H.I.G. is not even paying off on car accidents that have just occurred. Right now, some people are not able to renew their car insurance and they are being told to wait till April before they get coverage.

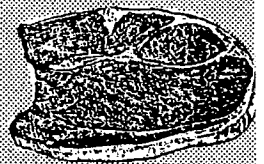
Our state reps, all of them need to begin to study our insurance problems. We will need to band together and create a group of people who are paying into a pool so we can at least self insure each other. This storm's long term problems are going to be horrendous.

#1
AUTUMN
HARVEST
RICE
20 lb.
4.99

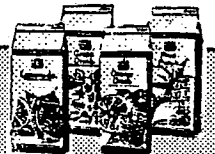
Limit 2
Without Coupon 5.49
Limit 1 Coupon Per Customer
Expires February 3, 1993
Coupon Good at Thrifty Market

#4
BUMBLE
BEE
TUNA
6 oz.
59¢

Limit 2
Without Coupon 79¢
Limit 1 Coupon Per Customer
Expires February 3, 1993
Coupon Good at Thrifty Market



RIB STEAK
lb.
2.79



MEADOW GOLD
FRUIT
DRINKS
1/2 gal.
99¢

The visitor engine needs a jump-start

By SUE DIXON-STONG

member when missiles and boats, politics and taxes were all we had to med about?

se were the days when massive letter writing campaigns could be d at the drop of a pen, and crowds would turn out for town meetings lic hearings knowing full well there'd be no pupus or door prizes.

was a long time ago before unemployment soared to 13.5 percent, ourism dropped to almost zero, insurance companies went belly up competition for housing became our No. 1 enemy.

was before Iniki.

time has come to revive that pre-Iniki zeal and get on the bandwagon. unty and other agencies, such as the Kauai Economic Development have turned to the feds and the state Legislature, as well as other , for money to jump start tourism and get people back to work before oyment and other entitlements run out.

ings stand, come October, people can say good-bye to unemployment

That's way too close for comfort, given the fact that most of the large resorts are not expected to open until well after that date.

out those resorts, high occupancy in the hotels and condos that are crucial. That's not going to happen without vigorous marketing, and s marketing costs money.

et that money, the industry must ask for help, which it has done. But unds are sought from government sources, competition runs high, uns long, and even if requests are approved months can elapse before e released.

's scary right now because there is not a lot of time between now and

Baldwin, chair of the Kauai Economic Revitalization Committee, has ending a lot of time lately lobbying the state Legislature for tourism ng funds. It's not a particularly pleasant gig.

ems from a logical business standpoint we ought to be able to go in , 'Look, we've got 13 percent unemployment, 7,000 people out of ntitlement costs are running us \$1.8 million per week. Why don't you a couple million to start this engine?' Then somebody would write us

That's the logical, business-like answer," he said.

ne Legislature isn't the Bank of Hawaii. Government moves in its own

SMIC KORNER

Mayor finds biblical solution to hydro-power controversy

time at its own pace.

Some say it's already too late, that the visitor industry and the county needed money by April 1 to generate enough business to bring up occupancy rates and draw customers to attractions and other tourist-related businesses before October rolls around.

Baldwin is more optimistic. June 1, he said, that's the drop dead point.

Even then, he said, it'll take four months to turn those marketing dollars into paying customers.

There are a lot of people, like Baldwin, working overtime to get that money. Support from the homefront might help. Letters, hundreds of them, written to the Legislature and Sen. Daniel Inouye's office certainly couldn't hurt.

Kauai knows how to bombard elected officials with letters and phone calls. Remember STARS? And even I would say that what's at stake here is far more crucial than the fate of a missile.

What's at stake is the livelihood of many, many people, and the health of this island's economy.

"At the end of September, how are these people who are filing for unemployment going to live?" Baldwin worries. "Now they are getting unemployment, FEMA and food stamps. They can probably keep getting FEMA and food stamps, but not unemployment. How are you going to make the car payment? Then you've got banks repossessing cars."

Baldwin, who runs the local National Car Rental agency, knows what a lot of tourist-related businesses are going through. Many small businesses, he said, are being run by owners or management because there isn't enough business to bring the bulk of the staff back.

That isn't likely to change until condos, which amount to about half the island's inventory, and hotels are back in operation. For every 500 people who go back to work in a hotel, he said, about 500 more will go to work in another tourist-related business.

Until I listened to Baldwin, October seemed way down the pike. It's not. In fact, it's almost yesterday.

For the record, Baldwin nor anyone else suggested a public campaign to support efforts to obtain funding. It just seems the least we can do considering what's at stake.

The world might see us a victims of a disaster, but, in truth, we are survivors. Survivors don't just sit and wait to be rescued. They fight for what they need. What we need right now is cash to fuel the engine that feeds us.

Bank of America to seize Westin *Hotel management in dark on fate*

By PETER WOLF

Copyright 1993, Wolf Publishing Company, Inc.

KALAPAKI BEACH — If the Westin Kauai re-opens in 1993, it will probably be under new ownership. And, as the clock ticks and no repair work is started, that if is a big one.

The *Kauai Times* has learned that Bank of America, with a 52 percent stake in \$185 million worth of loans, will lead 13 lenders in taking deed to the Kauai property in lieu of actually foreclosing on the unpaid debt.

"As far as I can tell," says Westin Kauai Managing Director David Shackleton, "it is academic. They will take possession."

But the frustrated Shackleton says that he has no idea what that means to the hotel itself.

"If we started repair work today," he says, "it would take six months to be ready to open."

While details are sketchy and on-record comments are hard to come by, the *Kauai Times* has learned that negotiations have been ongoing between Bank of America, which represents the lending group and VMS Realty Partners, which leads the owner's group, a hui that includes Christopher Hemminger and VMS.

Jim Treadway, president of Westin Hotels and Resorts, Inc., told the *Times* from his Seattle office, "Call Bank of America and ask them what the hell is going on."

Greg Berardi, a Bank of America spokesman in San Francisco, said that the bank is involved in ongoing negotiations with other Westin creditors to resolve "this matter as quickly and constructively as possible."

Hilga Schmidt, an officer with Bank of America's Real Estate Division in Los Angeles, did not return repeated phone calls.

According to Westin officials, it is not clear what the banks intend to do

with the property.

Shackleton says he is certain that the ownership transfer will take place, but that it is "just a matter of getting everyone singing from the same song sheet."

He admits to being "peeved."

"I watch my employees suffering. I watch the retailers around town suffering," says Shackleton. "And I don't have any answers."

Since Hurricane Iniki hit on Sept. 11, causing extensive damage, the Westin Kauai has been shut down. No repair work has been started. The hotel originally managed to keep employees on the payroll using business interruption insurance proceeds. Earlier this month, all 1,600 employees were terminated.

The Westin Kauai was the island's largest employer, largest tax-payer, largest utilities consumer and largest purchaser of food products.

Westin Hotels and Resorts has a stake in the property, having loaned

See NO on A-2



CHOPSTICKS BRIGADE: A crew from the Westin Kauai uses chopsticks to clean the reflecting pond. They include (from left) Choch Martin, manager of guest services; Marsha Miyasato, a waitress; and Wayne Chow, a porter. While the hotel is shutdown, the crew has been assigned to the grounds department.

Thomas Tamura/Kauai Times photo

STARS launch only weeks away

Judge Kaulukukui clears local hurdles

reduce staff by 50 percent

RENT A CARS SLOW DOWN

By JO EAGER

LIHUE—The rent a car business has slowed since the hurricane--and better times depend on the future of the hotels.

Immediately following Iniki, there was an initial influx of business as emergency relief, construction, electrical and telephone workers rushed to the island. Plus some residents with damaged cars needed to temporarily rent.

Although business is slowing somewhat now, there are still a number of insurance adjusters, FEMA, Red Cross, and SBA workers renting cars.

Business is 25 percent less than what it was before the hurricane at Alamo Rent-A-Car. According to Barry Schur, city manager at Alamo, 30 percent of the staff has been laid off. They had 610 damaged cars that have not yet been replaced. Meanwhile, Schur said other islands are experiencing a major influx of business.

At Avis Rent A Car in Lihue the fleet's been decreased to half the normal size, but here haven't been any layoffs yet. "We don't have a big staff here. We always had a small fleet. So we're not in that big of trouble. The biggest problem was looking for cars (after the hurricane) because tourists left them abandoned," said Lydia Ross, rental agent. Avis had a lot of damaged cars--more than half the fleet.

According to Linda Wojcieszki, manager at Dollar Rent A Car, the initial influx of car rentals let up about a week ago. They're averaging 66-70 car rentals a day. Right after Iniki, that figure was about 100. "I got hit the worst," said Wojcieszki. "At the base yard we lost our roof. I'm working at the airport booth now."

At the time the hurricane hit, Dollar had a fleet of about 1400, but 300-400 cars were damaged. "I have

no missing cars, thank God, but I had to send a lot of cars to the other islands because there were not going to be any more tourists here." Construction crews aren't renting much now either, said Wojcieszki. "(They're) now sending their trucks here. They'll be here longer term and can't afford to rent."

The winter fleets are coming in now and she said their's was sent to the other islands. Maui has a fleet of 3,000 cars, but "it's hard to rent a car," she said, referring to the boom in business on other islands.

Dollar has had to lay off over 50 percent of their staff. "We encouraged them to get unemployment," said Wojcieszki. "Now they're getting their checks--that helps." They hope to get the staff back on soon, though. "If the roof is on, we're trying to focus on maybe before Christmas to get this operation back up to speed--so everybody can have a nice Christmas. Hopefully it'll be a bright Christmas for everyone--get people back to work." But, she said, their business depends on the hotel business. "It really depends on them. If all those hotels aren't running, there's no place for tourist to stay."

Business is down at Hertz Rent A Car. They, too, had to ship cars off to the other islands. The staff has been reduced at least 50 percent.

Approximately 50 percent of Budget Rent A Car's fleet was damaged during the hurricane. Rentals continue with relief workers still coming to the island. Budget tried to get business back to normal as quickly as possible after Iniki, knowing emergency workers would be arriving needing car rentals. "On Saturday afternoon (September 12) four of our people came over from Oahu. We had no communications so we sent staff over to see if our people were okay and to make sure emergency people had cars to rent," said Gordon Kai, regional director of sales and marketing. They haven't

had any layoffs at Budget. "I think hotels and most other businesses are laying off a lot. For the amount of business, we could've laid off almost half of our employees," said Kai. "We took it upon ourselves to bite the bullet and as of November 12, have not laid anyone off. We wanted to protect them in some fashion."

Gary Baldwin, regional manager at Thrifty Car Rental said their big business after Iniki lasted two to three weeks, but added, "I don't know that it stopped. It just stabilized." He said the fleet was reduced considerably because all damaged cars (32 percent) went off island. Current rentals are now long term. They've laid off 25 percent of the staff--although, Baldwin added, one of his staff is now working construction and the two others that were laid off volunteered so that they could work on their homes.

Baldwin sees things getting back to normal in the summer of 1993. He thinks the first quarter of next year will be worse for the rent a car business than the last quarter of this year--a time period when many government workers leave the island and before the tourists start coming in. "That would be reverse of hotels--closed now, opening in the first quarter," said Baldwin. "We will lose a lot of SBA, FEMA, and insurance adjusters by the first of the year." During that difficult first quarter, "unless we can figure out a way to increase business," he said, it may be necessary to look into a reduction in fleet and manpower. "Total unemployment I'm not worried about. We'll do whatever we can. (Employees) have a lot of vacation time accrued and they'll be using it in the first quarter and then hopefully tourism will be back by March. It's a slow ongoing process to build up the (hotel) occupancies. I would say 75 percent is a good break even point for the hotels and I don't see that until summer."

PMRF Commanding newly reorganized Kai on hand to encourage and women of the Pai wake of Iniki. Vida M

NEIGHBO

Photo Hurricane

LIHUE—*Kauai: I Iniki*, a photo essay book Ludwig that chronicles the experience, can be on through Nov. 24 for a publication price of \$14.00 tax.

A portion of the proceeds of this book will benefit Iniki relief effort.

Orders are being taken at *Kauai Times* at 3133 Oihue, HI 96766 or by call 8825. VISA, MasterCard and personal checks accepted.

The 72-page large format filled with 120 photos, in color, taken by some of Hawaii's best photographers and accompanied by the stirring words of Kauai

It captures the story of the storm to hit the Hawaiian

KPAC's 'The Baddest Angel Band' features three humbug angels

Project moves ahead



ave for Oahu where he has accepted the position
wells under development, which should go a long

Thomas Tamura/Kauai Times photo

Intent is new jobs, PMRF diversification

By SUE DIXON-STONG

LIHUE — A high-tech economic diversification project, linked to the advanced technological capabilities of GTE Hawaiian Telephone and the Pacific Missile Range Facility, is steadily taking form on Kauai.

Gary Baldwin and Sue Kanoho might sound like they're borrowing from the pages of some Sci-Fi scenario when they talk about the multi-million project, but they're confident that \$300,000 in cold cash will be available soon to begin a feasibility study for the project.

Baldwin is chairman of the Kauai Economic Revitalization Committee, an ad hoc group appointed by the Kauai Economic Development Board (KEDB) to steer the island toward economic diversification. He is also the manager of National Car Rental on Kauai and a recent recipient of the Chamber of Commerce Aloha Spirit Award. Kanoho is KEDB's executive director.

The project, which originally was conceptualized as an International Communications Center and Institute for Disaster Preparedness, has been modified to place less emphasis on disaster readiness and a strong focus on the development of commercial enterprise in the areas of coastal, oceanographic and environmental testing.

The concept was modified, Baldwin said, not because the institute is not a good idea, but because it is not as likely to be funded as development in the areas of oceanography and environmental studies.

Of the \$300,000 in planning and design money, \$250,000 is expected to come from a \$9 million grant proposal that has been submitted to the U.S. Department of Commerce, Economic Development Administration.

Mayor JoAnn Yukimura an-



Gary Baldwin :

nounced early this week that the county's Office of Economic Development has requested the \$9 million grant to aid in economic diversification and development efforts on Kauai.

As well, Sen. Daniel Inouye has requested \$125 million through the National Science Foundation to fund a project linked to KEDB's high-tech plan.

The public/private partnership between Kauai Community College, KEDB and the primary/secondary education system on the island would be used to improve computer literacy in students.

"If you're going to do a high-tech diversification project, and you're attempting to find more business with a base of that nature ... you are, in essence, going to need people to man those computers," Baldwin said. "So we have to train people."

Inouye's proposal, Baldwin said, will be considered in the 1993-94 fiscal year grants.

See HIGH-TECH on A-12

new wells

re not using them
e. So they're not
That used to be a
or us--recharging
sin.

' homes has in-
he demand for

in first came on
about a million

already "spoken for" and will be used for affordable housing, said Sato.

It's not known what the yield of a well will be until drilling is complete. "When you drill for wells, you're hoping that you get a real good well," said Sato. "If we get one that is good for about 700 gallons per minute or a million gallons of water a day--two of those would probably be able to feed

July 4

From A-1

Film projects spring from KEDB's efforts to diversify economy

LIHUE — The Kauai Economic Development Board's high-tech diversification project may still be in the design phase, but that hasn't stopped KEDB from moving forward on a couple of related ventures.

One is a pilot program planned by the Kauai Institute for Communications Media, a project co-sponsored by the Kauai Film Commission and KEDB. The new Kauai Institute and the American Film Institute, which is known as the nation's preeminent film and television training organization, will team up to sponsor the event.

In August, members of the design consortium that helped create Steven Spielberg's "Jurassic Park" will gather on Kauai. Their purpose will be to present their knowledge of state-of-the-art technology used in the making of the blockbuster movie, now playing on Kauai and filmed here last summer.

The symposium is scheduled for Aug. 26 to 29 at the Hyatt Regency Kauai and is expected to draw international attention as filmmakers worldwide, seeking to sharpen their craft, converge with those on the cutting edge of film technology.

Kauai Film Commissioner Judy Drosd said the Kauai Institute for Communications Media is the product of many months of effort, created in the wake of Iniki as a form of economic diversification for the island.

The long-term goal is the estab-

lishment of a continuing summer program and the foundation of The Kauai Institute as an independent, nonprofit, high level think-tank and learning center dedicated to the study of all issues in media and communications.

The first annual American Film Institute/Kauai Institute Summer Program is expected to be held here this summer.

Fields of study to be addressed by the institute will include film, video, photography, publishing, journalism, advertising, telecommunications and all related technologies.

Programs will range from high profile issue-oriented conferences to hands-on training seminars. Topics of study will span from creative development to new systems of delivery to ethical and cultural issues throughout the communications field.

"We wanted to capitalize on Kauai's magnificent physical environment and tropical allure as well as its strategic location in the Pacific Ocean," Drosd said. "In addition, KICM will build on Kauai's long-time reputation as a major motion picture filming location."

"Given the enormous support we have received from the business community and visitor industry, through a partnership with KEDB, we are very excited about the future of this project."

Registration information on the summer program will be announced soon.

"What it (the grant) does, is start the training for the kids in the high schools and the college to learn," Baldwin said. "And it fosters the public/private partnership."

PMRF, with its sophisticated computer capabilities, plays a pivotal role in the proposed high-tech plan. Members of the revitalization committee have been working closely with PMRF's Capt. Robert Mullins to develop future plans for the base.

"We have spent a lot of time learning what PMRF does in testing and evaluation," Baldwin said. "The sophistication of their high-tech imaging and their high-tech simulation programs is phenomenal. It's one of the only places that goes from 8,000 feet under the ocean to 4,000 feet above at Makaha and is totally linked to computers."

Baldwin said Mullins has been open and helpful as the revitalization committee explores ways to diversify the base.

"If we're going to protect the base, we need a partnership between the community and the base to find projects that are environmentally sensitive and that can co-exist happily with what we're doing," he said. "I think they're (PMRF personnel) trying."

Development of the communications end of the diversification project is dependent on installation of an underground fiber-optic cable, being developed by GTE Hawaiian Tel.

The interisland submarine system would link Kauai, Oahu, Maui and the Big Island and allow access to Maui's super computer. The system is still in the development stage, but when it is developed it could open doors to a number of applications, among them increased capabilities in Kauai's expanding film industry.

For example, Baldwin said, Jurassic Park's Steven Spielberg might have been able to simulate dinosaurs right here on Kauai had the cable been available.

"With that link, rather than having to go back there (California), you could actually make T. Rex appear on the computer here, and when Spielberg's doing his screening of the kids running away, he could actually see."

But right now, that's just dinosaur dreaming. The \$300,000 for design and planning, however, is almost within grasp. With the money and the resultant completion of a feasibility plan, the next step will be possible.

"We should have a design plan that we can take to Congress in the 1993/94 fiscal year," Baldwin said. "We should be able to say, 'OK, you've given us the money to do the plan, now we want the second building block, the \$5, \$10 or \$15 million we need to do something with the plan.'"

The goal, he said, is to create jobs, not to create another feasibility study to gather dust on already cluttered desks.

e, we need a partner- find projects that are ist happily with what

ira/Kauai Times photo

S d sell ing you. AI



OF JULY ECIAL ru 7/1/93 100/

INDEPENDENT REPRESENTATIVE FOR THE BENEFICIARIES OF THE HAWAIIAN HOMES COMMISSION ACT APPLICATIONS AND NOMINATIONS SOUGHT

The Circuit Court for the First Circuit, State of Hawaii, will be holding a hearing on July 30, 1993, or as soon thereafter as the Court so determines, to appoint an independent representative to represent the interest of the beneficiaries of the Hawaiian Homes Commission Act, i.e., persons of requisite Hawaiian ancestry eligible to receive lease lots under the Hawaiian Homes Commission Act, in negotiations with the State of Hawaii pursuant to Hawaii H.B. 2014-93, which is expected to become law. Under the settlement reached by the parties in Ka'ai'ai et al. v. Drake et al., Civ. No. 92-3642-10 (Haw. 1st Cir. Settlement entered June 10, 1993), the independent representative will be appointed by the Circuit Court for the First Circuit in that litigation. For the 1993-1994 fiscal year, \$200,000 has been appropriated to compensate the independent representative and pay other expenses. The task of the independent representative will require significant expenditure of the time between the time of appointment and convening of the 1994 session of the Hawaii Legislature. Counsel for the class, the State of Hawaii, and the Court, believe that an independent representative who is an attorney, and who has substantial experience in trust, commercial, or complex litigation would be of greatest assistance to the beneficiaries; and that knowledge of the rights of beneficiaries under the Hawaiian Homes Commission Act is helpful but not necessary. However, neither the parties nor the Court wish to preclude individual beneficiaries or others who are not attorneys from applying for the post of independent representative, or from nominating persons who are not attorney for the position. Fees and expenses will be subject to approval by the First Circuit Court. Persons interested in seeking this appointment or in making a nomination as the case may be, together with a resume of the applicant or the nominee, and supporting information to the following, not later than July 20, 1993. If nominations are made, the person nominated must consent, in writing, to his or her consideration.

William Meheula, Esq.
McCorriston Miho & Miller
5 Waterfront Plaza

Steven S. Michaels
Dept. of the Att'y Gen.
425 Queen Street

neighbors in the community, were on hand for the

Kapaa Baskin-Robbins re-opens under new management

KAPAA — The Baskin-Robbins ice cream parlor at Kauai Village, closed since the hurricane, has reopened and is once again offering its full line of 31 flavors, frozen yogurt, specialty desserts and other cool treats sure to hit the spot during these hot summer days. The store is operating under new management: partners Gary Baldwin and Pam Parker recently took over the franchise ownership of the Kapaa location.

Baldwin, agency owner of National Car Rental on Kauai, is well-known on the island for his involvement in community and visitor industry activities. Parker, a Wailua resident, was Sales Manager at the Kauai Hilton last year, leaving the hotel during the Outrigger change-over to accept a position working for Baldwin as director of sales and marketing for Kauai's National Car Rental office. Baldwin and Parker decided

to go into business together and now Parker works full-time in the Baskin-Robbins store, handling daily operations for their new venture.

Parker has an Associates of Arts degree in culinary arts from the California Culinary Academy and a Bachelor's in Business from Albany State University. Her culinary training has come in handy for the Baskin-Robbins operation, she notes, "We were not the only ones interested in taking over this franchise location. Baskin-Robbins interviewed other potential owners also, but I think Gary's community involvement and my culinary background gave us an edge. It's the perfect combination for a business like this."

Parker emphasizes that their store is highly "customer service-oriented," and they have a personal commitment to "take care of the local

people." The store offers a 10 percent Kamaaiana discount on all products. In addition to the popular ice cream cones and sundaes, the shop offers a variety of other products and services, including cake-and-ice cream cakes and other ice cream desserts that can be purchased on the spot or custom ordered 48 hours in advance. Baskin-Robbins also offers ice creams that are light (half the calories), sugar-free, or fat-free for those who are health conscious. The store features frozen yogurt also, with some flavors available in sugar free and/or fat free varieties. In addition, the Kauai Village store offers daily half-price specials on prepackaged frozen yogurt in pints and quarts.

Baskin-Robbins at the Kauai Village is open seven days a week, Sunday through Thursday from 11 a.m. to 9 p.m. and Fridays and Saturdays until 10 p.m.

Mathick of Kauai City, Kauai during Iniki and later returned with cameras from their video production company to focus on the spirit of the islanders making a comeback.

"Hurricane Aloha's is dedicated to all Hawaii residents and visitors as a testimony to the power of Hawaii's Aloha spirit.

Hurricane Science: "Hurricane Science," airing Saturday, Sept. 11 at 8:30 p.m., takes a scientific look into the eye of a hurricane with Bob Sheets, Director of the National Hurricane Center, and scientists from the National Oceanic and Atmospheric Administration and MIT.

stronger than ever before, 1990s than ever before, now flying right into the more about these destruc

Surviving the Hurricane" is a program that provides resident education procedures to a injury and vast propagation During this one-hour program airs Thursday, Sept. basic guidelines to be prepared for a potential sent: tips on what to shopping, securing h

Legislators si

HONOLULU — A no fault insurance bill aimed at attracting new insurance companies into Hawaii and increasing the availability of insurance coverage will be the subject of a public hearing before the House Committee on Consumer Protection and Commerce on Monday afternoon. Committee Chair Robert Bunda announced today.

House and Senate negotiators reached agreement on the bill Sunday Morning. It would eliminate the

"take-all comers" provision ing law, give judges in cases involving u prohibit fee-splitting providers, clarify "stack" uninsured coverages, and ad tory requirements panies doing busin Repeal of the provision is critic availability of h Bunda said. "We

LOOK FOR OUR 8-PAGE COUPON TABLOID IN TODAY'S KAUAI TIMES!

HOLSUM FLUFFY BREAD	WHITE/WHEAT .. lb.	1.79
LOVES BREAD	WHITE/GOLDEN WHEAT .. lb.	1.99
CLASSIC COKE & SPRITE	..... 2 liter	1.39
HAWAIIAN PUNCH ASEPTIC	..... 3 pk.	.99
HORMEL SPAM	ALL VARIETIES .. 12 oz.	1.89
CHEX CEREALS	ALL VARIETIES .. 12-16 oz.	2.99
SCOTT FAMILY NAPKINS	..... 300's	2.29
SCOTTIES FACIAL TISSUE	..... 175/s	1.09
15% OFF ALL DRY CAT FOOD	..... 22 oz.	4.89

PREPARED FRESH DAILY

TERIYAKI BEEF	TERI COD
CHAR SIU SPARE RIBS	SHOYU CHICKEN
CHAR SIU CHICKEN	DRIED BEEF
KOREAN SHORT RIBS	SALTED BEEF
TERI MAHIMAH	
AVAILABLE EVERY THURSDAY	
LOMI SALMON - POTATO MACARONI SALAD	
LAU LAU - CHINESE ROAST PORK	
KALUA PORK - CHAR SIU SWEET ROAST PORK	
FRESH POI - KULOLO	

DINNER FRANKS	..... lb.	1.89
BOLOGNA RING	..... 10 oz.	1.79
BLOOD SAUSAGE RING	..... 10 oz.	2.39

BONELESS	..... lb.	2.39
GROUND ROUND	..... lb.	2.09

Now You're Cookin'!

By Arlene Pratt
Home Economist

Aloha and welcome again to "Now Tyson's Hawaii Home Economist I'll be sharing recipes, cooking h

NAFTRA's effect on sugar questioned by Sen. Akaka

WASHINGTON, D.C. — Sen. Daniel K. Akaka was among 35 senators who, in a letter to President Clinton, expressed strong concern about the effect of the North American Free Trade Agreement (NAFTA) on the domestic sugar industry. The letter was sent to the President at a critical time when U.S. trade negotiators have begun discussions with their Mexican counterparts on sup-

plemental commitments to NAFTA and the administration is assessing the chances of passing the trade agreement in the Senate.

The domestic sugar industry is threatened by NAFTA because Mexico would be permitted to send an unlimited amount of sugar to the United States in the seventh year of the agreement. Mexico now produces 3.5 million tons of sugar annually, but

production is not adequate to fully satisfy internal demand.

Nonetheless, Mexico could begin shipping large quantities of sugar to the U.S. by purchasing foreign sugar, typically Cuban or Common Market sugar, to supply its domestic needs. Sugar grown in Mexico would then be available for shipment to the U.S. This tactic is known as import substitution.

"As currently drafted, NAFTA would spell disaster for sugar," proclaimed Akaka. "Unless import substitution is outlawed, Mexican sugar will flood our markets, drive down prices, and force U.S. producers out of business."

The letter to President Clinton addressed this issue by stating: "We do not believe that the NAFTA should be interpreted to encourage Mexico to substitute other sweeteners for sugar in order to create a domestic sugar surplus for the purpose of exporting the surplus to the United States."

Akaka said, "NAFTA is a jobs' issue for Hawaii. Our sugar workers have experienced hardship in recent years, but NAFTA would mean additional woes." Employment in the Hawaiian industry has shrunk by 40 percent in the past decade, and cane acreage has declined 25 percent.

"Thirty-five senators represent a powerful voting block in the Senate," Akaka added. "Especially for legislation as controversial as NAFTA."

Seniors offered insurance adjusting guidance

LIHUE — Mayor JoAnn Yukimura and the County Office of Elderly Affairs are pleased to announce that Roberta Charles, Property Recovery Specialist, is now available to assist Kauai's Senior Citizens with Hurricane Iniki-related

insurance problems.

Charles is well versed in insurance mediation and will act as a advocate for Kauai seniors 60 years and older who are experiencing problems regarding insurance settlements. She will also aid with questions about contractors, rebuilding and Iniki related housing problems.

This service is being made possible through the County of Kauai's Office of Elderly Affairs Iniki Disaster Assistance Programs. These programs receive 100 percent funding through a \$1,000,000 grant from the U.S. Department of Health and Human Services Administration on Aging and the State Executive Office on Aging, Office of the Governor.

All Kauai senior citizens who need assistance in these areas are urged to call Charles at the Office of Elderly Affairs, at 241-6400, Monday through Friday, between the hours of 8 a.m. and 4 p.m.

Museum's Spring fair readied

LIHUE — The Kauai Museum's first ever Spring Craft Fair will be held on April 3, from 9 a.m. to 4 p.m. on the grounds of the Kauai Museum. Vendor space is still available.

This Spring Fair will have a wide variety of handcrafted items. Easter bunnies, "li hung mui" lollipops, koa jewelry, feather hatbands, quilted pillow/blankets, stationary, pottery, cut flowers, lauhala hats and bags, and a wonderful selection of wearables. Kilohana Canoe Club will be on hand serving "local kine grinds."

If anyone wishes to make a contribution to the sale, please call the museum at 245-6931.

The museum is providing free pick up for donated items.



FREE ODOR CONTROL

CARPET & UPHOLSTERY PET DEODORIZING

Cleans Deep, Dries Fast • Leaves No Sticky Residue
• Bacteria, Odor Free • "Baby Safe"

WE GET RED DIRT AND WATER STAINS OUT!

ALL KAUAI
Carpet Cleaning Company

FREE ESTIMATES **823-0088**

Hawaii's quest Quality health care for all

Hawaii deserves a chance to prove it can get better medical care for its people by using federal Medicaid dollars to buy private health insurance for welfare recipients.

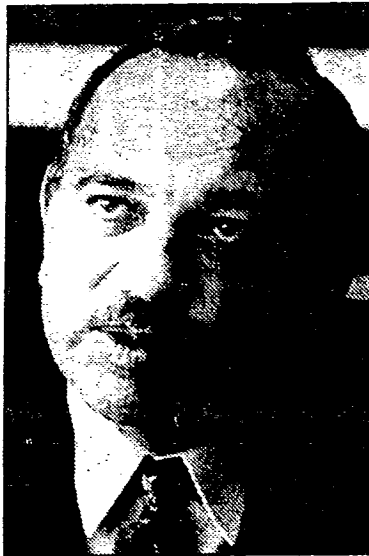
Gov. John Waihee presented his five-year Medicaid demonstration

program to President Clinton and top health and human services officials in Washington earlier this week. Now it's up to the Clinton administration to approve the waivers Hawaii needs to get around federal regulations.

The Hawaii pilot project would remove federal and state money from the archaic, insufficient

Medicaid reimbursement system and pour it into health insurance premiums for about 70,000 welfare-eligible individuals. At the same time, it would present an opportunity to improve benefits for 19,000 people enrolled in the State Health Insurance Program for "gap group" citizens — those not covered by the workplace or welfare.

The state would set a per-capita rate and leave it to competing health plans to provide the best service for the price. People on public assistance would be freed from the stigma of being unwanted "Medicaid patients" and might be more likely to seek timely preventive care.



Waihee

We're hopeful the scheme will fulfill the promise of improved health care for needy residents of our state. But we're not convinced that health-care costs can be cut by a scheme that expands coverage and services. Some doctors think the state's

move toward "managed care" will cause some medical professionals to leave.

State Health Care Administrator Winifred Odo says that if planning assumptions play out over five years, the state won't pay any more than it would under Medicaid. Like Clinton's deficit-reduction plan, long-term savings could be realized from

slower annual growth in expenses. Odo says a projected 15 percent annual rise in Medicaid costs might slow to 10 percent after the program takes effect.

That remains to be seen, even assuming that effective case-management and preventive medicine can reduce costs by lessening the need for acute care.

Clinton has challenged the states to come up with innovative solutions to health-care delivery problems. Now that Hawaii has a promising idea that could serve as an example to the nation, we fully expect Washington to join us in our quest for universal health care.



Lea

By Henry Ta
Dallas Morning News

Fifty-one days waited and waited. They analyzed the Branch Davidians. They bugged, played mind games. And they figure out what self-styled mess, flock, really was.

But when it ended, federal authorities were no more with this religion they were where on the compound.

Federal Bureau special agent Brian Shaken when roomful of reporters noon and vainly why his agency Branch Davidians their own building render. "I can't and horror that we saw those flames, 'Oh, my God

Military at UH

ng for a quick fix



subdivision and the depository of drainage from to his predicament. Neither the developer nor last resort.

Thomas Tamura/Kauai Times photo

er'

mped on

since the property tered, how can it ed to exchange a d with Asaki for 'But so small the give to me, it's mount of damage more than what aid. s on vacation in for the drainage oved, has owned o the subdivision former vegetable grower owns Esaki Farms.

The new concrete drainage culvert built by developers of the subdivision pours runoff water directly into a field where a vegetable storage warehouse stood before Hurricane Iniki destroyed it.

"They told me that this is a natural drainage," Esaki said. "But I argue with them that when you construct anything, the word natural becomes not natural anymore."

The "natural" flow of water has been re-directed onto acreage once

See FARMER on A-6

Community leaders looking for action not long-range plans

By PETER WOLF

LIHUE — When former county economic development director Kirsten Baumgart Turner conducted a special economic task force meeting for the state DBED last week, she wasn't spared the fiery language of community leaders facing dire economic straits.

"People have lost faith in the basic institutions," said June Stark of Kauai Community College.

"The local and state governments are uninformed and insensitive to the needs of the community," said Gary Baldwin, manager of National Car Rentals on Kauai.

"Nothing has been done to mitigate the hurricane-ravaged image," said Peter Herndon, who is the representative of the owners of the Outrigger-Kauai.

Baumgart Turner was on hand to conduct the annual review of the Kauai Overall Economic Plan. The task force gathering was part of the updating process that the federal Economic Development Administration requires of the state Department of Business, Economic Development & Tourism.

Baumgart Turner, who is an economic recovery consultant in DBED's Business Support Division, along with Janet L. Sena, a community economic development consultant, joined a growing list of government officials hearing about the need for a quick fix and less long-term planning.

As Tani Bova, grant administrator for the United States Travel & Tourism Administration, said, "Sure, it is her job to keep the long-term planning process going. But that group wants everybody to know the community is unhappy with the lack of a quick fix.

"You are looking at a completely demoralized community," Bova said. She also agrees with Stark that there used to be a certain security felt because basic needs would be taken

care of by the government.

"But the government seems unable or unwilling to get Kauai going again," she added.

Baldwin blames the state government for either not knowing or not caring about Kauai's problems.

Task force members were nearly unanimous in predicting a gloom and doom future for Kauai — if some-

See MASS on A-2

Visitor count continues to plummet

LIHUE — Kauai's visitor count for May was off nearly 60 percent from a year ago, the Hawaii Visitors Bureau (HVB) announced last week. The numbers dropped even lower than those released in April when Kauai was showing a 56.7 percent decline from the same month in 1992.

In May 1992, Kauai posted a visitor count of 97,680 people. This year, 39,380 tourists visited Kauai. That's a 59.7 percent decline. Year-to-date, the island is down 58.8 percent with a total of 183,470 visitors counted. Only 41,180 of those visitors stayed only on Kauai, a drop of 61.5 percent.

Statewide, the visitor count was down 6.1 percent for May. Hawaii hosted about 32,000 fewer visitors that month and lost more than 280,000 visitor days.

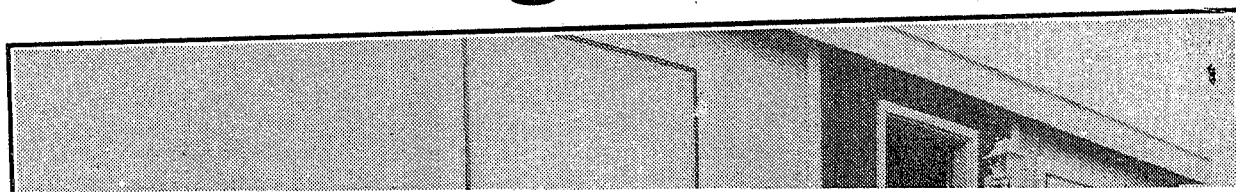
Unlike previous months where some islands realized gains, all islands experienced declines for May. Maui was down 3.3 percent, the Big Island dropped 1.8 percent, and Oahu was down 5.4 percent.

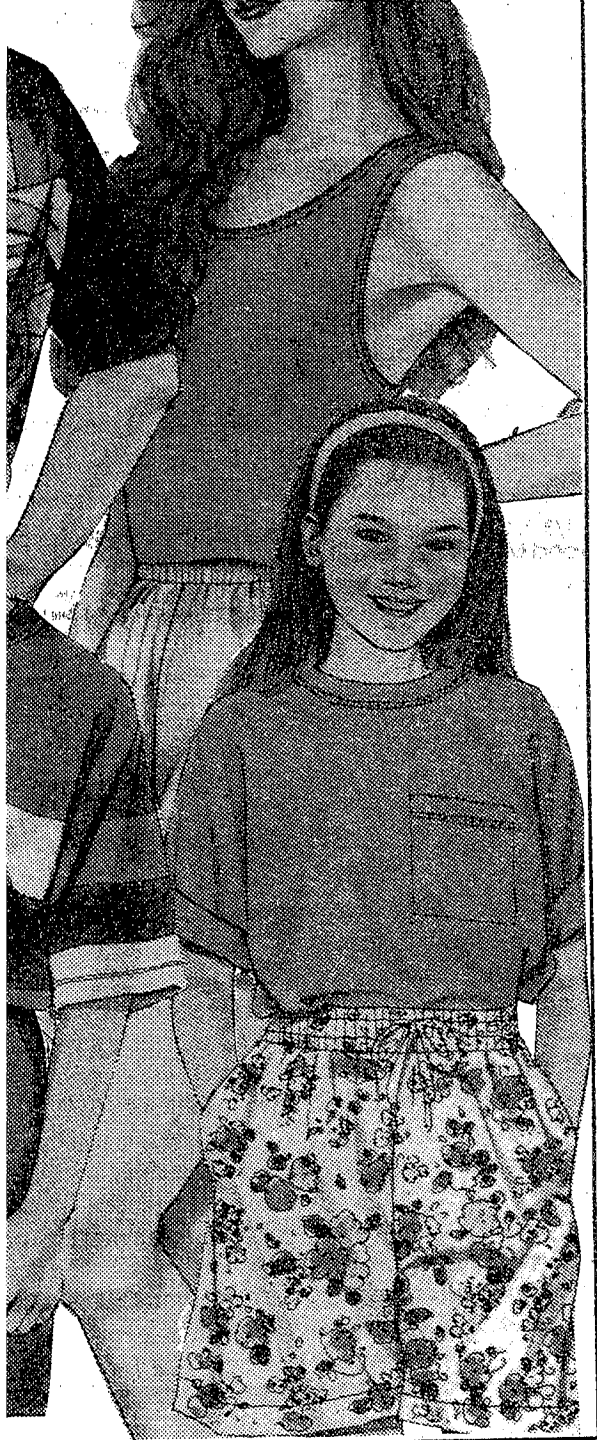
HVB figures do reflect a gain in the westbound European market for the first time in four

See TOURISM on A-3

sues housing company

id, refused to pay as delivered to his sed, she said, even





25% OFF
All Men's Printed
Rayon Shirts
 Sale 16.50-\$21 Reg. \$22-\$28.

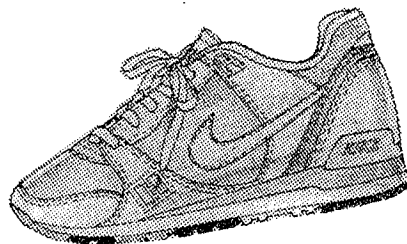
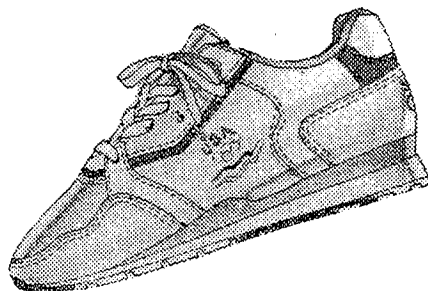


25% OFF
Men's City Streets®
Silk Shirts
 Sale \$21 Reg. \$28.

25% OFF
All Men's Screened
Tees and Tank Tops
 Sale 10.49-15.75 Reg. 13.99-\$21

25% OFF
Selected
Men's Shorts
 Sale 13.50-\$24 Reg. \$18-\$32

25% OFF
Men's Swimwear
 Sale 15.75-28.50 Reg. \$21-\$38
 Regular prices appearing in this ad are offering prices only.



20% OFF
All Men's & Women's
Athletic Shoes
 Sale 15.99-61.60 Reg. 19.99-\$77.

JCPenney

thing isn't done now.

"In September, entitlements run out. If we are to avert more social problems, we have to get tourism going again," said Herndon. "Tourism is the only thing that can bring back the economy quickly."

Sue Kanoho, executive director of the Kauai Economic Development Board, said that when unemployment insurance runs out Kauai is going to see another exodus of people from the island.

"People who are barely hanging on, won't have a choice. Even homeowners will give up," she said. "There could be a fire sale in the next couple of months."

"When people don't have jobs and don't have entitlements, how do they hang on?" Bova said. "We have already lost many quality people to Maui jobs and even jobs on the Mainland. Most tell me, they're not coming back."

Bova also sees the "chicken or egg" syndrome in play.

"Hotels that can open don't want to open yet, because there is nothing else for visitors to do," she says. "But the other things to do — like the boat tours and restaurants — can't get going without hotels bringing in guests."

Baldwin said that some hotels aren't opening because Kauai isn't being actively marketed.

In fact, according to Herndon, Kauai has been the victim of active negative marketing.

"The HVB actually had a campaign that pointed out that only one island was devastated by the hurricane," Herndon pointed out.

Kanoho said that Kauai is seeing a lack of support from the rest of the state and that in many cases other islands have been "sabotaging" Kauai by saying the island isn't open so come to 'our' island instead.

When Baumgart Turner tried to bring the group's focus back to the long-term overall plan she met resistance again. The last update had taken place prior to the hurricane and was based on an economy in a rapid growth period. That development had put strains on "infrastructure and quality of life," said the plan.

"We're not a community looking to develop," said Bova about long-term infrastructure problems. "We're a community looking to recover."

Herndon said that 70 to 80 percent of the Kauai economy is dependent upon tourism. "That's gone. We need to get marketing program funding and going to let the world know Kauai is open for business."

Bova pointed out that some anti-growth people have advocated closing the airport and the harbors and keeping everybody away.

"Well, we've tried that," she said. "I think everyone agrees that wasn't much fun."

There's no official 're-opening' date, because Kauai isn't really closed

By JO EAGER

LIHUE — Although the big push in Kauai's visitor industry is planned for spring, Kauai Hotline coordinator Lin Brazil says no one's going to be turned away if they want to come now.

"We're prepared for them," she told the *Kauai Times*.

The word from the Hotline is that there will be no official opening because to say that would be to imply that the island is currently closed. Instead, Brazil said, people are being told what hotels are open and when others will follow suit.

Brazil said that many major properties don't plan to open until fall. These include Waiohai, Poipu Beach Hotel, Kiahuna Plantation, ocean front at the Sheraton Kauai and Coco Palms. It'll probably be fall for the Sheraton Princeville, too, she said, and the Westin is shooting for June.

Events are planned throughout May. "We're calling it a major celebration," said Brazil. "We are in the process of putting together a calendar of events. Hopefully, we'll have activities all over the island throughout May. It really is a celebration that most of the facilities are reopening."

The Kauai Promotions Committee, a mayoral advisory group, got together

to plan events for May, said Brazil. Events are still in the planning stage, but some of the activities they're aiming for include: May Day by the Bay in Hanalei, the Charity Walk, which is an annual event sponsored by the Hawaii Hotel Association, a Taste of Hawaii with chiefs from various restaurants and hotels preparing the food and others.

Brazil, who is coordinating the events, also mentioned the PATA conference May 6 to 9 with travel executives from all over the Pacific. There's a possibility of a fun day, an event which was held for a few consecutive years following Iwa. It's geared toward residents with team games, food and entertainment. "The need after Iwa was to get out and have a good time," said Brazil.

Alan Iwaski, a spokesman for Mayor JoAnn Yukimura's office, said the county will focus on the visitor industry throughout May as well. "The mayor is concerned with getting attractions ready," he said, pointing out that the county is attempting to specify certain beaches for temporary housing and others for recreational purposes.

Brazil said recovery from Hurricane Iniki can be looked at two ways. Either the glass is half full or half empty. Some people see all the green that has grown back, others see only where it's still bare.

The attitude of people who dial the Hotline plays a part in the response from this end, Brazil said. If people are hesitant about coming in the first place, then now might not be the right time to visit here. But if they really want to come, even though travel agents may advise against it, then they probably should come ahead.

As far as attractions, everything that was available before is open now, Brazil said. "Helicopters, boats, kayaks, golf courses, tennis facilities, some hiking trails."

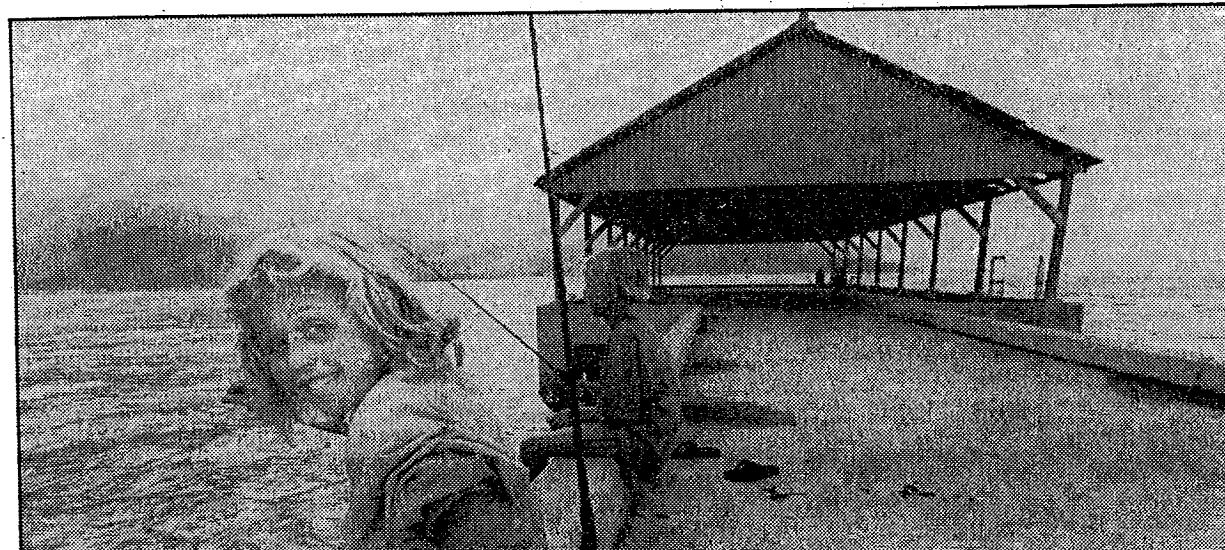
Although reconstruction is yet to be done at Poipu Beach Park, the Hotline staff is not advising tourists to stay away from the area. "Properties that are open in Poipu would be angry if they thought we were directing people away," said Brazil. "Shipwreck (Beach) is fine; the beach at the Hyatt is beautiful." Poipu has a lot of condos and bed and breakfasts that are open, she added.

The Hotline is advising people that road conditions are not good out to Spouting Horn, one of Kauai's biggest tourist attractions.

Tourists are interested in Kauai. The hotline has now received over 14,000 calls to the number which is advertised in travel publications. Most of the response comes from news releases sent to more than 500 magazines and newspapers.

HURRICANE! WHAT HURRICANE?

TIME OUT: Recovery from Hurricane Iniki continues everywhere on Kauai. But there is always a need for a break. In photo at left, Janna Irons and Bronson Howard spend time at Hanalei Bay. In the two shots below, the Zietz family does the same thing. Left photo below shows how helpful siblings can be, as Sandy, 2, is aided by big sister, Hailey, 7, and brother, Dusty, 8, as she tries



IT'S STILL A DISASTER
Poipu Beach Park
symbol of need

CHARLIE'S CORNER

If it smells like a rose, beware

By CHARLIE VESPOLI

If it smells like a rose and looks like it's a rose it's probably a "we are nine months away from the last hurricane." So I sense it's fair to react to the Yukimura Administration results. They have had enough time to show us what they can do. Getting their job performance report from us, their bosses, the public, seems to be in order.

The born and raised locals, at least the ones I hear from, really sense a lack of down to earth caring about their economic future. The counties' persistence on trying to shut down the water, the lack of a strong consistent marketing effort, shows us that our economy is not being led out of its disastrous shape. You can tell us you are in favor of rebuilding our visitor industry, but what you are showing us is that it's just lip service.

Politicians are well practiced in telling the people what they want to hear, while sticking to their private agenda. Remember Clinton's no taxes for the middle class promise prior to the election, well, our Kauai version of this whistling in the wind, the mayor's lip service to rebuilding our economy.

From what I see and hear, she is not going to get the job done. Even if you discount her intent you can judge

her administration by results. The eight ball that Kauai is behind has gotten bigger.

The South Side visitor destinations are still in ruin. The Waiohai's new owner has begun considering selling it off, so that opening is well over a year away. Kiahuna and the Sheraton are still in disrepair. They are also at least six months to a year away. The South Side will not come along with any financial clout for at least a year.

The only hope for jobs looks to be the Westin and the Princville hotels. If only we could have spent as much money for re-marketing Kauai as we spent on those buses. I realize and am grateful for the work that is currently being done on our behalf, but we voters have to decide if our current mayor really is cable of doing her part.

I would be backing off on this type of concern if we, as a community, were getting the right signals. I tell you I've voted for Yukimura every time she has run. I lost business and income as a result of my support for her. In an over-heated economy, her agenda made sense, but only a fool never changes his mind.

If she had put in place a team capable of running the store while she was away, our mayor might have been able to go on a few week tour of

Japan or spend a couple of weeks in California doing press. I see a very scattered, ineffective presence by her in this arena.

Perhaps selling Kauai as a place to vacation is something she just can't pull off. This type of ability is sorely needed. OK, what also upsets me is her lack of pressure, let alone results, at the state Legislature to build the Kapaa bypass road. It would be nice to see a future mayor of Kauai raise hell about having to wait six

years for that badly needed road to be finished. But there again, it's an issue that does not seem important enough to our county leaders.

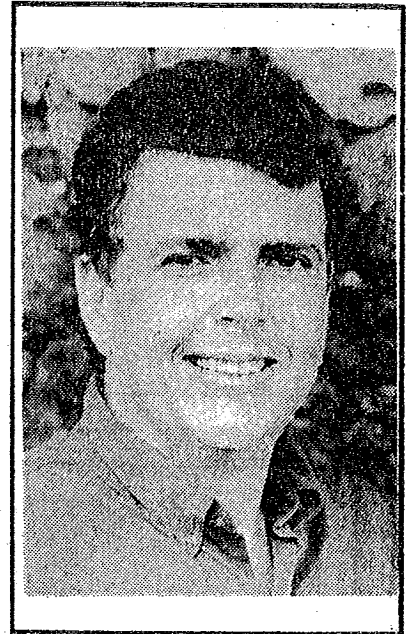
I wonder if I called the County Building would anyone from the mayor's office verify that the mayor has already raised \$400,000 for her next campaign. I know that her fundraisers on Oahu have been well attended.

What I believe is happening is a lot of overly concerned off-island envi-

ronmentalists, many who have money, seeing the mayor as someone who can implement a pro-environmental approach to governing Kauai.

She is delivering on their investment. Shutting down boaters proved that one. All I know for certain is that Kauai's people are starting to really get nervous. We have all seen our household overhead go way up and the future does not look reassuring.

Remember The Golden Rule, whoever has the gold rules.



Charlie Vespoli



FUTON
\$99
With purchase of

"Come In & See"

COME IN & SEE OUR NEW TOP OF THE LINE SHOWROOM!

MARUYAMA™
STRINGTRIMMER/BRUSHCUTTER
The Very Best in Commercial Equipment

- Precision high torque Maruyama 19.8cc engine—chromed cylinder, chrome-moly crankshaft and rod, double ball bearing support
- Walbro injection carb—easy, safe low rpm starts
- Polished solid steel shaft with 5 bushing support—extra strong, smooth
- Extra tough chrome-moly gears—4 ball bearing support
- .095 twin line full auto head, optional steel blades available

Model SC 200



Introductory Offer \$289

MARUYAMA™
HEDGE TRIMMER
The Very Best in Durability and Performance

- Powerful 15.9cc Mitsubishi engine
- Thicker, tougher, chrome steel blades—dual side cut
- Maneuverable 16" blades, dual reciprocating action
- Heavy-duty gear box with twin cam drive
- Designed for low vibration, balanced performance

Model HT 159



Introductory Offer \$339

Kauai gets \$800,000

CHARLIE'S CORNER

Economy has collapsed

By CHARLIE VESPOLI

Maybe you don't see it, maybe you don't want to mention it, maybe you're responsible for helping to correct it. Maybe, like me, you don't like passing out the bitter pill. And if someone can prove me wrong, I would like to hear about it.

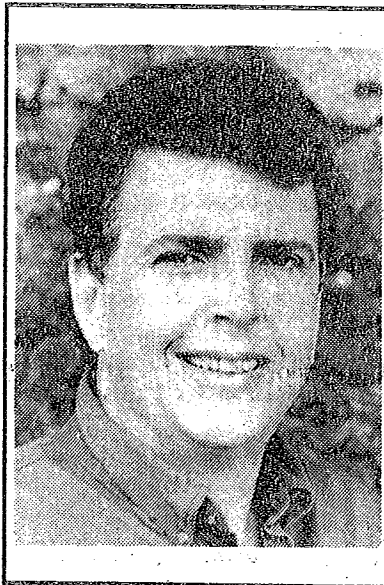
Kauai is still suffering from a collapsed economy. There is no other way to put it.

Except for the huge amount of work left on the beaches and the resorts of Poipu, the island looks fixed up. Lots of new homes, the merchants such as Jim Saylor's Jewelers have nicely upgraded their retail environment. Things look great. Although this work has taken a lot of effort, we as a community will suffer a let down as things get back to normal.

The shock of seeing that destructive dance of nature last Sept. 11, the horror that our neighbor's lives went through, the anxiety that some of us had prior to settling our insurance claims, the rewards that those long days of rebuilding gave us, this leaves us as a group of citizens who have been through a very destructive ordeal.

I would ask you to realize that now is not the time to stand down. It would be natural now to want to stand up and cheer and pat ourselves on the back and say we did it. Well, we are frankly doing the easy part.

The new buildings and the repairs take sweat and struggle but the money was there, the professional builders had the skills, we were faced with a challenge which was not difficult to imagine solving. Building is



Charlie Vespoli

never easy, but it's also not a rocket science.

Rebuilding an economy requires a completely different set of professionals. Plus, it's a problem that can't be readily observed unless you notice that there are a lot less permanent jobs.

The incumbent and the growing number of mayoral challengers need to talk to us about their plans to get us back to our pre-Iniki level of commerce. We have lifted ourselves out of the physical wreckage, but I am sorry to report that was the easy part. We are now entering the more challenging phase of rebuilding Kauai's visitor industry.

Alarm bells are starting to ring. People are running out of unemployment insurance, the bankers are reporting a substantial increase in repossessed cars. When citizens are unable to make their car payments,

that's a sure sign of trouble. I wonder how many of you politicians have ever had this kind of pressure in your lives.

We have been asked to say prayers, to speak out, to stick together, well I know that a lot of us would feel a bit more settled if the problem was acknowledged and solutions debated and planned.

Now is the time to be good and quiet soldiers. We will march but let us know, how and when we will have a chance to reinflate Kauai's collapsed economy.

Still missing are approximately 60 percent of our hotel rooms. The slowness in reopening many of our hotel properties is becoming a real problem. The 4,000 missing hotel rooms, the missing \$400 million from our annual economy represent a collapse.

Don't you ever assume that you are not involved in this. Life here drives home a very productive point, we are all very much in this together. From the local guy who loves to go shoreline fishing to the new haoles women who would like to stay here, we want to hear a recognition of the seriousness of the problem.

We are at least owed a promise to come up with a plan to get back to a more enduring and stabilizing prosperity.

This issue, our plans to rebuild our commercial base, will be the key issue in the upcoming mayoral race. Citizens vote their pocketbooks. We have to realize that whoever wins this race will also be involved in rebuilding Kauai. It's time to realize that it's going to take two to three years to rebuild our family business.

Waioli Mission Home re-opens

HANALEI— Waioli Mission House museum in Hanalei will re-open on Saturday, Aug. 6. Guided

prints were spared serious damage by Hurricane Iniki, but the grounds, part of the beautiful, natural backdrop of

Robert Schleck, curator. Most have started to grow again.

For the next six to eight weeks,

Couple offers bulletin board service

Telecommunication: 'OnLine' on Kauai

By SHELLY ZECK

LIHUE—Telecommunication is a fast growing industry that combines people, computers, modems, interactive communications and lots of information.

Thayne Taylor and his wife Lynn, owners and operators of Hawaii OnLine, opened the doors to their bulletin board service in May of this year. Their service offers Kauai residents (and people in the rest of the state) an almost limitless supply of information and services.

"First of all, Hawaii OnLine is a full service community bulletin board. We are opening up to the community, not on a local basis, but a statewide basis, to provide a service to the community for electronic mail (E-mail), and share-ware files," said Taylor, who is the president of the company.

"We currently have 8.5 gigabytes and we're expanding that up to 17 gigabytes."

A "gigabyte" is one thousand billion bytes, a byte being one character.

"Most of our files, I'd say 90 percent, are on CD-rom storage." We're looking at this bulletin board as a way for people to exchange information," he said.

"When a user is online, they have the opportunity not only to receive information from a file, but to interact with other users that are online in an open-forum-style of communication."

"We also have games, chat and our main thrust is reservations of all types: bed and breakfast, vacation rentals, condominiums and we've also been approached by a couple of resorts. Also included would be reservations for activities and restaurants," Taylor said.

The reservation system would allow anyone with access to the system to make reservations for themselves. Or, if a hotel participated in the bulletin board, the hotel would be able to make reservations for their guests for dining and tourist attractions without even making a phone call.

"We also have online periodicals. We're looking at getting the Wall Street Journal, Barron's, The San Francisco Chronicle and a couple of different other ones as we grow. We are adding new things all of the time."

Anyone with a computer, modem and communications software can tap into the bulletin board. More and more people on Kauai are doing just that.

"We have 70 subscribers right now. Our projections, as far as we can ascertain from local computer dealers, is that there are approximately 5,000 computers in the private sector on Kauai. Once we connect to FYI (a statewide bulletin board), there are over 300,000 computers state-wide," Taylor said.

FYI is network that offers access to state documents, a pilot program called chatline for public and private school students and other types of information and services. The quantity of information and the speed at which it can be obtained is what appeals to people.

"Telecommunication is just another way for people to communicate. You can send a massive amount of information over the line via computer. It used to be that you could only send information at 110 bits per second, which is about 50 characters per minute. Now you have the capability, with the new modems out there, of sending 1 million characters in less than 10 minutes. It's real fast, it's real

economical, it cuts down on the phone rate," Taylor said.

Saving time and money peaks interest.

"Worldwide there are over 100 million computers out there. On the U.S. Mainland alone, there are 60,000 bulletin boards and that number is growing by about 1,000 a month or more," he said.

Hawaii OnLine is one of four bulletin boards in operation on Kauai. What sets Hawaii OnLine apart, Taylor said, is that it is operated on a full-time basis. Other boards are operated as a part-time, after hours sort of hobby. The Taylors rely upon the business as their only source of income.

The Hawaii OnLine bulletin board may be accessed any time day or night. Usually there is a "systop" (system operator) available to help out online users that may be having trouble finding their way around.

Taylor is proud to say that the bulletin board appeals to a wide variety of people, from grade schoolers to senior citizens, from all walks of life.

"If they have a computer and they are interested at all, they sign on and find out how easy it is. I've designed the bulletin board to where there are help files almost everywhere," he said. "People like the friendly use, it's very user friendly for the first time user."

Taylor added that a seasoned telecommunications person would also be interest in the bulletin board because of the speed, share-ware files and the high volume of information available.

The sheer quantity of information available through modem access is limitless. Taylor said that the U.S. government now offers a complete



HAWAII ONLINE: Thayne and Lynn Taylor are owners and operators of a computer bulletin board service that offers local residents an almost limitless supply of information and services.

Thomas Tamura/Kauai Times photo

zip-code and phone directory on a CD-rom. Also much of the statistical data generated by the government is available on CD-rom.

"There is a lot of information out there that people have access to but just don't realize it," Taylor said. In addition to U.S. government documents, Fidonet, an international network, can be accessed through Hawaii OnLine bulletin board. The network allows a user to send and receive E-mail from around the world and request information from a variety of data bases.

With so much information available from global sources, a beginner

may encounter technical problems or have questions on the system. Taylor said that he and his wife do receive a lot of questions from first-time users.

"We get questions not only dealing with the bulletin board, but questions dealing with computer hardware, software, the whole gamut. We do a lot of consulting work here. For the first-time user, they have a lot of questions that need to be answered."

For that reason, Taylor will be conducting a workshop to help answer questions. The three-hour training session will cover the major areas of working with telecommunications

software. It will be held at Kauai Community College on Aug. 5 beginning at 6 p.m. in Business Education Rm. 103. The fee for the workshop is \$10.

Taylor holds a bachelor of science degree in management information systems from Colorado State University. He has more than 20 years experience as a computer consultant, systems integrator and software developer. He has owned two computer bulletin boards, including Hawaii OnLine.

For more information on the workshop, or Hawaii OnLine, call 246-1880.



QUEST COMMENTARY

Business community...

Editor's Note: This letter is addressed to Sen. Daniel K. Inouye and the Maui Times received a copy of it.

The Kauai Economic Development Board (KEDB) would like to state very strong support for the Pacific Missile Range Facility (PMRF). We recently become aware of the Pentagon's bottom-up review and the possibility that PMRF will be closed. KEDB concerns include:

Kauai is still not fully recovered from the devastation caused by Hurricane Iniki, the natural disaster that caused the most devastation per capita to ever hit an American community. PMRF brings in over \$77 million to the local economy. It is also our largest employer, offering the only high-tech jobs on the island. PMRF loss would amount to economic devastation.

PMRF is the only place in the world where the military can train in all dimensions simultaneously (subsurface, surface, air, outer space).

PMRF is the last Naval training center in the mid-Pacific that can support the submarine fleet and AEGIS class of guided missile ships.

PMRF loss would end open-ocean training that is unparalleled in the world.

PMRF controls over 40,000 square miles of air space.

PMRF has 1,000 square miles of underwater range, the largest in world.

Water depth of 15,000 feet.

No encroachment: The closest town is eight miles away.

- Good weather, VFR flying 361 days per year.
- State of the art range controls and data products.
- PMRF loss would hurt many who also utilize its unique environment.
- All DOD agencies
- NASA
- DOE
- Friends and allied countries, including Japan, South Korea, Australia and Canada.

• PMRF support is critical to the Ballistic Missile Defense Origination. It has already had one very successful launch. KEDB supports this very vital position.

• KEDB also very strongly supports additional business that can utilize PMRF's unique capabilities, particularly in the area of theater missile defense, as represented by the already on-going AEGIS program at the facility.

• KEDB, cognizant of the DOD position, also advocates joint claimancy, perhaps under USCINCPAC, in order to better reflect PMRF multi-service missions.

In summary, KEDB stands united behind PMRF, the Ballistic Missile Defense launches, as well as the AEGIS program of theater missile defense systems.

GARY J. BALDWIN

Chairperson,

Kauai Economic Revitalization Committee

Chamber support PMRF

Editor's Note: This letter is addressed to Sen. Daniel K. Inouye and the Maui Times received a copy of it.

The Kauai Chamber of Commerce would like to state our very strong support for Pacific Missile Range Facility (PMRF).

The Chamber has recently become aware of the Pentagon's bottom-up review and the very strong possibility that PMRF will be closed. We would like our support to keep this national asset open for many reasons:

Our Chamber sent out a survey last June to all its members and the results show that not only did the chamber members support PMRF and its mission, but they also support the STARS program.

Kauai is at a turning point. Agriculture is struggling for survival and Kauai is no exception, with more than 3,000 acres of prime land out of production. Tourism, our major economic force, is off in the red by 50 percent and major hotels are still closed with no date set to open. We are an island with the economic problems and PMRF's closure would be catastrophic.

3. Kauai has not recovered from Hurricane Iniki and at time when help was needed, PMRF was here to help us.

4. We hold out our hands to the good neighbors at PMRF and would hope that add-on business would allow this base to stay open and continue to provide Kauai with high-tech jobs and the badly needed boost to our economic problems.

5. PMRF brings in over \$77 million to the local economy. It is also our largest employer - offering the only high-tech jobs on the island. The loss of PMRF would amount to economic devastation.

Others can and will speak of the many advantages that the PMRF base can offer in support of the military missions and we echo and endorse their statements.

The Kauai Chamber of Commerce asks for your support and offer any additional help that we may be able to provide.

MELVYN Y. KIHARA

President

Kauai Chamber of Commerce

Majority of Beach Villa owners push for way out

By SHELLY ZECK

LIHUE — A majority of Kauai Beach Villas condominium owners are looking for a way out. And they figure the best way to relinquish ownership without losing their pants on the open market is to put their property up for timeshare sale.

Recently Pahio Vacation Ownership, Inc., a Princeville timeshare sales company, purchased four units from Grand Beach and Haseko Resorts, Inc. Partnership. The company represents the majority of Kauai Beach Villas investor/owners.

Peter Herndon, general manager of the Hotel Division for Haseko Resorts, Inc., said that the 120 limited partners have not realized the return on their money that they had hoped for. The investors, he said, have a better chance of recovering their money through timeshare than on the open residential market.

"A large number of the limited partners have indicated to us that they wish to sell their units but have been unable to do so at a favorable price in the residential market," said Herndon in a written testimony submitted to the County Planning Commission, which has been petitioned to rezone the villas for timeshare sales.

Not all of the owners at the Villas, however, are limited partners represented by Haseko. Nor are they interested in selling out to timeshare.

Tom Irwin, a Kauai Beach Villas owner and Apartment Owners Association board member, said he doesn't want to sell his unit, which is his primary residence.

"I hope to die there," he said.

A 72-year old resident owner, Claude McMillin, said that he and his wife bought their condo in December 1992 as a retirement home. He said they sold their house on the mainland and also hoped to spend their remaining years

See **TIMESHARE** on A-2

Visitor rebound still difficult to benchmark

By SHELLY ZECK

POIPU — Measuring the rate of rebound in Kauai's visitor industry is tricky. It depends on who you talk to.

Rick Riess, general manager of the Hyatt Regency

Nov. 20 in San Francisco. She is expected to return to Hawaii for the Ironman in February.

In the interim, she's decided she needs to find a job. "I've lived on \$3,000 for the last year and a half," she said. "It's been really hard," she

"What I teach kids is to give gifts to serve, to help others, each other to be the best that be," she said.

Own tour rate

success, Papillon's President, Gene Erskine, determined that the same pricing structure could successfully be applied to all existing rates.

"Our primary objective is to aggressively market a quality product that is so competitively priced that today's value-conscious consumer immediately perceives its worth," Erskine noted. "With the Hawaii tourism economy in a lull, we at Papillon recognize our responsibility to take action and do our part to restore tourism to the island." Papillon Hawaiian Helicopters has been operating in the Hawaiian Islands for more than twenty years, and we look forward to the next twenty years," he added.

Papillon Hawaiian Helicopters operates eighteen different scenic air tours on four islands, ranging from twenty-minute "Highlight" packages to two-hour deluxe sightseeing tours. With the new pricing structure, tours such as the popular "Haleakala Cra-

ter," \$149, will now be priced at \$89 per person, while the Volcano tour will be priced at \$59 per person. Flightseeing tours will begin at \$59 for a twer tour, and on the Big Island the 45-minute Volcano tour Oahu start at \$79 for a twer Highlights package.

All tours include informative narration while exploring accessible areas and viewing Nature's most spectacular. Narration's are enhanced with music, and are available in English and Japanese. Papillon's experienced pilots are FAA-licensed and have earned an enviable record. With 25 jet-powered helicopters in the Hawaii

For reservations, call 800-367-7095 (from the U.S. and Canada) or (808) 826-7222. Papillon Hawaiian

PUBLIC NOTICE

BILL NO. 1580, Draft 1
ORDINANCE NO. B-445-93

AN ORDINANCE AMENDING ORDINANCE NO. B-428-93, AS RELATING TO THE OPERATING BUDGET OF THE COUNTY OF KAUAI, FOR THE FISCAL YEAR JULY 1, 1993 TO JUNE 30, 1994, REVISING THE SURPLUS AND APPROPRIATIONS ESTIMATED IN THE FUND, FOR PURPOSES OF FUNDING SALARIES AND EMPLOYMENT PURCHASES FOR AND OTHER MISCELLANEOUS EXPENSES OF THE HUMANE SOCIETY (\$137,366.00)

CERTIFICATE OF THE COUNTY CLERK

I hereby certify that Bill No. 1580, Draft 1, was passed on second and third readings by the Council of the County of Kauai at its meeting held on October 20, 1993, and now has the following vote:

FOR ADOPTION: Asing, Correa, Fukushima, Munechika, Valenciano
AGAINST ADOPTION: Kouchi
EXCUSED & NOT VOTING: Tehada

and approved by the Mayor on November 2, 1993, and now has the following vote:

Lihue, Hawaii
November 2, 1993

/s/ Jeromy
County Clerk, C61

(One Publication - Kauai Times - November 10, 1993)

PUBLIC NOTICE

BILL NO. 1567, Draft 2
ORDINANCE NO. 640

A BILL FOR AN ORDINANCE AMENDING CHAPTER 22, ARTICLE 1, COUNTY CODE 1987, RELATING TO FIREWORKS

Beach Villas up for grabs

Timeshare support comes from business community

FROM A-1
at the Villas.

Irwin said that he bought into the Villas as an investment, and he feels the value of his investment will diminish if timeshare is allowed.

"Banks just don't touch timeshare projects," he said.

McMillin said he felt "wronged" because the disclosure statement provided to him by his Realtor before his purchase was finalized made no mention of the possibility of timeshare at the Villas.

"I would have never bought if there was a possibility of timeshare," he said.

Both men agreed that if the property were sold out as timeshare, many local visitors would be effectively excluded from using the property. Irwin said that a staff reduction would also be inevitable.

"The employees are nervous," said Irwin. "And I don't blame them for being nervous about their jobs."

Gary Baldwin, owner of the National Car Rental agency on Kauai and a former owner/resident in a Princeville timeshare complex, said

the key to successful timeshare operation lies in the expertise of the management staff.

"As in all businesses — Realtors, car rentals, resorts and so forth — there are good and bad, and the good ones can make the experience not only pleasurable but financially rewarding," he said. "A well managed timeshare project is a good experience."

Baldwin said he was on the board of directors at the Cliffs and Princeville as an owner resident. He said that when he bought the unit, some 60 percent of the units at the Cliffs were already timeshared.

"I had no trouble obtaining conventional financing for the purchase," he said.

In 1982, the County Council passed an ordinance marking boundaries where transient hotel accommodations, timeshare and timeshare-use operations are allowed to exist. By that time, the Villas were already built and being used for transient-hotel purpose, but zoning for the area was never changed or updated on county maps.

"It's called grandfather non-conforming," Herndon said.

Herndon explained whether the units will be timeshared or not falls under state jurisdiction and regulations which override all county laws. He said the county ordinance cannot really stop a timeshare project if the facilities are in a properly zoned area.

He said right now the county attorney may turn down the application for re-zoning because of a "100 percent" clause. The clause states that a 100 percent unanimous vote of owners must be obtained before a residential zoned property may be rezoned to one which allows transient hotel accommodations, timeshare and timeshare-use. Currently, Grand Beach and Haseko Limited Partners control approximately 84 percent of the vote.

Opponents to timeshare are convinced that maintenance fees will climb significantly, thereby increasing their cost of living.

Irwin also explained that timeshare owners are different kind of owners. He said they only visit for one or two weeks out of the year and

don't take as much pride in the property as one who lives there full time.

Baldwin said the maintenance fee did not increase dramatically in his own experience and credits that to good management of the facility.

In a letter to the Planning Commission, Wally Wallace, owner of Gaylord's Restaurant, said timeshare owners mean increased tourist dollars in the community.

Wallace said that timeshare owners tend to be repeat customers and help to boost high occupancy rates.

"We feel that the class of visitors is good for Kauai," he said.

Another letter of support submitted to the Planning Commission from Chino Godinez, owner of Kayak Kauai Outfitters, a North Shore business, said that full occupancy of Pono Kai in Kapaa and Pahio at Princeville has enhanced their business and kept the staff busy.

Rick Riess, general manager of the Hyatt Regency Kauai, said in his testimony to the Planning Commission that the controversy at the Villas is merely an ownership issue, since the usage will not change.

Peter Henze, a Kauai resident and head of Creative Leisure International, a company which directs tourism to Kauai, opposes expansion of timeshare on the island.

"The sales appeal (to sell timeshare) is a cheap vacation," he wrote. "Timeshare owners are notoriously frugal when it comes to purchasing local goods and services."

Henze also noted that because of multiple owners, timeshare projects increase wear and tear on the infrastructure without putting equivalent tax dollars back into the economy. Another deterrent to the local economy, he pointed out, was that timeshare operations do not employ many permanent workers.

Lynn McCrory, vice-chairman of the American Resort Development Association-Hawaii, countered Henze's viewpoint in a letter to the Planning Commission stating that the timeshare industry throughout Hawaii has proven itself to be a solid base of returning vacation owners, regardless of the mainland economy. She also said that the annual revenue generated by the Kauai Beach Villas

from owner/visitor expenditures would be \$5 million, not taking into account initial sales of the units.

Irwin said that he doesn't have anything against making money, just not at his expense.

"This is America, and I don't think that foreigners should be allowed to come in here, turn a quick profit and leave," he said. "I don't blame them for trying to save their investment, but not at my expense."

Irwin reiterated that the value of his unit on the open market, once timeshare took hold, would be significantly less. He said that most of the owners represented by Haseko don't even live here.

"This is my home," he said. "I hate to see them come in and disrupt the community."

The petition for visitor destination designation and rezoning for the Kauai Beach Villas was discussed by the Planning Commission at its Oct. 28 meeting. The matter remains under study.

Random poll: Thumbs down on vouchers

From A-1

gest a quick fix to problems in education," said the Hanalei School PTA president.

He pointed out that before strides can be made in education, communities must take some responsibility.

"It's not entirely up to our govern-

JOIN JCPENNEY AT THE KUKUI

"When people were on the beach, they didn't have any structure in their lives and now there is structure."

Rules and regulations have been established for residents of the housing project and, Ibach said, there has been no problem with compliance.

"These people are exceptionally good people considering not a one of them has had shelter over their heads for 15 months now."

following the Nov. 23 hearing.

Field Grace has taken a lead role in pro se litigation for the Anahola group. Though they have represented themselves in prolonged legal proceedings surrounding the issue, the five are now consulting with private attorneys and an international law expert in an attempt to further their case.

Michael Grace said the ohana is

See SUPREME on A-7



Relief linked to re-opening of hotels

Post-hurricane slump tough for small grocers

12/1/93

By SHELLY ZECK

KOLOA — It's not easy off a neighborhood grocer to make a go of it when unemployment rates are high, the tourist trade is down and residents are making a slow migration to other areas looking for housing or jobs.

Nathan Kawaguchi, Manager of Sueoka Store in Koloa, said the economy has been on a decline since Hurricane Iniki -- and it'll probably get worse before it gets better.

"I don't see anything getting better until late 1995 or early 1996," he said.

Though grocery stores are recession proof to some degree, when large numbers of people are unemployed, underemployed or watching their pennies, they buy less high-ticket nonessential grocery items and small grocers feel the pinch.

At the core of the problem is the

fact that several major South Shore hotels are still closed, leaving many people out of work and diminishing the tourist count in the area.

"If we can get the hotels that are off line back on line, then people can get back into the job market again," Kawaguchi said. "We need the jobs. A lot of people don't have jobs and unemployment is running out."

Though Sueoka's does not depend heavily on tourist trade, some 10 to 15 percent is visitor related, Kawaguchi said.

"Our economic basis is the local population," he said. "But the tourist do play a role in terms of profitability." Kawaguchi painted a less dismal picture of the recovery period following Hurricane Iwa in 1982. During the '80s, he said, the store posted 8 to 12 percent growth rates each year until the Gulf war began in 1991.

After that time, microeconomic conditions in Koloa began to slow down with Iniki causing the biggest blow in Sueoka's history.

Kawaguchi said the lack of jobs in the area, due to the closure of the Waiohai, Sheraton and Kiahuna

thing he predicts won't happen for 18 to 24 months.

"The Waiohai, Sheraton and Kiahuna seem to be stalled either with repair or county setback on shoreline management," he said. "Then you usually have your delays, that

sale.

"Basically we do have a long list of items we put on sale each week," he said. "And in terms of the number, and I think by pricing too, we have a large number of items on sale."

Survival is the name of the game

people from Kekaha going to Safeway or Foodland. People are going for the specials in these hard times."

Kawaguchi said that the Poipu/Koloa area could not support a major supermarket. He explained that the square footage needed for a larger supermarket is not available in Koloa and the population base is not large enough.

"Koloa is not like Kapaaside. Kapaaside you have all that competition between Foodland, Cost-U-less and Safeway. And they have more competitive market because there is a bigger population there," he said. "I don't see the profitability of any large chains coming into the area because of the economics of it."

Several new housing developments are slated for the Koloa area, but Kawaguchi does not see any im-

"I don't see anything getting better until late 1995 or early 1996."

NATHAN KAWAGUCHI

Plantation, have caused people to move elsewhere.

"I think a lot of people moved after the hurricane," he said. "They've moved out of the area and that reflects our sales, too."

Kawaguchi said all major hotels in the area will need to reopen to provide jobs for the community. That's some-

stretches it out to two years, late 1995 or early 1996."

For his grocery store, Kawaguchi said, that means two years of no growth or even a slight decline.

Kawaguchi said that he has not changed the store's marketing strategy very much. He still places many items, essential and non essential, on

in Koloa Town., said Kawaguchi. Sale items and local products draw customers from the Westside, Lawai and Kalaheo, he said. Those areas constitute Sueoka's customer base, but he said people are driving further for the sale items.

You always have people looking for the sales," he said. "You have

KAUAI'S ONLY NATIONAL AND STATE AWARD WINNING NEWSPAPER FOR EDITORIAL EXCELLENCE

See GROCER on A-2

Kauai's economy: No quick fix

The question is, how wide is the recovery gap?

12/19/93

by SUE DIXON-STONG

POIPU — Skip 1994 if you're looking for a turnaround in Kauai's economy.

Although progress has been made in the 15 months since Hurricane Iniki knocked the wind out of the island's economic sails, one of the island's leading economists predicts it won't be 1995 before business returns to pre-Iniki status.

Speaking to Chamber of Commerce members Tuesday night, Dr. Leroy Laney, First Hawaiian Bank's chief economist, said the basic problem is one that is essential to recovery, achieving a critical mass in economic activity.

economic activity.

"Until tourism is up and running at an equilibrium level, the recovery from Iniki won't be over," he said. "But it may be years before that equilibrium is attained, and even when it is the island's room inventory and visitor count may be below pre-Iniki levels."

Although about half of the island's 8,000-room inventory has been returned to the visitor plant and two luxury hotels, the Hyatt Regency and Princeville Sheraton, are back in business, Laney said more room inventory is crucial because not enough is available to support a full range of visitor support activities.

Pivotal to recovery, he said, is the come back of major properties such as the Westin, the Waiohai, Sheraton Poipu and Coco Palms, hotels that still have not announced reopening dates.

Commenting to the *Kauai Times* following his speech, Laney said that owners of all these properties are keeping an eye on the economy waiting for the right time to return to business. What constitutes the "right time" is hard to predict.

Iniki's arrival, in a year when tourism was already in a slump, didn't help anything, he said. Had it hit in 1988, for example, when the Japanese economy was strong and the

West Coast market was still thriving, come back may have been less uncertain.

Currently, he said, California is the only state on the Mainland suffering from a depressed economy. "The mountain states, the Midwest and the Southeast are doing great."

The wave of the future, especially on Kauai, Laney said is mid-priced hotels, which seem to be particularly attractive to the growing European market.

At this time last year, the economist said, it was hoped that by the time reconstruction activity slowed down, tourism would have picked up enough to take up the slack, thus

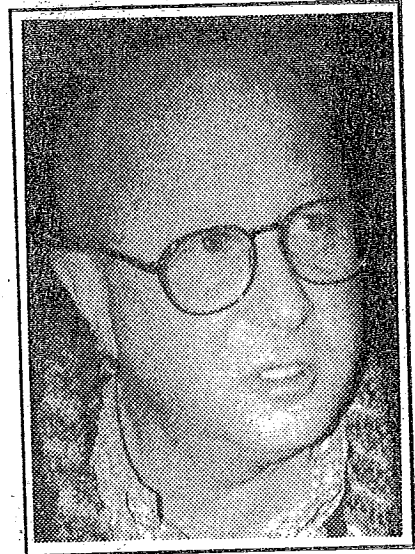
avoiding a "recovery gap."

But construction has peaked and tourism has yet to fill that gap.

The depth of the recovery gap might be lessened by extending reconstruction over a longer period, he said, but that would also be likely to have the effect of extending the length of the gap because it will delay tourism's full-fledged return.

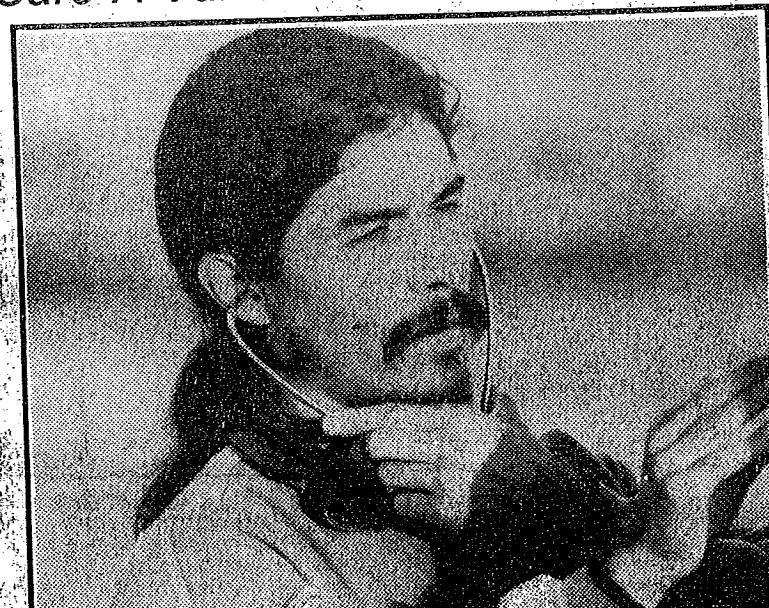
For example, as long as the Westin Kauai remains closed there are fewer rooms for visitors and fewer jobs for local people. Prior to Iniki, the hotel employed 1,200 people, Laney said, which is 5 percent of Kauai's work force.

See LANEY on A-9



Dr. Leroy Laney

Care-A-Van services the homeless



Tax shortfall: Bulk of problem is residential sector

By SHELLEY ZECK

HAENA — The county has been forced to borrow \$8.1 million to cover an operating shortfall created by a loss of property tax and user-fee revenues.

While it is tempting to blame the crippled visitor plant for the shortfall, closed or devalued hotels and resorts account for just 26 percent of the problem. The bulk of the shortfall



Economic woes expected to plague Kauai

This is what it feels like to have asthma

Try breathing through a thin straw. With an asthma attack it's a fight for every breath you draw.

Asthma is a serious lung disease that can affect children and adults at any time. An attack can be triggered by such diverse causes as cold air, pets, tobacco smoke, dust, and stress. The American Lung Association® is helping people control asthma so they can lead happy, normal, active lives.

It's a matter of life and breath®

From A-1

saying that all aspects of the economy have to be put in perspective.

While most economists say that visitors who didn't visit Kauai, still came to Hawaii, Laney said, "Not all would-be Kauai tourists will be booked into other Hawaii destinations."

While some economists say that business interruption insurance keeps the economy moving, Laney said, "Business interruption insurance is not intended to make insured establishments better off than they would have been otherwise, and insurance adjusters are likely to scrutinize claims carefully in the current environment with the pressure their companies are under."

And, Laney said, many losses, "especially crop damage, were not covered by insurance in any case."

"I don't think anyone, by any stretch of the imagination," said Laney, "would call the hurricane a blessing in disguise."

Clearly, according to Laney, the visitor industry's woes have created the recessive climate in Hawaii. But Kauai, he said, may not have felt the

full impact.

"For example, someone who filed for unemployment in September will find their 26 weeks allotted benefits running out in March," Laney pointed out.

"That's just around the corner," he added.

He also noted that as business interruption insurance expires, some organizations that have not already done so, "will release workers they may have carried on the payroll."

Further, bringing Kauai back into the mainstream will be a long and costly process. He said that while there is "perhaps" a chance to make a May re-opening, "there is a greater probability of slippage than any moving up of deadlines."

"The visitor industry," he said, "is what runs the economy."

Kauai, according to Laney, may be in for real rough times between the March ending of benefits and the re-opening of the visitor plant.

"There is obviously some critical point in restarting the tourist industry — the simultaneous provision of hotel rooms, restaurants, rental cars, tourists activities, and the like,"

Laney said.

Plus Kauai, as a destination, needs to be promoted now for future business, he added.

"In context, Iniki can be viewed as causing a downward shift in Kauai's long-run growth path," Laney said. "The time will come when pre-Iniki levels of output are achieved, but recovering that lost ground will not come easily or soon."

Even as Kauai struggles to get back some market share, the visitor industry itself is in trouble.

"Kauai will be coming back into a constricted market," Laney told the Kauai Times.

The economic condition of California is worse than most people realize, according to Laney. "There are problems in Silicon Valley, in aerospace, the military. While California and New England account for 28 percent of employment, they account for 50 percent of the unemployment."

When people don't have jobs, traveling to Hawaii becomes a much lower priority, according to Laney.

California provided roughly one-third of the visitors to Hawaii in 1992, according to HVB figures.

"The time will come when pre-Iniki levels of output are achieved, but recovering that lost ground will not come easily or soon."

Dr. Leroy Laney

First Hawaiian Bank economist

Promotional efforts, according to Laney, will have to be targeted and massive. But at the same time, the funding for those efforts will be hard to come by.

The state tax revenue is projected to be lower than budgeted, said Laney, and this legislative session, lawmakers are facing tough decisions.

The economist sees other areas that bear watching:

- The Japanese economy is in the worst shape it has been in since 1974.
- Kauai's resident population has declined by about 7,000 people.
- Unemployment is running at around 15 percent.

Still, Laney said, in the longer term, Kauai's economy will start coming back and the island will "once again, be an excellent place to live and work."

"Kauai will be back," Laney concluded.

SHOECASE FOR

ROCKERS CHOICE

els remain in limbo

12/15/93

Yukimura: Absentee ownership a problem

By SHELLY ZECK

LIHUE — Kauai's visitor industry is headed into 1994 still crippled by the closure of three of the isle's five major resorts. Boggled down in sales negotiations, insurance problems and corporate bureaucracy, there is no indication of a shift in direction.

"Absentee ownership, with no connection to the community, is the real problem," said Mayor JoAnn Yukimura.

The former Stouffer Waiohale and Poipu Beach hotels, for example, are now owned by Florida-based Renaissance Hotels and Resorts. Richard Madloff, the company's vice president for real estate was close-mouthed when asked to comment on the company's plans to re-open the properties.

"There is not a lot of activity that I can hang my hat on right now," he said, explaining that the company tends to "play close to the vest" in terms of public statements.

He said Renaissance is currently reviewing a number of redevelopment alternatives for both properties, but he would not elaborate on what alternatives are being considered.

"There's a number of different variables involved in the study, but I would prefer not to disclose all of those variables," he said.

Madloff said he did not know when the study would be complete or when any results from the study would be released. The company's style, he said is not to commit to something that cannot be controlled.

When asked if the purchaser of the property, CTS USA Inc. (a privately held company operated by a Chinese family that also owns Renaissance Hotels and Resorts) was disappointed in its purchase of the two Kauai properties, Madloff said that the deal was all encompassing.

"When you buy a company, you buy everything that goes with it; the good the bad, the pretty, the not so pretty, the poor. It's kind of like tak-

See HOTEL on A-13



ach hotels are offering little information about the future of the Poipu Beach properties Hurricane Iniki hit. The same story is coming from owners of the Westin, Poipu Sheraton

Thomas Tamura/Kauai Times photo

guns

nerica minister's goal

DAUBERT

— A soft-spoken er has embarked t he hopes will lead America.

to collect as many ible, petitioning the from the American Rev. Noriaki Fuji-minister of the Hongwanji.

r, while the minis-Ala Moana Boule-e Waikiki Parkside boy, pretending to n under his T-shirt, and said, "Give me llowing a struggle, unharmed, but the cident continued to

If the boy had had a real gun and fired it, his future would have been very sad, reflected Fujimori and sought a way in which he might be able to indirectly help the misguided teen and others like him so that this kind of incidence will not occur.

"When I was young, I was a bad boy, too, until somehow I changed inside," the minister explained. "So I understand how it is to be like that young man."

After immersing himself in research, Fujimori concluded that the best course of action would be to follow the lead taken by Masaichi Hattori, whose 16-year-old son was shot and killed last year when he was an exchange student living in the United States.

Instead of vengeance, Hattori and his wife chose a path that would make

their son's death a worthy thing, noted Fujimori. They began circulating a petition in Japan requesting that Americans change their laws regarding possession of firearms and not allow private citizens to own guns.

To date, the couple has collected more than 1.5 million signatures and plans to present the petition to President Clinton and members of Congress in the near future.

"Precious lives are taken away by guns," said Fujimori. Last year, there were about 20,000 murders committed in the United States and 70 percent involved the use of guns, he noted.

"So I would like to support the movement started by the Hattoris," said Fujimori.

Thus far, the Westside minister

See SENATOR on A-6



"I guess as
we grew,
we got

Hotel owners close-mouthed about plans to re-open

From A-1

ing your marriage vows," said Madloff. "That's what we did and it's a done deal."

Madloff said the official position of the company is that the Kauai properties are not for sale. "Anybody at any time can offer another person an unsolicited offer," he said. "It happens all the time."

He said he has received any number of inquiries about the properties, but would not comment on whether offers have been made.

He explained that the company is looking at the former Stouffer hotel properties as a whole, rather than individually. He said the family who owns the resorts is a close-knit family that tends to keep matters to themselves.

Since the family owns nearly 60 properties, he said, it is not able to get involved at the community level.

When asked if the Kauai properties were just a number, Madloff said that is the wrong interpretation.

"You're not just a number, you're part of a large group," he said.

Madloff said that if he were to address the some 450 unemployed hospitality workers that the Waiohai once employed, he would tell them to be patient.

Owners of the Westin Kauai and the Sheraton Beach Resort would probably say the same thing. But that's not good enough for County Council Chair James Tehada.

"We need something now," he said.

For example, he pointed out, there are still travel agents who believe the island will not be ready to accept visitors until the Westin Kauai re-opens.

"They relate the operation of the Westin as the key to Kauai accepting visitors," he said. "If the Westin did come back it would be a good signal to the rest of the world."

That's not expected to happen soon.

Gregg Berardi, Bank of America spokesman, said there is nothing new to report on the status of the Westin; the property remains for sale.

The Westin is currently owned by Kauai Hotel Limited Partners, a group headed by the Bank of America and First Hawaiian Bank that was formed to take over the property after it was surrendered in foreclosure proceedings by developer Chris Hemmeter and his partners. There have been persistent reports that Marriott has been looking at the Westin Kauai, but no confirmation. Principals of all parties refuse to comment on discussions Marriott is said to have had with the Kauai Lagoons operators. That company, in addition to running the Kauai Lagoons golf, tennis and restaurant operations, also owns the other undeveloped hotel site on the

Kalapaki shoreline.

Reports that the entire Westin chain is for sale were confirmed by the company's president Jim Treadway. He said that Japanese owner Aoki is looking at offers.

Asked if Marriott was making an offer on the chain, Treadway said, "That is absolutely untrue."

Tehada said he is concerned about the lack of jobs and the continued slowing of the island economy.

"In many areas we have no control, like insurance and the world economy. We learn from that experience, and you have to be a little more innovative."

JIMMY TEHADA

"If you don't bring the units back, there is no work," he said. "Now, you have people potentially losing their homes because they can't keep up with the mortgage."

Tehada related the post-Iniki economy to the five years following Hurricane Iwa. He said after Iwa, the island experienced a sharp decline and a slow rebound through the '80s.

"In many areas we have no control, like insurance and the world economy," he said. "We learn from that experience, and you have to be a little more innovative."

He said that when money is tight, families pull children out of college and perhaps move off island, creating a downward spiral.

The Sheraton Beach Resort, in Poipu, remains closed reportedly due to shoreline setback complications. Knudsen Trust, the owners of the land, and Sheraton have been involved in negotiations over the property, but no one could be reached for comment on the current status of negotiations.

Meanwhile, Tehada said that displaced hospitality workers should seek out alternative employment.

"You have to take anything you can get for now," he said. "I'm pretty sure by next year tourists will be back to pre-Iniki levels."

Margy Parker, executive director of the Poipu Beach Hotel Association

said the association is encouraging the owners of both the Waiohai and the Sheraton to re-open.

"We're desperately hopeful that they open," she said.

Parker said that the outlook for 1994 (in respect to the closed hotels in Poipu) seems to be the same as 1993.

Neither the Poipu Beach Hotel Association nor the County Council can become too involved in the problems that inhibit the re-opening of the hotels.

"We've done all that we can within our realm of authority," Tehada said. "Unfortunately many things fall outside of our authority."

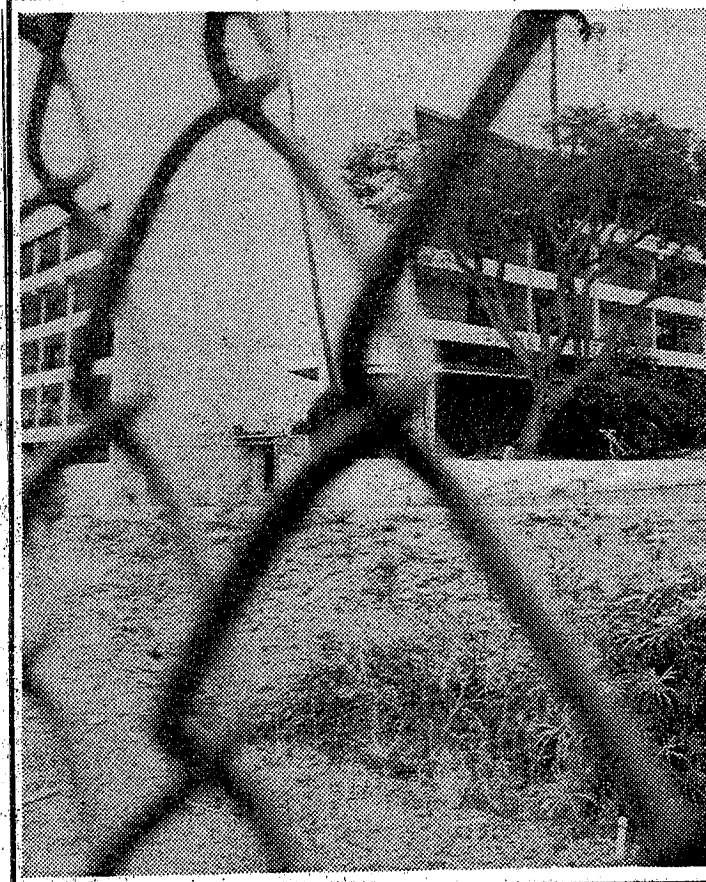
He explained that insurance problems, property sales and land settlements are beyond county jurisdiction. He said those are private matters and the county council can do nothing to help.

However, unemployment benefits for displaced hospitality workers were extended on the initial request of the county council.

"But that is just an interim solution," said Tehada.

The Poipu Beach Hotel Association, said Parker, has focused its energies on the infrastructure in the Poipu area, instead of the closed operations. Parker said the association is working hard to get facilities at Kukuiula Harbor, Poipu Beach Park and other public-use facilities repaired as soon as possible.

She said the status of the Sheraton and the Waiohai has impacted on the area in the way of jobs. She said not only are workers displaced by the closed hotels, but local businesses that spin off of hotel visitors have



"THERE'S NOT A LOT OF ACTIVITY that I can hang my hat on," said Bill Morton, vice president for real estate at Renaissance Hotels and Resorts, who manages the Poipu Beach hotels.

reduced labor forces.

Parker said travel agents interpret the destination as damaged and not functioning as it was planned to function. However, local business that have re-opened need to be commended for their hard work and survival.

"All the businesses and activities that are open can survive even under the circumstances," she said. "I'm very proud of all the businesses that are open, for the hard work they've done in re-opening and making it work."

Mayor Yukimura was also grateful of community-minded hotel owners and management that have re-opened. She said that her admini-

stration is trying to encourage opening.

Whether the Sheraton Waiohai re-open in 1994, the Poipu area will have no available units by next summer.

"We've got two golf courses, many shops and restaurants," he said. "And vacationers are pretty happy."

On the Eastside, the C Resort also remains closed.

Bill Morton, vice president for North American operations for North American Hotels International (a San Francisco-based company Coco Palms) said that re-opening with the hotel's insurance continues.

"We remain in discussion

Chuckle-A-Day

A sign in a fast food restaurant window: "Wanted: Three people to work to replace three who didn't."

Chuckle-A-Day

Sign in the produce department of a supermarket: "Please Do Not Fondle The Fruit. Ask For A Clerk."

Kramer's Big & Tall
Fashion at Your Service

HOLIDAYS

RECLINERS

50% OFF

50% OFF
SUGGESTED RETAIL

SWIVEL ROCKERS

50% OFF

LEATHER STRESSLESS CHAIR

429⁹⁵

BAR STOOLS

24" 59⁹⁵
30" 69⁹⁵

All wood frame seat and back cushions includes: settee chairs.