

CREATING “PARADISE OF THE PACIFIC”: HOW
TOURISM BEGAN IN HAWAII

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Creating “Paradise of the Pacific”: How Tourism Began in Hawaii

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Abstract

This article recounts the early years of one of the most successful tourist destinations in the world, Hawaii, from about 1870 to 1940. Tourism began in Hawaii when faster and more predictable steamships replaced sailing vessels in trans-Pacific travel. Governments (international, national, and local) were influential in shaping the way Hawaii tourism developed, from government mail subsidies to steamship companies, local funding for tourism promotion, and America’s protective legislation on domestic shipping. Hawaii also reaped a windfall from its location at the crossroads of the major trade routes in the Pacific region. The article concludes with policy lessons.

Key words: Hawaii, tourism, tourism development

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Introduction

Hawaii is a dream vacation destination for millions of people around the world. U.S. News and World Report rates Maui the best vacation destination in the U.S.¹ Maui is also rated fourth best place to visit in the world, the second best place to honeymoon, and the best summer vacation destination.² Kauai is second in the world in having the best beaches; Honolulu is number five in best family vacations; and the island of Hawaii (Big Island) is fourteenth in the best islands category. A group of expert travel professionals recently selected Hawaii as the best destination among U.S. states in *Travel Weekly's* 2014 "Readers Choice Awards."³ Hawaii has won the award eleven times in a row. Not long ago (1999) the *National Geographic Traveler* magazine included Hawaii in its list of "50 Places of a Lifetime: The World's Greatest Destinations." Hawaii has been one of the world's most popular tourist destinations for a very long time.

In my earlier book, I wrote "Tourism, as it exists today in Hawaii, is essentially a post-World War II phenomenon."⁴ The big increase in tourist numbers came after Statehood in 1959 and the start of jet plane travel between Hawaii and the U.S. mainland. Robert Allen's memoir, *Creating Hawaii Tourism*, also focuses on the post- World War II period.⁵ In 1959, Hawaii hosted nearly a quarter of a million visitors. Today, more than 8 million visitors come to Hawaii each year.

¹ http://travel.usnews.com/Rankings/best_usa_vacations/

² http://travel.usnews.com/Rankings/Worlds_Best_Vacations/

³ <http://www.travelweekly.com/News-at-TW/Travel-Weekly-Readers-Choice-Awards-winners/?cid=eltrdb>

⁴ Mak, 2008. p. 13.

⁵ Allen, 2004.

There were tourists in Hawaii before World War II. How far back depends on how one defines “tourism.” Orvar Lofgren recalls a series of newspaper articles authored by Swedish writer Carl Jonas Love Almqvist and published in 1840 that explored a relatively novel concept: “What is a tourist?” Tourism is “a new mode of consumption...based on the idea of leaving home and work in search of new experiences, pleasures, and leisure.”⁶ I agree.⁷ So does Elizabeth Becker who writes: “Tourism is a frivolous pursuit: fun, sometimes educational in the lightest sense, often romantic, even exotic.”⁸ The United Nations World Tourism Organization (UNWTO) is not as agreeable. According to the UNWTO tourism consists of “the activities of persons traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business, and other purposes.”⁹ By the UNWTO definition, the British explorer Captain James Cook and the crew of his two ships, *Resolution* and *Discovery*, were the first tourists to visit Hawaii in 1778.¹⁰

Louis J. Crampon estimated the number of visitors to Hawaii all the way back to 1800.¹¹ Until the middle of the nineteenth century, most visitors to Hawaii were merchant seamen and whalers on shore leave while their ships were resupplied and refitted, often after spending many months at sea.¹² Those folks were not on holiday. Tourism in Hawaii then was vastly different in

⁶ Lofgren, 1999, p. 5.

⁷ I have suggested that we use the term “visitor” to correspond to the UNWTO inclusive definition of tourist, and the term “tourist” as someone who is traveling primarily for pleasure. Thus, a tourist is also a visitor, but a visitor is not necessarily a tourist. Mak, 2004, pp. 3-4.

⁸ Becker, 2013, p. 8.

⁹ World Tourism Organization, 1993, p.1.

¹⁰ Kuykendall, 1968, Chapter II.

¹¹ Crampon, 1976, p. 315.

¹² According to Crampon, over 90 percent of the visitor arrivals in Hawaii between 1850 and 1869 were whalers. Crampon, 1976, p. 125.

kind from what it is today.¹³ In 2013, nearly 84 percent of Hawaii’s visitors came on pleasure trips, and according to the Hawaii Tourism Authority, Hawaii’s most important tourist attraction is its “unspoiled natural beauty.”¹⁴

Mass tourism came to Hawaii after the 1950s, but its humble origin began decades earlier, in the 1870s. That story has yet to be told.¹⁵ There is very little research available on how successful tourist destinations actually begin. This article provides a narrative of Hawaii’s tourism history by going backward in time to when it all began. It ends in 1940. One major challenge in writing this history is that statistics on tourist arrivals were not tabulated until 1921. The reconstruction of that history must necessarily be largely qualitative. It is “soft” history. I relied heavily on three main contemporary sources. The *Hawaiian Almanac and Annual*— more popularly referred to as *Thrum’s (Hawaiian) Annual*— published between 1875 and 1974. Second, the detailed and informative annual reports (1900-1959) of the Governor of (the Territory of) Hawaii to the U.S. Department of the Interior (hereafter referred to as the *Governor’s Report*). Third, the annual reports of the Hawaii Tourist Bureau between 1927 and 1931.¹⁶ Contemporary newspaper stories round out the primary sources. As much as possible, I let the original authors tell their stories. My contributions are to pull their writings together into a coherent story and provide the necessary interpretations along the way.

How It All Began

¹³ Kuykendall, 1968, Chapter II.

¹⁴ Hawaii Tourism Authority, 1999, pp. 1-10.

¹⁵ Louis Crampon (1976) wrote a lengthy monograph on the history of tourism development in Hawaii until the 1970s. It is descriptive, extremely detailed and highly informative but somewhat thin on explanation in important places. The monograph was not published and thus not widely distributed.

¹⁶ Unfortunately, most of the reports were not preserved.

In a now classic article published in the *Cornell Hotel and Restaurant Administration Quarterly* in 1974, Stanley Plog put forth his theory about how destinations begin and, ultimately, end.¹⁷ The first tourists to visit a destination are adventurers whom he called “Venturers”. Not many of them, but they tend to be hardy, independent, and curious souls seeking new experiences and authenticity rather than familiarity. Tourism in Hawaii began in the same way. The islands were a big hit among early, curious visitors, and some of them wrote glowing letters and detailed essays about their travel experiences in Hawaii.¹⁸ The most famous (or, soon-to-be famous) among them was an upstart newspaper correspondent and later author and humorist extraordinaire named Mark Twain.

Mark Twain arrived in Hawaii on March 18, 1866 as a reporter for the *Sacramento Union* with the intention of staying one month. As it turned out, he stayed four months. During those months, he traveled extensively throughout the islands and kept detailed notes of what he saw and experienced which he used to write 25 letters to the *Sacramento Union*.¹⁹ Not long after he returned to the mainland, he presented his first public lecture on the Hawaiian Islands in San Francisco on October 2, 1866. For the next seven years he presented variations of that lecture nearly a hundred times to audiences throughout the U.S. and in England. Hawaii received a lot of free publicity. As much as he loved Hawaii, Mark Twain never returned to the islands he called

¹⁷ Plog, 1974.

¹⁸ See, for example, the article by E. S. Baker in *Thrum's Annual, 1877*, pp. 27-40. Thrum described it “as being the best descriptive article upon the Islands that has come within our notice and worthy of preserving with us.” Baker wrote (p. 27): “[The Hawaiian Islands] possess the general attractive characteristics of tropical groups and have a perfection of climate and remarkably charming scenery, which, in many places I have visited, is so delightfully beautiful as to suggest being in an earthly paradise.”

¹⁹ Day, ed., 1975.

“the loveliest fleet of islands anchored in any ocean.”²⁰ In 1899, Mark Twain concluded a speech in honor of a baseball team that had just returned from the Pacific (including Hawaii) with the now famous tribute to his beloved Hawaii:

No alien land in all the world has any deep strong charm for me but one, no other land could so longingly and so beseechingly haunt me, sleeping and waking, through half a lifetime, as that one has done. Other things leave me, but it abides; other things change, but it remains the same. For me its balmy airs are always blowing, its summer seas flashing in the sun; the pulsing of its surfbeat is in my ear; I can see its garland crags, its leaping cascades, its plummy palms drowsing by the shore, its remote summits floating like islands above the cloud wrack; I can feel the spirit of its woodland solitudes, I can hear the splash of its brooks; in my nostrils still lives the breath of flowers that perished twenty years ago.

Another visitor, R. S. Smith wrote about the warm hospitality of Hawaii’s people: “Nothing more genial, nothing more genuinely polite than the Hawaiian welcome ever greeted the strangers to these shores.”²¹ Today, Hawaii’s famous hospitality is known as the “Aloha Spirit.”

One of my favorite articles was written by E. Ellsworth Carey:²²

The tourist and sightseeker who roams the earth over, seeking

²⁰ At “<http://bancroft.berkeley.edu/Exhibits/MTP/west.html>; and <http://spg.hubpages.com/hub/mark-twain-in-hawaii>).

²¹ *Thrum’s Annual, 1884*, p. 50.

²² *Thrum’s Annual, 1893*, pp. 88-89.

for the new, the strange and the marvellous, should give some attention to the many and ever varied attractions of the Hawaiian Islands justly termed the “Paradise of the Pacific.” The climate is mild, equitable, delightful; any degree of temperature from the semi-tropical to the everlasting snows may be experienced. The sea-scented breezes are health-giving and refreshing. Ozone abounds. Bathing in the emerald-tinted sea is a luxury. The elysian moonlight entrances the traveler; the grand vistas that are spread out from the tops of the craggy precipices are almost sublime.

The scenery is varied; it is beautiful and sublime by turns. It is always changing. Sailing along the island coasts, the visitor holds sky-reaching cliffs, verdure-coverers and cloud-covered. From the empyrean heights dash silver streams in countless numbers. The lights and shadows fill the soul of an artist with unspeakable longings. At the foot of the giant battlements dash the white surges of the Pacific, and their roar is echoed from a thousand lava caves.

An epitome of the world’s scenery is found in Hawaii. There cliffs and caves; grand canyons and measureless waterfalls; spouting caves and singing sands; bottomless and rivers of lava.

The crowning attraction is, doubtless, Kilauea; this volcano contains an everlasting lake of fire and force, which has been the the delight and wonder of thousands. It is always changing, and the weird and awful sights of that wonderful caldron have been the subject

of countless letters, descriptions, writings and odes.

But its mystic grandeur can never be conceived; its appealing beauty and unearthly spell can never be imparted. Stand over Kilauea, as the shadows of night fall o'er the scene, and behold the indescribable, unknowable, and incomprehensible. "Be still, and know that I am God."

No traveler can visit the different islands of the Hawaiian group and not feel amply repaid. He will receive a lasting experience, and the odor of the flowers and the flash of waters on a coral strand will abide with him forever.

Hawaii may have been the Paradise of the Pacific, but tourists must first get there.

Tourism means travel, and travel requires transportation. During most of the nineteenth century, visiting Hawaii meant crossing the vast Pacific Ocean on a sailing ship from San Francisco, a distance of some 2,100 miles.²³ At the height of the California gold rush (around 1850) diminutive schooners and brigs dominated the Hawaii trade.²⁴ Carrying freight was their main business though passengers were also accommodated. Before steamships "our business dealings with that port [San Francisco], which comprised more than all others combined... was dependent upon sailing vessels, which served also for passenger accommodation and mail opportunities, often weeks apart in arrival. Tourist travel was not encouraged thereby."²⁵ It

²³ During the peak of the whaling era, Hawaii had developed stronger commercial and, thus, shipping ties with the east coast than with the west coast of the United States. The settlement and growth of California and Oregon and the discovery of gold in California helped to shift the pattern of transportation from the east coast to the west coast. The Civil War in the United States accelerated the shift of Hawaiian trade and shipping from the Atlantic to the Pacific side of the United States. (Kuykendall, 1966, pp. 16-17).

²⁴ *Thrum's Annual, 1931*, p. 27.

²⁵ *Thrum's Annual, 1923*, p. 39. In 1861, 35 ships carrying mail arrived in Honolulu from San Francisco; 33 sailing vessels and 2 steamships. The average passage time was 14 days and 1 hour. Passage times

would require the arrival of regular steamship service to get tourism going in Hawaii.

Steamships provide greater speed and more predictable schedules than sailing vessels.

Mark Twain arrived in Honolulu on the steamship *Ajax*. *Ajax*'s inaugural round trip voyage from San Francisco arrived in Honolulu on January 27, 1866 with 68 passengers.²⁶

After two round trips, the California Steam Navigation Company decided against offering further voyages because the service was unprofitable without government subsidy. However, a year later the U.S. postmaster general contracted with the California, Oregon and Mexico Steamship Company to provide monthly mail service between San Francisco and Honolulu for a period of 10 years. The steamship *Idaho* arrived in Honolulu under the provisions of the mail contract on September 17, 1867. That marked the beginning of regular steamship service between the U.S. mainland and Hawaii.²⁷

In 1871, the California, New Zealand, and Australia Steam Navigation Company inaugurated steamship service between San Francisco, Honolulu, the South Pacific, Australia and New Zealand. That trial was short-lived. The last sailing from Sydney was in 1873.²⁸ The route was taken over by the British flag Australasia and American Mail Steamship Company, Ltd., but that venture ended after one year.²⁹

ranged from 8 days and 17.5 hours to 24 days for sailing vessels; the average was a little over 14 days. The two steamers (each) arrived in 11 days. Regular packets took between 13 to 14 days. (*Pacific Commercial Advertiser*, February 28, 1862.) Average passage time on steamships would fall to around 7 days in the 1880s and to 5 days on the fastest passenger steamers by the 1930s. Travel between San Francisco and Honolulu was pretty safe. The *Pacific Commercial Advertiser*, February 28, 1862, noted that there had not been a loss or serious accident for 10 years.

²⁶ *Pacific Commercial Advertiser*, February 3, 1866.

²⁷ Kuykendall, 1966, p. 170.

²⁸ Stindt, 1982, p. 51.

²⁹ Stindt, 1982, p. 51.

In 1875 the Pacific Mail Steamship Company resumed steamship service between San Francisco and Australia with a layover in Honolulu. From San Francisco, ships made stops in Honolulu and Auckland, New Zealand en route to Sydney, Australia, and vice versa. With the completion of the transcontinental railroad across the U.S. (in 1869), it was faster for England to communicate with its “Colonies” in the South Pacific using rail and steamer service via San Francisco and Honolulu than via the Suez Canal.³⁰ It was also a cheaper and more comfortable route and thus favored by British settlers traveling between their homeland and the Colonies.³¹ For steamship companies, providing service to the Land Down Under was lucrative only because of government mail contracts; for the Pacific Mail Steamship Company, it meant a \$210,000 annual subsidy for 10 years.³²

While freight and mail were the most important cargo between Australia and San Francisco, steamships also carried sizable number of passengers. For example, the 11 steamships en route to San Francisco from Sydney and Auckland in 1875 carried a total of 1,121 passengers, 10 to Honolulu, 227 from Honolulu, and 884 were in-transit. The 12 vessels en route to Auckland and Sydney from San Francisco carried a total of 855 passengers, 264 to Honolulu, 24 from Honolulu, and 567 were in-transit. Thus there were many more passengers passing through Honolulu than passengers going to Honolulu.³³

³⁰ Kuykendall, 1966, p. 172.

³¹ “It has been noticed, frequently, too of late, how gradually and surely this route is gaining favor with the traveling world as against the Suez line; this being one of continuous pleasure and instruction, restoring the invalid and adding vigor to the strong; while the other is one of decided discomfort and continuous anxiety, being both unbearably hot and less or more unhealthy.” *Pacific Commercial Advertiser*, July 20, 1878.

³² Worden, 1981, p. 12. Pacific Mail already had a U.S. mail contract to provide service between California and the Orient.

³³ *Thrum’s Annual, 1876*, p. 55. Of the 11 ships that stopped in Honolulu en route to San Francisco in 1875, the average layover was 19 hours; only 3 ships stayed at least 24 hours, the longest layover was 30

Pacific Mail maintained its service between Australia, Honolulu and San Francisco for an uneventful 9 years; the service ended after its mail contract expired on October 1, 1885. Oceanic Steamship Company stepped up to fill the void. Fred Stindt summed up its history as follows: “The history of the Oceanic Steamship Company is a story of dogged determination to expand American shipping to the South Seas and the “World Down Under”—New Zealand and Australia.”³⁴ Founded in 1881 by Hawaii Sugar King Claus Spreckels, Oceanic entered the San Francisco-Honolulu trade in 1882 with a chartered steamship; then expanded its service in 1883 with two new 3000-ton steamships.³⁵ After Pacific Mail and Steamship Company ended its Australia-San Francisco service, Oceanic signed a five-year \$200,000 per year mail subsidy contract with the New South Wales and New Zealand governments to continue the service to Australia and New Zealand. The U.S. government contributed money toward that contract, and between 1888 and 1891 the Hawaiian government contributed \$1,500 per trip.³⁶ As with the Pacific Mail and Steamship Company, “...the single factor that kept the ships sailing was subsidy.”³⁷

hours, the shortest was 6 hours. Of the 12 ships bound for Auckland and Sydney, not one stayed at least 24 hours; the average layover was 17 hours, the longest was 21 hours and the shortest was 8 hours. These layover times remained pretty much unchanged over the years. The *Governor's Report to the Secretary of the Interior in 1906* noted (p. 41) that “All through steamers as a usual thing, so arrange their schedule as to arrive at Honolulu in the morning, stay in port from 8 to 30 hours.”

³⁴ Stindt, 1982, p. 51.

³⁵ Stindt, 1982, p. 53. The American-Hawaiian Steamship Company, incorporated in 1899, also served the Hawaii trade focusing primarily on the Hawaii-West Coast-East Coast route. It was strictly a freight carrier and did not carry paying passengers. Cochran and Ginger, 1954.

³⁶ Stindt, 1982, p. 53.

³⁷ Stindt, 1982, p. 51.

Hawaii benefited financially from government mail subsidies to trans-Pacific steamship companies as passengers passing through Honolulu could play tourist for a day during their several hours of layover in Honolulu. The economic value of one-day tourism did not go unnoticed. *Thrum's Annual, 1894* observed that during a very difficult year of 1893:

While trade in general has felt depressed this past year...Still we have benefitted somewhat by the extra through travel by the frequent steamers to and fro between the occident and orient, as also in the new line established between the Colonies and Vancouver via this port..."

At the end of the day lei-decked departing passengers were sent off with Hawaiian music provided by the Royal Hawaiian Band. "Steamer Days" would later be extended to all departing ships in the Honolulu-San Francisco route "to give the local boat with departing residents and tourists as good a sendoff."³⁸

Through passenger counts at Honolulu varied from year to year; there were 1,707 through passengers in 1875. The average for 1880-81 was 3,239; 4,026 for 1890-92 and 5,833 for 1892-94.³⁹ Much of the increase was due to passengers traveling to Asia from ports on the west coast. For example, in 1881, 2881 passengers passed through Honolulu of which 911 (31.6 percent) were traveling to China from San Francisco, Callao (Peru) and Oregon.⁴⁰ A decade later in 1891, Honolulu received 4,984 through passengers, of which 2,503 (50.2 percent) were traveling

³⁸ *Thrum's Annual, 1901*, pp. 108-109.

³⁹ Schmitt, 1977, p. 451.

⁴⁰ *Thrum's Annual, 1882*, p.29.

between China or Japan and San Francisco, British Columbia or Mexico.⁴¹ Honolulu, being at the “Crossroads of the Pacific”, was a natural layover for ships to buy provisions, fresh water, and fuel for steamships.

The signing of the Reciprocity Treaty between the U.S. and the Kingdom of Hawaii in 1876, which permitted sugar grown in Hawaii to be shipped to the U.S. duty free, greatly stimulated sugar production and overall economic activity in the islands. Demand for shipping increased sharply. More shipping was required to transport sugar from the outer islands to Honolulu and then on to the U.S. mainland. More shipping was needed to carry more goods to Hawaii as well. Shipping was the lifeline of Hawaii. *Thrum’s Annual, 1881* observed “... that we import nearly everything that we eat, drink, wear, or use, and San Francisco is our principal source of supply. We are producers and exporters of sugar, rice, and a few other minor articles, but importers of all else.”⁴² More shipping service meant potentially more visitors and tourists.

With direct service between the U.S. mainland and Honolulu and through trans-Pacific service via Honolulu, Hawaii was able to tap into two potential tourist markets—tourists bound for Hawaii as their final destination and travelers in transit to other destinations beyond Hawaii. *Thrum’s Annual, 1888* expressed its optimism for this opportunity as follows:⁴³

The two or three lines of sailing packets that used to suffice, with their passages of from ten to twenty or more days from San Francisco, are now strengthened by direct monthly steamers of the Oceanic Steamship

⁴¹ *Thrum’s Annual, 1893*, p. 35.

⁴² *Thrum’s Annual, 1881*, p. 63.

⁴³ *Thrum’s Annual, 1888*, p. 65.

Company, as also the monthly call, both ways, of their Australia, New Zealand and San Francisco line of steamers, all of which vessels make the trip in seven days between this port and San Francisco, and often times less. These boats fitted with every comfort for passengers, and officered by courteous and experienced men, make it a pleasure trip in every sense of the word. The natural consequences has been to encourage in a marked degree the travel of tourists and others, whether in pursuit of health, pleasure or profit. And it is but the beginning of what these islands are destined to attract when the facts of our climate and natural attractions become known to the intelligent public.

Optimism on tourism's future in the islands still had to be tempered by the reality that Hawaii was not there yet.⁴⁴ The number of destination-Hawaii visitors were disappointingly low.

The fact that Hawaii has been the most extensively written about of all the groups in the Pacific reflects rather upon the reading world when our advantages, as presented year after year, seemed to be ignored by so large a proportion of the world's sightseers and tourists, as well as seekers for investments and developers of new enterprises, or latent industries. With all our steamship and sailing packet opportunities, giving us almost weekly communication with San Francisco, monthly with the Colonies,

⁴⁴ *Thrum's Annual, 1892*, p. 134; see also the 1885 issue, pp. 74-75

frequently with China and Japan, it is the tourist “in transit” who predominates in sight-seeing around the islands—accidental visitors as it were—rather than planned parties to spend a certain number of weeks or months here, to learn the comforts of tropical life as shown in Honolulu, either in its well appointed hotels, or amid its attractive homes, or to see the greatest of all “lions”, the renowned volcano of Kilauea.

Obstacles to Tourism Development

Why weren't more tourists coming to Hawaii as their final destination?

Apparently the chief cause of the past failure to make Honolulu and other places on the group adequately appreciated, as wintering resorts for invalids, or those who dread the rigors of winter in the eastern and northern portions of the United States, has been because of the failure to properly advertise the manifold attractions of the group, or even to set forth, specifically, the cost of the trip to these islands and of a sufficiently long sojourn here to make acquaintance with the scenery, the climate and the agricultural development of the group.⁴⁵

Cost was an important factor. Beginning in 1885 (through 1904) *Thrum's Annual* began to publish a special section on information for tourists. From the *Annual*, one can get a pretty good idea of what it would have cost to take a pleasure trip to Hawaii. For example, the 1885

⁴⁵ *Thrum's Annual, 1885*, pp. 74-75.

issue showed that a round trip steamship ticket (good for three months) between San Francisco and Honolulu cost \$125. The one-way voyage would take 7 days. Lodging (including meals) at the Hawaiian Hotel in Honolulu cost \$3 per day. (Cheaper accommodations were available in many private homes.) On Oahu “the bathing beach of Waikiki, the beautiful valleys of Manoa and Kalihi, the famous Pali, the picturesque land-locked bay known as Pearl River—all of these and a score of other places are within easy access of town.” A four-day trip around part of Oahu by carriage or horseback cost \$30 to \$60. “Suburban” excursions would cost \$3 to \$10 each. Tours to the Neighbor Islands by steamships were also available through one of two inter-island steamship companies. For example, an all-inclusive tour of Hawaii Island, including a visit to the Kilauea Volcano, was estimated to cost \$75. A one week tour to Maui that included visits to Haleakala, the largest extinct volcano in the world, the “grandly gloomy valley of Wailuku, [and] the extensive plantation and sugar mills of Spreckelsville” could be purchased for \$50. The same price for a one week tour of Kauai, “including a visit to the ‘Sounding Sands’ of Waimea, the world-famous sugar estate of Lihue, and the lovely water falls and fern glens of the ‘Garden Island’s many valleys.”

One visitor to Hawaii in 1884 suggested a visit to Hawaii from San Francisco should allow three weeks in Hawaii and two weeks for ocean passage.⁴⁶ The estimated total cost would be \$270, including round trip steamship fare (\$125), room and board (\$70), inter-island steamship fare (including meals) (\$25), horse rentals (\$35), and extras (\$15). That’s a pretty Spartan trip compared to the potential expenditures on the varied commercial tour options described in *Thrum’s Annual, 1885*. Considering that the average annual earnings in all US.

⁴⁶ *Pacific Commercial Advertiser, 1884, April 10.*

industries in 1890 was less than \$500, a trip to Hawaii was quite a luxury.⁴⁷ No wonder most of the tourists sightseeing in Honolulu then were “accidental” visitors passing through Honolulu on their way to other places.

Businessmen in Hawaii were aware of the high cost of taking a pleasure trip to Hawaii.⁴⁸

The solution?

Hawaii desires to attract to its shores her share of tourist travel of the wealthy and leisure class for the enjoyment of her attractions, and the investor for the development of her tropical resources.

Beginning of Tourism Promotion

If Hawaii couldn't do much to make a vacation in the islands more affordable, it could do something about the lack of information and advertising. During the 1870s, the Hawaiian government began to promote the islands by displaying photographs at exhibitions, including Vienna (1873) and Philadelphia (1876).⁴⁹ In 1875, newspaper editor Henry M. Whitney published the first tourist guide to Hawaii, *The Hawaiian Guide Book for Travelers*.⁵⁰ In 1888 King Kalakaua granted a royal charter to publish *Paradise of the Pacific* newspaper/magazine to promote Hawaii.⁵¹ The early issues of *Paradise* sought to sell Hawaii as a health resort.⁵² Still,

⁴⁷ U.S. Census Bureau, 1949, p. 55.

⁴⁸ *Thrum's Annual, 1903*, pp. 158-159.

⁴⁹ Davis, 2001, p. 102.

⁵⁰ At <http://airandspace.si.edu/exhibitions/hawaii-by-air/online/paradise/tourism-blossoms.cfm>

⁵¹ At <http://airandspace.si.edu/exhibitions/hawaii-by-air/online/paradise/tourism-blossoms.cfm>; Crampon, 1976, p. 222. The magazine continued publishing until the 1960s.

⁵² Crampon, 1976, pp.143-151. Crampon argues that appealing to people's health consciousness seemed more acceptable to American puritanical values that emphasized hard work over leisure.

“only desultory individual efforts to promote Hawaii had been made. To insure a steady flow of tourists it was necessary to spread broadcast the witchery of Hawaii’s native life, the spell of her natural wonders, and the charm of her scenery and climate---in other words, to advertise.”⁵³ In 1892, businessman Lorrin A. Thurston proposed a new organization that would make a “systematic effort to advertise the islands on a large scale.”⁵⁴ The September 1, 1892 issue of the newspaper, *The Friend*, reported the announcement of the creation of the *Hawaiian Bureau of Information* (HBI):

Under this title a corporation of leading businessmen has been organized with a capital of 2,000 shares of \$10 each. W. G. Irwin President, and L. A. Thurston, secretary. Its objective is to disseminate information abroad, attract travel and immigration, create new industries, encourage the establishment of hotels, sanitariums, etc., and everything that will promote the development of these Islands. We regard this as a movement of the greatest promise, and likely to secure the active co-operation of people of all classes. Payment on shares are to be made at fifty cents a month.

The *Pacific Commercial Advertiser* reported in its October 1, 1892 issue that several hundred dollars per month had been collected and the amount was expected to reach between \$800 and

⁵³ *Thrum’s Annual, 1923*, p. 77.

⁵⁴ Davis, 2001, p. 102; originally from the *Hawaiian Gazette*, 1 March, 1892.

\$1,000.⁵⁵ However, nearly a year and a half later, *The Planter's Monthly* reported that the Bureau of Information “was not in a prosperous condition.”⁵⁶ That would not be surprising since voluntary contribution schemes to fund generic tourism promotion tend to fail due to freeriding.⁵⁷ When people are asked to contribute voluntarily, most expect someone else to pay since they, the non-contributors, will also benefit. The way to minimize freeriding is to tax the industry and use the revenue to fund promotion.⁵⁸ After the overthrow of the Hawaiian monarchy in 1893, HBI became dormant as the organizers redirected their efforts to seek annexation by the U.S.⁵⁹ HBI failed, but that would not be end of collective efforts to promote tourism to Hawaii.

Why Develop Tourism?

After the ratification of the Reciprocity Treaty in 1876, the sugar industry experienced explosive growth. By the end of the nineteenth century, sugar had become Hawaii’s dominant industry. *Thrum's Annual, 1896* observed “One cannot doubt that the prosperity of the islands is due almost wholly to its sugar industry.”⁶⁰ Hawaii was prospering from sugar and didn’t seem to need tourism to shore up its economy. The government treasury recorded more years of surpluses than deficits.

Hawaii didn’t have an abundance of capital or labor to spare either. Indeed, shortly after the Treaty was signed, *Thrum's Annual, 1878* reported that “Trade in general has felt the

⁵⁵ *Pacific Commercial Advertiser*, October 1 1892.

⁵⁶ February, 1894, p. 63.

⁵⁷ Bonham and Mak, 1996.

⁵⁸ This is how it is done in Hawaii today. Hawaii taxes transient accommodations and dedicates part of the revenue for tourism promotion. See Mak, 2008, pp. 81-85.

⁵⁹ Davis, 2001, p. 102.

⁶⁰ P. 108. MacLennan (2014) describes Hawaii’s sugar industry as “sovereign sugar.”

inconvenience of this condition of affairs, no doubt brought about by the absorption of all moneys obtainable for the development of sugar growing, and which will be some time before it shows return.”⁶¹ Sugar’s thirst for capital was already sapping capital available to other industries. Unlike many developing island countries plagued by surplus of unskilled labor, Hawaii had the opposite problem. Because of the Reciprocity Treaty, demand for labor “far exceeds the supply.”⁶²

There were several reasons why Hawaii sought to grow tourism. First, it was simply a business opportunity that was waiting to be exploited. There were local businessmen who were keenly interested in tourism development and worked tirelessly to achieve their goal. Arguably, at the top of that list was Lorrin A. Thurston. Thurston, a lawyer, publisher of the *Honolulu Advertiser*, and businessman, is best known as one of the leaders that orchestrated the overthrow of the Hawaiian Monarchy in 1893 and later headed the commission to Washington to negotiate Hawaii’s annexation by the U.S. He was also a champion of tourism. As the first minister of the interior for the Kingdom of Hawaii (1887-1890), he was responsible for building the road between Hilo and Kilauea Volcano. He had a sizeable financial interest in the Volcano House Company that, in 1891, bought the iconic Volcano House hotel that sits on the rim of Kilauea Volcano.⁶³ He became the company’s president in that year.⁶⁴ He led the establishment of the Hawaiian Bureau of Information in 1892. Later, he would head the Hawaii Promotion Committee (established in 1903) and predecessor to the current Hawaii’s Visitor and Convention Bureau. In a very public feud in 1927, he argued with pineapple industry founder, James Dole,

⁶¹ P. 55.

⁶² *Thrum’s Annual, 1878*, p. 52.

⁶³ Crampon, 1976, p. 92.

⁶⁴ *Pacific Commercial Advertiser*, August 11, 1891.

over legislative appropriations for tourism promotion.⁶⁵ Dole argued that the tourist bureau should stand on its own feet because tourism was no longer an infant industry. Dole further argued that steamship companies should bear a larger share of the burden of financing tourism promotion.⁶⁶ Thurston replied that tourism's economic benefits trickle down through the entire community. "The butcher, the baker, the candle-stick maker..." and so on.⁶⁷ Thurston prevailed. Between 1906 and 1916, he (and others), lobbied Washington to establish the Hawaii National Park. The Park was created by an act of Congress in 1916 and placed under the National Park Service. Long time Hawaii tourism executive Robert Allen credited Thurston as having "created the foundation for Hawaii tourism."⁶⁸

Second, even though Hawaii's economy was booming because of sugar, how well it performed in any given year depended on the price of sugar. However, the price of sugar was notoriously volatile. The need for economic diversification was aired publicly as early as 1885:⁶⁹

An effort was made in the early part of 1885 by one of our leading papers, in a series of suggestive articles, to arouse public attention to the advisability of seeking by diversified industries, to stem the tide of business depression the islands were experiencing through the low rates of the sugar market consequent upon having

⁶⁵ *Honolulu Advertiser*, March 26, March 29, April 2, April 3, April 5, April 13, and May 26, 1927.

⁶⁶ There was already ill will between Dole and the *Honolulu Advertiser* (published by Thurston) and the Hawaii Tourist Bureau. Dole alleged that the *Honolulu Advertiser* was more interested in tourism than in pineapples. See Hawkins, 2007, pp. 154-155.

⁶⁷ I borrowed the quote from a well-known English language nursery rhyme, *Rub-A-Dub-Dub*.

⁶⁸ Allen, 2004, p. 196.

⁶⁹ *Thrum's Annual, 1893*, p. 105.

“all our eggs in one basket.”

With the passage of the McKinley Bill (1891) which eliminated Hawaii’s sugar tariff advantage, there was “a general recognition now of the importance of diversifying our products.”⁷⁰ Diversification, however, meant finding other agricultural commodities to export. And Hawaii experimented with many products, including pineapple, rubber, cotton, tobacco, sisal and silk. Only pineapple would achieve great success to become Hawaii’s second largest commodity export. Tourism was not one of the “products” mentioned. Nonetheless, the potential value of tourism as a moderating economic force was noticed.⁷¹

There was a third, and more sinister, reason why some businessmen in Hawaii wanted to promote tourism. After the Hawaiian Bureau of Information closed down, the Merchants’ Association of Honolulu formed a three-person committee consisting of J. G. Rothwell, J. F. Humburg, and Wm. Lishman to study the merits of promoting tourism. Their report, published in the August 1902 issue of the *Paradise of the Pacific*, contained the following passage:⁷²

It is up to the representative people of Hawaii to decide whether or not this Territory shall or shall not secure a trade that is admittedly large and profitable in itself, *besides being a business that properly directed cannot fail to result in bringing us ultimately an increased and permanent population of the most desirable character.* [Italics added for emphasis.]

⁷⁰ *Thrum’s Annual, 1893*, p. 105.

⁷¹ *Thrum’s Annual, 1894*, p. 134.

⁷² *Paradise of the Pacific, 1902*, pp. 16-18 and reproduced in Crampon, 1976, pp. 223-227.

And who were these “permanent population of the most desirable character” that could be brought to Hawaii by increased tourism? Caucasians!

In her recent book, Christine Skwiot argues that the defunct Hawaiian Bureau of Information was part of a plan by a group of annexationists to get Hawaii annexed by the U.S. Skwiot writes:⁷³

The Secret Annexation Club and the public HBI became twinned branches of their movement: the former charged with plotting against queen and kingdom, and the latter with making Hawaii more like a white republic and a part of the United States.

The Rothwell-Humburg-Lishman passage didn’t merely state the extremist view of a few white businessmen in Hawaii. At the time the view was widely held amongst the Caucasian business and political elite (who frequently were the same people). To illustrate, in August and September of 1889 a number of public meetings were held in Honolulu over the “Chinese Question.” The issue was whether or not Chinese should be allowed to immigrate freely to Hawaii. A petition submitted by a citizen committee opposed to unregulated Chinese immigration requested an extra legislative session to consider the question. The Cabinet responded that an extra session was unnecessary and that the information that it had gathered was sufficient to support their case. As reported in *Thrum’s Annual, 1889*, the response of the Cabinet contained the following passage:⁷⁴

In the light of history, with the experience of what has happened and

⁷³ Skwiot, 2010, p. 38.

⁷⁴ P. 84 and p.86.

is now happening in other countries, the Ministers feel justified in saying that unless adequate measures are adopted, Oriental civilization will extinguish, and be substituted for the Anglo-Saxon civilization of this country. The second proposition above stated is, that the perpetuation of Anglo-Saxon civilization is essential to the continuance of a free government and of the political independence of this Kingdom.

Ironically, it was the “Anglo-Saxon civilization” that later (and illegally) brought an end to the “free government” and “political independence of the Kingdom.”

After the overthrow of the Hawaiian monarchy and the establishment of a republic, the President of the new republic Sanford Dole wanted to start a homestead program on former Kingdom lands. The objective of homesteading was to encourage white immigration to offset the growing Asian population. The program was not successful as few homesteads were developed.⁷⁵

The Hawaii Promotion Committee

The failure of the Hawaiian Information Bureau (HBI) did not discourage the local business community from forging ahead with efforts to promote tourism to the islands. The year

⁷⁵ Coffman, circa 2009, p. 242. In a speech at the June, 1895 meeting of the Social Science Club in Honolulu, Professor W. D. Alexander explained the benefit of encouraging immigration from the mainland U.S. without referring to “race.” He said, “...to ensure the success of this republic, it will be necessary to build up and foster an intelligent middle class, who understand the principles and the methods of Anglo-Saxon self-government.” Presumably these desirable middle class American immigrants would mostly be “white.” *Thrum’s Annual, 1896*, p. 124.

1903 was a game changer with the founding of the Hawaii Promotion Committee (HPC).⁷⁶ As with the earlier Hawaiian Bureau of Information, the effort was organized by the business community spearheaded by the Merchants' Association and the Honolulu Chamber of Commerce.⁷⁷ Article IV, Section 13 of the By-Laws of the Honolulu Chamber of Commerce states:⁷⁸

The Hawaii Promotion Committee shall advertise the attractions of the Territory of Hawaii, promote tourist travel, disseminate literature and, by correspondence with tourist agencies, steamship and railroad companies, endeavor to enlist their aid and assistance in directing travelers and tourists to the Territory.

HPC was different from the earlier failed experience with the Hawaiian Information Bureau in two important ways. First, HPC was more focused on tourism. Second, start-up funding was sought from the Territorial Government. With a recommendation from Governor Sanford B. Dole, the Legislature appropriated \$15,000 toward the effort, matched by an equal sum from the business community. With money in hand, a secretary (E. M. Boyd) was hired; an office in the Alexander Young building was leased; promotional materials for magazines and

⁷⁶ This was 34 years before the U.S. established the United States Tourist Bureau by the Secretary of the Interior on February 4, 1937 in the National Parks Service. The Bureau was transferred to the Office of the Secretary in March 1939. It was renamed the United States Travel Bureau with permanent status through an act of Congress and signed into law on July 19, 1940 with an appropriation of \$75,000 for fiscal year ending June 30, 1942. At <http://library.case.edu/ksl/collections/govdocs/travel/bureau.html>; U.S. Department of the Interior, *Annual Report of the Secretary of the Interior, 1941*, p. 296.

⁷⁷ The Merchants' Association was formed in 1901. In 1913 the two organizations merged and HPC became a regular standing committee of the Chamber. *Thrum's Annual, 1923*, pp. 76-82.

⁷⁸ Mak, 2008, p. 105.

newspapers were prepared; and a New York advertising agency was retained to place full and quarter page ads in leading journals that had an estimated combined readership of seven million.

According to Boyd:⁷⁹

That it has been effective is evidenced from the fact that of the first 100 letters received by the committee at its headquarters, there were represented 15 states and 2 territories. England and Germany contributed later, and almost every state of the Union is now on the list of those which have asked for matter relative to Hawaii.

[The railroads and steamship lines] were heartily in accord with its work, and the assistance received from that quarter has been of the very first order. The folders of the committee were generally distributed through the agencies of the railroad lines, and they have thus given publicity at comparatively small expense. The booklets of the committee have been spread over all the earth, for the steamship lines gave them a chance to reach travelers in China, Japan, the Indian Ocean and Australia, while the agencies in Europe were kept supplied so that it is known that the publications have found readers in every land where travel is sought.

⁷⁹ *Thrum's Annual, 1904, pp. 174-175.*

Over the years, public funding helped to ensure HPC's survival. In his annual report to the U.S. Secretary of the Interior in 1906, Hawaii Governor George R. Carter gave the following reason for Territorial Government funding:⁸⁰

...an organization at present supported by the merchants of Honolulu, but which has attained such public importance and appreciation that the two great political parties recommend, in their current election platforms, that it be maintained from the Territorial treasury.

In the Territorial Government's biennium budget for 1908-1909, \$3,000 were appropriated each year to HPC; between 1912 and 1919, annual appropriations were increased to \$6,000 and then to \$9,000 each year for 1920 and 1921. After 1921, Territorial appropriations increased steadily from \$22,500 in 1922 to \$75,000 each year between 1928 and 1933. At the bottom of the Great Depression in 1933, Territorial Government appropriation accounted for almost 65 percent of the total tourism promotion budget.⁸¹ The largest appropriation before World War II was \$175,000 for the 1937-1939 biennium, accounting for 35 percent of total expenditures by the Bureau in those two years.⁸²

There were other sources of public funding. For example, in 1922, regular funds came from 4 sources:⁸³ \$22,500 from the Territorial Government; \$20,000 from a voluntary tonnage tax, equal to one-half of the proceeds from the 10 cents per ton voluntary tax on all

⁸⁰ P. 11.

⁸¹ Schmitt, 1977, p. 280.

⁸² Schmitt, 1977, p. 280.

⁸³ *Thrum's Annual, 1923*, p. 80.

incoming freight except government freight;⁸⁴ \$3,000 from the City and County of Honolulu,⁸⁵ and \$14,500 from public subscriptions. Thus, public subscriptions (or private funding) accounted for less than one-quarter of the \$60,000 regular budget in that year. The “voluntary tax” is an oxymoron since a “tax” that is voluntary is not a tax. It’s a charitable contribution. Like public subscriptions, the voluntary tax would not solve the problem of freeriding, forcing HPC and its successor organizations to constantly lobby for bigger government appropriations.

During its long history HPC changed its name several times. It became the Hawaii Tourist Bureau in 1919,⁸⁶ the Hawaii Travel Bureau in 1944, the Hawaii Visitors Bureau in 1945 and finally to Hawaii Visitors and Convention Bureau in 1997. In 1959, the Hawaii Visitors Bureau was separated from the Chamber of Commerce and became a nonprofit corporation because it was felt that the new State government would likely be more willing to support a private entity than a business organization.

In addition to tourism promotion, HPC started a research program to collect tourism data (around 1911). The first attempt compiled first-class ship passenger arrival statistics. That wasn’t very useful because immigrants and returning residents were among the arrivals. In 1915, HPC began to differentiate in-transit (through) passengers from those coming specifically to Hawaii. Then, in 1921, passenger statistics were refined to differentiate tourists from residents. The first statistics of tourist arrivals in Hawaii provided by the Hawaii Tourist Bureau showed

⁸⁴ The other half went to the Palama Settlement, a non-government social service organization founded in 1905 after the Great Chinatown Fire of 1900 to help immigrants, the displaced and the poor. See <http://www.palamasettlement.org/history>

⁸⁵ Hawaii’s four counties were created in 1905. In 1909, the island of Oahu was designated as the City and County of Honolulu.

⁸⁶ The Bureau, and (indeed, the tourist industry) was suspended during World War II.

8,000 tourist arrivals in 1921; a more detailed tabulation for 1922 counted 9,676.⁸⁷ Because only visitors who stayed at least two days were counted, through passengers were not counted as tourists. In 1928 HPC's successor organization, the Hawaii Tourist Bureau, began to survey tourists on how much money they actually spent in Hawaii.

The Hawaii Tourist Bureau (HTB) even attempted to perform a crude benefit-cost analysis on the \$100,000 spent for publicity, advertising and information during 1923.⁸⁸ "Crude" because HTB did not have information on visitor spending and trip duration; those had to be assumed.⁸⁹ HTB guessed that the 12,000 tourists, combined with steamship companies and others, spent approximately \$2.5 million during their stay in Hawaii. Thus, "the amount we spend is only 4 percent of what we get, which is certainly a good return for our money." While the arithmetic was correct, the analysis was not. How many *additional* tourists did HTB entice to come to Hawaii beyond those who would have come anyway? It was certainly not 12,000!

Hawaii Tourist Bureau's *Annual Report* for 1930 provided the following comparison of tourism revenues vis-a-vis advertising expenditures between 1921 and 1930:

Hawaii tourists have left \$75,000,000 here in the past ten years.

This is a conservative estimate that does not include expenditures

⁸⁷ Hawaii Tourist Bureau, 1931. Earlier estimates exist. The *Pacific Commercial Advertiser* (September 30, 1887) estimated the annual inflow of tourists to Hawaii at between 600 to 700. Hawaii State Statistician Robert Schmitt reported the number of tourists for 1886 at 2,040 (Schmitt, 1977, p. 273). The *Pacific Commercial Advertiser* estimated the number of pleasure travelers in 1899 at 3,189 (1900, March 6), and 1000 in 1907 (1907, May 23). Obviously, these estimates differ wildly.

⁸⁸ *Thrum's Annual, 1925*, pp. 84-87.

⁸⁹ HTB assumed unrealistically that each tourist stayed 10 days in Hawaii and spent \$10 per day; steamship companies and others spent another \$10 per day per visitor. HTB correctly did not include any spending by the 19,492 through cabin passengers. Their visits likely were not enticed by HTB advertising.

by ships' crews... or other elements incidental to the tourist industry.

The per capita tourist expenditure of \$492.15 was determined by a series of personal questionnaires.

During that period a recapitulation of Tourist Bureau expenditures shows a total of \$1,163,000 for all expenditures by the Bureau or about 2 percent of the whole.

The Bureau concluded:⁹⁰

Experience has proved that for every dollar Hawaii invests in advertising, 50 NEW dollars flow back to the Islands; money spent by visitors.

Again, correct arithmetic but wrong analysis.

HPC wasn't only a marketing organization. While it was busily selling Hawaii as a desirable tourist destination abroad, at home it carried the torch to make Hawaii more attractive to tourists. For example, it played a leading role in 1905 and 1906 in raising public interest to beautify Honolulu.⁹¹

The Hawaii Promotion Committee rendered good service in arousing public interest to the subject [of beautifying Honolulu] and launching forth the movement under its auspices. Though largely

⁹⁰ Hawaii Tourist Bureau, 1930, p. 2.

⁹¹ *Thrum's Annual, 1906*, p. 193.

in the interest of “tourist attraction” it nevertheless appealed to all officials, property owners, and householders to do their part in improving the conditions of the city and increasing its attractiveness.

The City Council retained a “city beautifier” (Chas. Mulford Robinson) to provide suggestions on the development of a park system for Honolulu. Robinson’s 37-page report, completed on March 14, 1906, went way beyond that. It included recommendations for street plans, tree planting (inside lot lines, and not on the narrow walks), signs (of little value when everybody has them), poles (ought to come down), fences (front fences should go), and so on. Perhaps the most important part of the report was the General Considerations that guided the development of Robinson’s recommendations. While HPC’s motivation for city beautification was to boost tourism, Robinson offered a different view on how to beautify the city in a way that would benefit residents *and* tourists:⁹²

Among these [General Considerations] might fittingly be discussed the future of Honolulu as the playground of the Pacific tourist travel. There should be a higher appeal than commercial motives. Whatever development is given the city and its surrounding country should be first of all for the comfort of its own citizens, who pay the bills and live—not visit—here. What will improve it for them, make it better worth living in, add to the comfort and pleasure in life of its own citizens, and make it more beautiful to

⁹² *Thrum’s Annual, 1906*, pp. 189-190.

them and add to their contentment and happiness will also make it more attractive to strangers.

In other words, in developing tourism, the wellbeing of residents should come first. What is good for residents is also good for tourists. From *Thrum's Annual, 1923*:⁹³

“Lovely Honolulu!” “Beautiful city in the ‘Crossroads of the Pacific!’”

These and other appreciative epithets are applied to our “home-town” more frequently in recent years, partly through the annually increasing number of tourist-visitors, many of whom pay us these compliments, they tell us, by comparison with famous attractive resorts visited in their world-tours, and partly the fact that the “seed-sowing” of our city beautifiers of not very long ago is already returning due reward.

HPC succeeded in persuading the Bishop Museum to open its doors to the general public five days, instead of two days, per week beginning in September 1911.⁹⁴ It pushed for a wharf to be built on Maui, arguing that the island wasn't getting its rightful number of tourists because visitors at Lahaina had to land by boat.⁹⁵ It urged a public golf course be built at Kapiolani Park because the only course was the private Oahu Country Club.⁹⁶ It came up with the idea of developing an amusement garden in Waikiki that might benefit both residents and tourists. The garden would have an arcade, curio shops for tourists, a pavilion for musical concerts, a restaurant, a Japanese garden, children's playground, and a bathhouse for swimmers and canoe

⁹³ P. 34.

⁹⁴ *The Hawaiian Star*, September 2, 1911.

⁹⁵ *Pacific Commercial Advertiser*, September 1, 1915.

⁹⁶ *Honolulu Advertiser*, March 15, 1915.

paddlers, and it would not mar the view of “Old Waikiki Bay.”⁹⁷ The proposal was “heartily” supported by none other than Lorrin A. Thurston. An earlier idea to build a recreational pier in front of the Outrigger Club in Waikiki was vigorously opposed. HPC argued that Hawaii wasn’t doing enough for tourists and the recreational pier would give tourists more to do.⁹⁸ HPC did not prevail.

Improving Waikiki

The story of Waikiki improvement deserves to be told separately. At the turn of the twentieth century, Waikiki was not the tourism mecca that it would eventually become. Hawaii’s first luxury hotel, the Hawaiian Hotel, opened for business in early 1872.⁹⁹ However, it was located in downtown Honolulu near the harbor and not in Waikiki about three miles away. The hotel did have a seashore cottage in Waikiki where guests could be taken there by hotel coach or, if they wished, check out a saddle horse and go there to spend the day or to swim in the ocean. Waikiki of 1873 was described as a “hamlet of plain cottages, stretching along the seashore in the edge of a grove of coconut palms...Its local excitements are caused by the activity of the insect tribes and the occasional fall of a coconut.”¹⁰⁰ But it had an appeal for tourists. According to L. D. Timmons:¹⁰¹

⁹⁷ *Honolulu Star Bulletin*, June 8, 1917.

⁹⁸ *Honolulu Star Bulletin*, January 5, 1915.

⁹⁹ An excellent description of “this splendid establishment and its beautiful surroundings” is provided by E. S. Baker in the 1877 issue of *Thrum’s Annual*, p. 29. The hotel, with 42 sleeping rooms, was built partly with government funds. Later, the enlarged hotel was renamed the Royal Hawaiian Hotel by King Kalakaua. The hotel was converted to an Army and Navy Y.M.C.A. in 1917 and demolished in 1926 (Cohen, 1986, p. 10). Two photographs of what may have been the first luau for tourists held at the Hawaiian Hotel were published in the *Pacific Commercial Advertiser* on April 2, 1905.

¹⁰⁰ At <http://airandspace.si.edu/exhibitions/hawaii-by-air/online/paradise/tourism-blossoms.cfm>

¹⁰¹ *Thrum’s Annual*, 1901, p. 161.

For many years Waikiki beach has been close to the heart of every tourist. At Waikiki he found the same surf in January as in June; the same tropical foliage, the same rich flowers, the same perfect climate, the same myriads of twittering birds in the shadows of the palms—in December as in May. Since annexation [1898] the fame of Waikiki beach has become more outspread, and it is not now unusual to see business men of the Mainland who have come here principally on account of the unsurpassed waters of Waikiki beach in Winter. The one drawback in the past has been a lack of suitable accommodations at the beach.

There were a few hotels in Waikiki before 1900.¹⁰² Hotel Waikiki was opened in 1837. Several more hotels were opened in the 1880s and 1890s: the San Souci in 1884, Park Beach in 1888, and Waikiki Seaside in 1894. The first luxury hotel to be built in Waikiki was the Moana Hotel, completed in 1901. At the time, it was the “costliest and most elaborate hotel building in the Hawaiian Islands.”¹⁰³

In 1906, Lucius E. Pinkham, president of the Territorial Board of Health, declared Waikiki a nuisance and a health hazard. At that time, Waikiki was comprised mostly of duck ponds, rice paddies, and swampland. Pinkham wanted Waikiki drained, dredged, and filled. His proposed reclamation project would transform the area into an “absolutely sanitary, beautiful and unique district; one that would add immensely to the reputation of Honolulu at home and

¹⁰² Cohen 1986 pp. 10-11.

¹⁰³ *Thrum's Annual, 1901*, p. 164.

abroad.”¹⁰⁴ The Waikiki Reclamation Project, while it did not faithfully follow the plan Pinkham designed, began in 1922 and took 7 years to finish. Pinkham would not see the project completed before his death.¹⁰⁵ The project called for a canal to be dredged to divert streams flowing into Waikiki; dredging created new lands that became the Ala Wai golf course. The Ala Wai Canal became the marker that separated Waikiki from the rest of Oahu. Upon completion the ancient irrigation systems, the farms, the duck ponds, and the mosquitoes disappeared.

Not everyone agrees that the reclamation project improved Waikiki. Gaye Chan and Andrea Feeser argue that instead of making Waikiki a more sanitary place, the project ravaged traditional lifestyles.¹⁰⁶ They cite research that showed the mosquito infested swamps and “odiferous duck ponds” were actually productive farming ventures.¹⁰⁷ Instead, land had to be condemned and people evicted. Chan and Feeser argue that “the engineering project was really undertaken as a reclamation endeavor, to create land suitable for development into commercial and residential real estate...”¹⁰⁸

Whether the Waikiki Reclamation Project was an effort to eradicate a public health nuisance or a real estate development scheme helped by the strong arm of the government, the “reclaimed” Waikiki would become home to tens of thousands of local residents; and until direct flights from the U.S. mainland to the neighbor islands became possible in the 1980s, it was the

¹⁰⁴ Mayor’s Planning Advisory Committee for Waikiki-Diamondhead, *Report*, 1971, Section 3, p. 1.

¹⁰⁵ *Thrum’s Annual*, 1923, p. 66.

¹⁰⁶ Chan and Feeser, 2006.

¹⁰⁷ P. 30.

¹⁰⁸ P. 25. For an extended critique of the project, see especially pages 25-37.

sole tourism gateway to all of Hawaii.¹⁰⁹ When the Royal Hawaiian Hotel was opened in Waikiki on February 1, 1927, the *Honolulu Star-Bulletin* published a special 80-page edition to commemorate the occasion. The newspaper called the hotel the “finest resort hostelry in America” and predicted that Hawaii would become “the playground of the Pacific.”¹¹⁰ When passengers from twenty-four world cruise tours were asked to name the world’s most beautiful hotel, the unanimous answer was the Royal Hawaiian Hotel.¹¹¹

Waikiki’s early visitors were well-heeled and with plenty of time on their hands to spend 10 days traveling to and from Hawaii and another three or more weeks in the islands. Many brought their servants and luxury automobiles with them.¹¹² According to Chuck Gee, Dean emeritus of the University of Hawaii School of Travel Industry Management, “elegance, meticulous service, impeccable quality and a sense of permanence were the hallmarks of Waikiki tourism in the early 20th century.”¹¹³ Glen Grant recounts Waikiki of the 1930s as possibly its most famous era.¹¹⁴

Neighbor Island Travel

¹⁰⁹ Keeping Waikiki as a viable place for locals to live has always been an important policy goal of Honolulu lawmakers. Lawmakers did not want to see Waikiki become solely a tourist enclave arguing that interaction between tourists and locals is good for tourism and for locals. See Mak (2008), Chapter 7.

¹¹⁰ Cohen, 1986, p. 42. Waikiki was designed to be an important playground for both tourists and residents. The popular Kapiolani Park Pavilion was opened on December 11, 1913. For its grand opening the mayor invited the public to a free dance party at the pavilion. Alas, controversy erupted over whether “to rag or not to rag.” Opponents of rag dancing argued that it was undignified. *Honolulu Star Bulletin*, December 11, 1913.

¹¹¹ Allen, 2004, p. 8.

¹¹² There were 1,063 cars brought to Hawaii by tourists in 1930 and 1,536 in 1936. Hawaii Tourist Bureau, 1930, p 2; *Governor’s Report, 1937*, p.7.

¹¹³ Gee, 1989, p. 15.

¹¹⁴ Grant, 2006.

Tourism began in Honolulu and then spread to the Neighbor Islands. Hawaii's experience is not much different from other island tourist destinations. The location of harbors (and airports today) in urban (central business) centers means that tourism tends to first develop around these gateways.¹¹⁵ Also, support services, such as local transportation services, lodging, and restaurants are typically more plentiful and of higher quality in urban centers than in the peripheries. Tourists can take advantage of services that are already in place to support existing businesses. Not surprisingly, in Hawaii, tourism first developed in and around Honolulu. The expansion of tourist travel to the Neighbor Islands was facilitated by the introduction of steamship service in inter-island trade. Sailing ships, which reached their peak in inter-island service in the 1860s, were the principal mode of travel to the Neighbor Islands before that. According to Kuykendall:¹¹⁶

...the conditions of travel on interisland sailing vessels was bad, especially in the early days...even in the fifties and sixties only a very good reason could induce one to endure the dangers and discomforts of such travel...A visit to Hawaii's major tourist attraction, the volcano of Kilauea, was a formidable undertaking.¹¹⁷

¹¹⁵ Mak, 2008, p. 198.

¹¹⁶ 1966, p 5.

¹¹⁷ In 1865, 400 visitors came to the volcano. (*Pacific Commercial Advertiser*, January 13, 1866.) One writer described a three-day trip with his three companions to visit Kilauea Volcano during the summer of 1880. Departing Hilo early in the morning on horseback, and under pouring rain ("for the frequency of which that part of the island is known,") the 30-mile ride over "a very rough road"... "uphill and down dale, over slippery lava flows...through splendid tropical fern forests, impenetrable except by trail" was a "trying one". After a "scramble" of 8 or 9 hours they finally reached Volcano House. They returned to Hilo "tired and lame." (*Thrum's Annual, 1881*, p. 44). For another account of a two-day trip to the volcano, see *Thrum's Annual, 1883*, pp. 65-69.

The expansion of the sugar industry was the primary reason for the transformation of inter-island shipping service from sail to steam.¹¹⁸ Tourists also benefited from the upgrade in service. *Thrum's Annual, 1896* informed its readers that¹¹⁹

Comfortable steamers [now] offer weekly facilities to visit the islands of Maui, Hawaii, and Kauai. The principal attraction of the former, outside of the extensive sugar plantations, are the picturesque valley of Iao—the Yosemite of Hawaii—celebrated as the scene of one of the most bloody battles in Hawaiian history, and the crater of Haleakala, the largest in the world.

Kauai in turn offers her visitors unrivaled scenic attractions, in recognition of which claim it has long since been termed the “garden island” of the group.

Opportunities for visiting Hawaii occur every week by two routes, each steamer leaving port every ten days. Naturally the volcano is the main attraction, but the scenic effect of windward Hawaii, the enchanting beauty of peaceful Hilo, the balmy climate of Kona with its historic village of Kailua, or the famous Kealahou Bay with Cook's monument...both adjacent to the best coffee lands on the islands,

¹¹⁸ *Thrum's Annual, 1894*, p. 54.

¹¹⁹ P. 152.

present strong attractions to the visitor, according to his time and inclination.

In those days, visits to sugar and pineapple plantations, coffee and rice farms were marketed as tourist attractions. Hawaii was into “agritourism” long before the term became fashionable.

In 1885, the Wilder Steamship Company began to offer tours from Honolulu to Kilauea Volcano.¹²⁰ Its advertisement in the 1898 issue of *Thrum's Annual* offered an all-expense paid 7-day round trip tour from Honolulu to the volcano for \$50. The itinerary included coasting the island of Molokai, 3 stops on Maui, and 4 stops on the Big Island with 2 days and 3 nights spent at the volcano. Two years later, the company offered a shorter tour of 4 days at a reduced price of \$40. The former arduous trip on horseback from Hilo to the volcano (that required between 10 to 14 hours) was now by carriage (8 hours) over a “fine macadamized road.”¹²¹ Shorter neighbor island tours would become available. In 1925, the Inter-Island Steam Navigation Company offered 3 day all expense paid tours to the Big Island for \$50.50; Kauai for \$49; and Maui for \$61.70.¹²² Estimates provided by the Hawaii Tourist Bureau indicate that in 1929, 6,746 tourists visited Hawaii Island, 347 visited Maui and 1,415 visited Kauai.¹²³ In the late 1930s, the Big Island still captured the most tourists traveling to the Neighbor Islands, followed by Maui and Kauai.¹²⁴ Hawaii Island may have had Hawaii’s most celebrated tourist attraction in

¹²⁰ Crampon, 1976, p. 90. The following year it purchased Volcano House.

¹²¹ Advertisement in *Thrum's Annual, 1900*. A concrete highway—the Volcano-Hilo Highway—would be completed in late 1927; it was credited with more than doubling the number of visitors—from 37,551 in 1927 to 78,414 in 1928—at Hawaii National Park. *Report of the Secretary of the Interior, 1928*, p. 181; *1933*, p. 194.

¹²² Advertisement in *Thrum's Annual, 1925*.

¹²³ Hawaii Tourist Bureau, 1929, p. 6.

¹²⁴ *Governor's Report, 1938*, p. 54.

Kilauea Volcano, but as the gateway to Hawaii and the most developed island, Oahu had the most tourists. To promote travel to the Neighbor Islands, the Hawaii Tourist Bureau produced motion picture travelogues of each outer island, in color and sound, and screened them in Honolulu and on the mainland.¹²⁵ Overall, tourism development in the Neighbor Islands lagged way behind that on Oahu before World War II. The 1937 Hawaii Tourist Bureau inventory of principal hotels suitable for tourists counted 2,024 hotel rooms on Oahu (1,225 were in Waikiki), 298 rooms on the Big Island, 129 rooms on Maui, and 92 rooms on Kauai.¹²⁶ Collectively, the Neighbor Islands would not catch up to Oahu until the early 1990s.¹²⁷

Tourism Gathers Momentum

Hawaii was annexed by the United States in 1898. In an article in *Thrum's Annual, 1923*, George Armitage, the Executive Secretary of the Hawaii Tourist Bureau, presented the following assessment of the state of tourism in Hawaii at the turn of the century:¹²⁸

During 1898 hordes of American soldiers were streaming through this port, with the local government through annexation finally placed on a firm foundation. Business boomed and tourists swarmed to Honolulu. In 1899 and 1900 the Royal Hawaiian hotel (now the Army and Navy Y.M.C.A.) turned away guests. In the spring of 1901 the original Moana

¹²⁵ *Governor's Report, 1938*, p. 54. Promoting travel to the Neighbor Islands, which have greater tourism carrying capacity than Oahu, remained an important policy goal in Hawaii till today. See Mak, 2008, Chapters 3 and 8.

¹²⁶ Crampon, 1976, p. 267. Including rooms in boarding houses would bring that total to over 3,000.

¹²⁷ Mak, 2008, p. 201.

¹²⁸ P. 75.

hotel, less than half the size of the present modern Moana, which was completed in 1918, sprung up to house the overflow, and in the summer of that same year the Honolulu Rapid Transit & Land Company commenced operating trolley cars. Passenger steamer accommodations were increasing apace, and in 1903 opening of the Young Hotel, perfection of everyday communication with the rest of the world through cable services of the Commercial Pacific Cable Company, and organization of the Hawaii Promotion Committee, gave development of tourist traffic to Hawaii such a running start that it has been increasing rapidly ever since.

Tourism was picking up momentum in Hawaii. But not in 1900.

In December 1899, Honolulu was stricken by the bubonic plague. An investigation revealed that the plague started in Chinatown. An attempt to fight the plague with fire got out of hand resulting in the Great Chinatown Fire of January 20, 1900. The fire burned for 17 days and displaced over 7,000 inhabitants.¹²⁹ Prices of food and staples spiked.¹³⁰ In reprising the history of that calamity, Burl Burlingame, *Honolulu Star Bulletin* reporter proclaimed “The Great Chinatown Fire was, next to the Pearl Harbor Attack, the greatest public-safety disaster in Hawaiian History.”¹³¹ During the plague part of the city was quarantined and travel was restricted. The Board of Health issued an edit to ship captains that no one was allowed to board

¹²⁹ At <http://www.hawaiihistory.org/index.cfm?fuseaction=ig.page&PageID=548>; MacLennan, 2014, p. 178. Periodic outbreaks would occur after 1900.

¹³⁰ *Pacific Commercial Advertiser*, February 16, 1900.

¹³¹ See the excellent five part series on the plague and Chinatown fire by Burl Burlingame in the *Honolulu Star Bulletin* on January 24, 25, 31, and February 1, 2000 at <http://archives.starbulletin.com/2000/01/31/features/story1.html>

or leave their ships. *Pacific Commercial Advertiser* reported that the plague had put a sudden stop to tourism.¹³² It took four months before the city was declared plague-free and for tourism to resume. In February 1905, the *Pacific Commercial Advertiser* reported that steamships from San Francisco to Honolulu were fully booked and lodging was scarce in Honolulu.¹³³ About the only complaint from tourists around that time was Honolulu's Blue Laws which kept shops closed on Sundays.¹³⁴

Hawaii officially became a territory of the United States on June 4, 1900 when the Organic Act went into effect. Territorial status came with benefits, and costs. The annual Hawaii Governor's report to the U.S. Department of the Interior illuminates some of the challenges Hawaii had to face because of its new political status.¹³⁵ In the 1907 Report to the Department of the Interior, Hawaii Governor George R. Carter wrote, "The most important legislation need for Hawaii is negative in its nature, i.e., to exempt her from the application of laws absolutely unfitted for her conditions."¹³⁶ One of the "unfit" laws was the U.S. Passenger Services Act (PVSA)--a "cabotage" or "coastwise" law passed by Congress in 1886--that reserved the transportation of passengers between U.S. ports to U.S.-flagged vessels.¹³⁷ The law was deemed

¹³² *Pacific Commercial Advertiser*, December 3, 1900.

¹³³ *Pacific Commercial Advertiser*, February 7, 1905.

¹³⁴ *Pacific Commercial Advertiser*, November 27, 1904. In 1883, the newspaper reported similar complaints.

¹³⁵ At the top of the list was the ability of the plantations to continue to import cheap Asian labor. "Immigration will, in all probability, be restricted and if this restriction comes early and is suddenly enforced it will compel a complete readjustment in the commercial conditions of these islands and might easily bankrupt them." For other "unfit" U.S. laws, see *Governor's Report, 1907*, p. 7.

¹³⁶ *Governor's Report, 1907*, p. 7.

¹³⁷ U.S. coastwise laws also prohibited foreign ships from carrying freight between Hawaii and the U.S. mainland. U.S. cabotage laws date back to the earliest days of American history. The Navigation Acts of 1817 barred foreign ships from domestic commerce. In 1886 Congress extended the prohibition to passenger service. See U.S. Department of Transportation, *Cabotage Laws*.

“unfit” because, unlike mainland states, Hawaii had no alternative to ocean shipping. It could make tourist travel to Hawaii more expensive and thus less competitive than other destinations. On December 3, 1903, the Honolulu Chamber of Commerce adopted the following resolution:¹³⁸

Whereas, the operation of the United States navigation laws prevents the carrying of passengers between the Pacific coast ports of the United States mainland and Honolulu in other than American vessels, thereby seriously inconveniencing the business public and discouraging intending tourists from visiting this Territory; Whereas, the coasting laws of the United States are applied in a manner not contemplated by their framers; in fact, noncontiguous territory until now has never been included in the United States; Whereas, travel to and from this port is hampered by the fact that only seven American steamships are now in the passenger trade between Honolulu and the mainland, while an equal number of foreign steamers carrying the United States mail, ply between this port and San Francisco; Whereas, the restrictions of travel between this port and the mainland to American vessels does not secure to them the transportation of all passengers destined from these islands to the American continent, but diverts to British Columbia a large number of wealthy tourists and business men who would otherwise travel through the United States; Whereas, for the same reasons, outward-bound passengers and tourists from the

¹³⁸ *Governor's Report, 1904*, pp. 134-135.

Pacific coast are diverted from Honolulu to Japan and China:

Be it resolved, that the Territorial Delegate be requested to lay the above facts before Congress, with a view to the modification of the existing navigation laws to the extent that passenger travel between this port and the Pacific coast ports of the United States be not restricted to American vessels...

With the exception of one local boat, all steamers calling at this port are through boats, having their terminus either at oriental points or in the Australian colonies, and as a consequence the trade they may or may not pick up at Honolulu is a matter of more or less indifference to them, or apparently so, as they appear to be united in maintaining fares between Honolulu and San Francisco for a round trip ranging between 12 per cent and 50 per cent higher than between other ports in the Pacific.¹³⁹

Congress did not heed Hawaii's request to allow foreign ships to carry passengers between Honolulu and U.S. west coast ports as they did before Hawaii became a U.S. territory.¹⁴⁰ After all, the intent of the PVSA was to protect American coastwise shipping from foreign competition. Hawaii was now part of the United States. Careful analysis by the Chamber of Commerce showed that fares were, indeed, higher under the restrictive law, but the

¹³⁹ In 1904, the one-way first class steamship fare between Honolulu and San Francisco was \$75, or \$135 for the round trip, not much higher than in 1885. Common fares were in use. Thus, the fare to San Francisco was the same whether the passenger traveled direct by American steamer or by British steamer to Vancouver and then by rail to San Francisco. The same was true if the passenger bound for Vancouver, British Columbia, decided to go direct by British steamer, or through San Francisco on an American steamer and then by rail to Vancouver. (*Governor's Report, 1904*, p. 134). Of course travel time would not be the same whether one took the direct route or the indirect route.

¹⁴⁰ The exception was during World War I when the U.S. Shipping Board was permitted to allow foreign vessels to carry passengers between Hawaii and the West Coast until February 1, 1922. *Governor's Report, 1920*, p. 101.

Chamber provided no evidence that high fares actually discouraged large numbers of affluent tourists from visiting Hawaii.

Protectionist legislations benefit those who are protected. The PVSA made winners of domestic shipping companies who were now shielded from foreign competition. And the biggest winner in the trans-Pacific passenger carrying business was Matson Navigation Company.¹⁴¹ Partly because of protection and partly because of its own business acumen, Matson's name would become synonymous with Hawaii tourism.

The history of Matson began in 1882 when Captain William Matson sailed his three-masted schooner, *Emma Claudina*, into Hilo Harbor with a load of freight. That trip started a company that in 1901 was incorporated in California as Matson Navigation Company. The company began to provide steamship service by purchasing two steamships, the *Enterprise* (in 1901) and the *Hilonian* (bought and refurbished in 1905) and placed them in the San Francisco-Hilo service. In 1907, the *Hilonian* was used to inaugurate San Francisco-Honolulu service; after that Honolulu became the main terminus for Matson in Hawaii. Matson built its first steamship, *Lurline II*, in 1908; although the ship was primarily a freighter, it could accommodate around 60 passengers.¹⁴² In 1910, the company launched itself into the Hawaii tourism business in earnest with the addition of the 150-passenger ship *Wilhelmina*, said to rival some of the finest passenger vessels operating in the Atlantic.¹⁴³ Matson advertised the new ship as one of luxury with spacious lounges, electric lights throughout, and many (actually, 11) staterooms with baths and showers. With tourist traffic between the U.S. mainland and Hawaii increasing, Matson next

¹⁴¹ For detailed history of Matson Navigation Company see Stindt, 1982 and Worden, 1981. For Matson's multiple competitors in its earlier years, see Worden, 1981, p. 40.

¹⁴² Crampon, 1976, p. 256.

¹⁴³ All of Matson's passenger ships also carried freight.

added the 85-passenger *Manoa* to its fleet in 1913 and the 242-passenger *Matsonia* in 1914.¹⁴⁴ With four combination passenger-freight liners in its fleet, Matson was able to establish a weekly service between San Francisco and Honolulu. Matson would add another luxury liner, *Mau*, in 1917. It was proclaimed the finest ship in the Pacific. By the time Captain Matson died in 1917 Matson was handling “the larger portion of traffic, freight and passenger, between the Territory and the Pacific coast.”¹⁴⁵

America’s entry into World War I (April, 1917)¹⁴⁶ put a temporary damper on tourist travel to Hawaii as all of Matson’s ships, except one sailing vessel, were requisitioned by the U.S. government for war duty in the Atlantic.¹⁴⁷ Moreover, in August, 1917, the Collector of Customs in Honolulu issued an order that “No persons, passengers or members of any crew, or any vessel [foreign, neutral, or U.S.] destined for a foreign port will be allowed to land at Honolulu.”¹⁴⁸ The order reduced the number of one-day tourists in Honolulu. Fighting ended in November 1918, and the Treaty of Versailles was signed in June 1919. Matson’s ships were returned to the company in 1919, the last one in September.¹⁴⁹ But it was not until 1921 that Matson would be operating its own ships in the Hawaii trade on a regular schedule; it had been operating a variety of ships assigned to it by the U.S. Shipping Board. The following decade, dubbed the “Roaring Twenties,” saw great prosperity in America fueling demand for tourist travel to Hawaii. Matson resumed its expansion at a frenetic pace; by the end of 1930, it had 36

¹⁴⁴ Worden, 1981, p. 41.

¹⁴⁵ *Governor’s Report, 1917*, p. 27.

¹⁴⁶ The war began in Europe in 1914.

¹⁴⁷ See *Thrum’s Annual, 1925*, p. 85. All American vessels over 2,500 gross tons were requisitioned for war duty in November, 1917.

¹⁴⁸ *Honolulu Star Bulletin*, August 4, 1917, p.1, column 7.

¹⁴⁹ Stindt, 1982, p. 32.

freight and passenger ships in its fleet.¹⁵⁰ In 1925 Matson acquired a substantial interest in the Inter-Island Steamship Navigation Company, Ltd, which was the only company providing inter-island shipping service in Hawaii.¹⁵¹ With the purchase, Matson also acquired Volcano House.¹⁵² It purchased the financially troubled Oceanic Steamship Company in 1926 to expand its service to the South Pacific¹⁵³ and the Los Angeles Steamship Company (LASSCO) in 1931.¹⁵⁴ Matson now dominated the Hawaii-West Coast shipping trade.¹⁵⁵

The crown jewel of Matson's acquisitions was the 693-passenger *S.S. Malolo* built in 1927.¹⁵⁶ It was the largest and most luxurious cruise liner ever built in the U.S. until that time. Capable of cruising at a speed in excess of 20 knots, it could make the trip from San Francisco to Honolulu in a little over four days. It joined a fleet of eight other Matson ships offering seven trips to Hawaii from San Francisco and Seattle every month at an advertised price of "\$270, up" on "all expense tours."¹⁵⁷ The *Mololo* was the first of Matson's famous "White Ships" that served Hawaii during the 1930s.¹⁵⁸ The others were the *Lurline*, *Mariposa* and *Monterey*, all

¹⁵⁰ Stindt, 1982, p. 49.

¹⁵¹ Inter-Island had earlier (1905) merged with the Wilder Shipping Company, its long-time rival, and became the surviving firm offering inter-island shipping service. Fuchs, 1961, p. 245.

¹⁵² Crampon, 1976, p. 258. Inter-Island Steamship Company acquired and substantially expanded Volcano House in 1921.

¹⁵³ Stindt, 1982, pp. 60-61. Matson added "The" to the name and operated the newly acquired company as a subsidiary. Oceanic ceased its Hawaii operation in 1915.

¹⁵⁴ The Los Angeles Steamship Company began passenger service from Los Angeles to Honolulu in September, 1922 using two steamships. The *City of Los Angeles* first arrived in Hilo and Honolulu carrying 300 members of the Los Angeles Chamber of Commerce. (*Honolulu Star Bulletin*, September 18 and September 20, 1922.) At that time, Matson had one combination passenger freight steamer operating in the San Francisco-Los Angeles-Hawaii trade. *Governor's Report, 1923*, pp. 32-33. In 1930, LASSCO operated 3 ships to Honolulu from Los Angeles. *Governor's Report, 1930*, p. 7.

¹⁵⁵ Fuchs, 1961, p.245.

¹⁵⁶ *Governor's Report, 1926*, p. 53. On its maiden voyage to Hawaii, the *Malolo* carried 419 all first class passengers. Kato and Mak, 2013, p. 231.

¹⁵⁷ O'Brien, 2008, p. 30.

¹⁵⁸ O'Brien, 2008. The ship would later be renamed *Matsonia* after it was rebuilt in the late 1930s.

built between 1930 and 1932. During the Great Depression when tourist travel to Hawaii declined, Matson took a big gamble and kept its white ships in steady service to Honolulu. By then the Matson-LASSCO Lines were providing service to the West Coast, the South Pacific, Australia and New Zealand.

The year *Malolo* came into service coincided with the opening of Matson's Royal Hawaiian Hotel. Thus, Matson owned two of the most upscale hotels in Waikiki, the Moana and the Royal Hawaiian. The Royal Hawaiian provided "elegance and service" and the Moana "Old World hospitality" but less formal.¹⁵⁹ Matson now could provide tourists with luxury accommodations at sea and on shore in a package, something that no other shipping company could do. The company would build two more hotels in Waikiki, the Surfrider (1951) and the Princess Kaiulani (1955). The new hotels enabled Matson to provide a hotel "for every taste, age, and specification under one ownership and management."¹⁶⁰

However, the company would soon see its future in Hawaii tourism come to an end. The era of commercial air travel to Hawaii had begun. In 1929, Matson's Inter-Island Steamship Company created a subsidiary, Inter-Island Airways, to provide air service between the islands.¹⁶¹ Matson tried unsuccessfully to obtain Civil Aeronautics Board (CAB) authorization to offer scheduled airline service from the West Coast to Hawaii. One of the reasons for the denial was CAB's concern that Matson's dominance in ocean shipping and its ownership of premier hotels in Waikiki would give it a competitive advantage over Pan American World

¹⁵⁹ Allen, 2004, pp. 7-12.

¹⁶⁰ Allen, 2004, pp. 12-13.

¹⁶¹ Allen, 2004, pp. 45-47.

Airways.¹⁶² Matson exited the Hawaii tourist business by selling its Waikiki hotel properties to Sheraton in 1959 and its unprofitable luxury passenger liner operation in 1970.¹⁶³ Protected by the Jones Act which reserves domestic coastal freight shipping to American flagged vessels, the company remains the dominant freight carrier between the U.S. mainland and Hawaii.¹⁶⁴

There were other on-going developments in tourism during the 1920s and 1930s that contributed to Hawaii's gathering momentum. Hawaii became a popular destination for cruise ships on world tours. A handful of ships would arrive each year, each carrying a few hundred visitors and staying two to three days in the islands.¹⁶⁵ Besides Honolulu, Hilo (and Kilauea Volcano) was a popular stop in Hawaii. The 1932 world cruise catalog put out by the Hamburg-Amerika Line provides an amusing description of a forthcoming cruise on the *Resolute* and the expected attractions in Honolulu and Hilo.¹⁶⁶

HONOLULU

Aloha Tower can immediately be seen and songs of Aloha can be heard coming from the pier. A large number of cars are waiting to immediately take passengers up to Punchbowl, to pineapple fields, or to Diamond Head. These islands, now a US territory – hence the strict prohibition laws - was once a kingdom ruled

¹⁶² Davies, 1972, p. 377; Melendy, 2003.

¹⁶³ The last "White Ship" to sail under its new owner was in 1978 and ended luxury liner passenger service between the U.S. and the West Coast. O'Brien, 2008, p. 15.

¹⁶⁴ Seventy-five percent of the ships entering and clearing at Hawaii's ports in FY 1907 (ending June 30) flew the American flag. Of the \$47,740,000 worth of foreign and domestic goods brought to and shipped from Hawaii, 94 percent were carried in American ships. *Governor's Report, 1907*, p. 18.

¹⁶⁵ See, for example, *Thrum's Annual, 1924; 1928; 1929; 1931, 1932, 1933*. See also Table 2, Appendix (below).

¹⁶⁶ Kindly translated from German by Nora Chen and Andreas Harwardt. I changed the word Kanaken (in the original) to Kanaka.

by Polynesians. America acquired the islands through Christians doing missionary work. The change over from the swimming kings to elected presidents heralded a golden era. Today, the Hawaiian Islands are the most visited place in the United States. The tourism industry outshines even the best of what Europe has to offer. For rich people, Waikiki with its beach, the Royal Hawaiian Hotel and the surfboards and surfers are the stuff of fairy tales such as 1001 Arabian Nights. All of this framed by palm trees and Whisky soda in your hand is an adventure that will impress even the most experienced world traveler. In Honolulu, the custom of pointing out tourists to street merchants is sweetly relished. In China, they hand you flags in the country's colors. In Japan they give chrysanthemums. In Hawaii, people get a wonderful necklace made of flowers, which they have to wear for the entire day. The natives, of course, do not wear them aside from the occasional cute Kanaka girl singing and hugging. They are of course pretty and continue to do their act until all the money is spent. The banquet at the Royal Hawaiian Hotel, which usually includes a speech by the governor, is an experience of a lifetime. The abundant splendor and luxury will make you forget the world. Aloha Oe, the captivating song of Queen Lilioukalani emanates from many voices singing along with moist eyes. Through the paradise island corridor, the 'Resolute' continues to

HILO

The boat is at the pier and already the cars are whizzing through the jungle-like fern and flower country, past the rainbow waterfall, after the volcano and Halemaumau - the lake of fire whose seething content glows for centuries and will not be calmed. It is exciting to walk on the yielding, soft, and smoky ground. After the breakfast in the hotel on the edge of the crater, which gives you a look into the bowels of the earth, individual stories are exchanged and everyone must enviously admit that the other person was braver. At the harbor, small Kanaka – they are people, not animals – will get you fresh coral from the water before boarding the ‘Resolute’ which will then travel to the Golden Gate in San Francisco.

Honolulu also became a gathering place for delegates from Pacific Rim countries to attend meetings and conventions in science, medicine, education, commerce, the press, food conservation, fisheries, women’s issues, and so forth.¹⁶⁷ For example, the National Foreign Trade Council Convention held in Honolulu in 1932 drew representatives from the U.S., Canada, Australia, New Zealand, Japan, China, Siam, and the Philippines. In selling Hawaii as a site for meetings and conventions, the Honolulu Chamber of Commerce pitched the theme that Hawaii was not only “moonlight and music”; its “backbone is business and trade.”¹⁶⁸ Hawaii’s pitch then sounds pretty much like the one being used today. The Chamber’s convention committee recommended (1937) that Hawaii focus on “international organizations and post convention

¹⁶⁷ *Thrum’s Annual, 1930, p. 46; Thrum’s Annual, 1933, pp. 113-114.*

¹⁶⁸ *Thrum’s Annual, 1935, p. 61.*

tours of national organizations which are meeting on the Pacific Coast.”¹⁶⁹ The job of recruiting meetings and conventions to Hawaii was turned over by the Chamber of Commerce to the Hawaii Tourist Bureau in 1938.¹⁷⁰

The 1920s and 1930s also saw the launching of a number of high profile visitor activities and attractions to promote Hawaii tourism. The Aloha Festivals, “The special annual attraction for tourists, a season of colorful sports, festivals, school pageants, floral and other features of Hawaiian life” was inaugurated in the fall of 1929. Events were held in the spring and fall.¹⁷¹ Reminiscent of “Steamer Days” from many decades earlier, “Boat Day” would be celebrated in the 1930s to welcome and send off each passenger liner at Aloha Tower.¹⁷² *Hawaii Calls*, created and hosted by Webley Edwards, began broadcasting Hawaiian music from the ballroom of the Royal Hawaiian Hotel and the Alexander Young Hotel Roof Garden in 1935 before settling in at the courtyard of the Moana Hotel.¹⁷³ The famous Kodak Hula Show that showcased “the witchery of Hawaii’s native life” was first staged in 1937.¹⁷⁴

And there were movies. Who remembers the 1932 *Bird of Paradise* about “a native girl [who] falls for a visitor to her islands, but she’s chosen to be sacrificed to the volcano god [Pele]?”¹⁷⁵ Or the 1937 musical, *Waikiki Wedding*, starring Bing Crosby, Martha Raye, Shirley

¹⁶⁹ Chamber of Commerce of Honolulu, 1937, p. 89.

¹⁷⁰ *Governor’s Report, 1939*, p. 67.

¹⁷¹ *Thrum’s Annual, 1931*, p. 129. The current Aloha Festivals was created by a group of former Jaycees in 1946 as Aloha Week. At <http://www.alohafestivals.com/pages/about/history.html>

¹⁷² For description of the colorful Boat Day, see Allen, 2004, pp. 17-18.

¹⁷³ Chamber of Commerce of Honolulu, 1935, pp. 34-35. Little is known about the other weekly radio program beamed to the U.S. mainland and Canada known as *Voice of Hawaii*. (*Governor’s Report, 1940*.) Both programs were subsidized by the Territorial government.

¹⁷⁴ Davis, 2001. P. 109. The show was taken over by Pleasant Hawaiian Holidays in 1999 and was renamed the Pleasant Hawaiian Hula Show in 2001. It closed in 2002. Allen, 2004, p. 186.

¹⁷⁵ At <http://www.imdb.com/title/tt0022689/>

Ross and Bob Burns? “The stars never set foot in the Islands, but it’s all very pleasant.”¹⁷⁶ The musical featured two classic songs, *Sweet Leilani* and *Blue Hawaii*; the former won the Oscar for the best song of 1937. Or the 1938 musical *Hawaii Calls* starring Bobby Breen.¹⁷⁷ It’s a story about a young stowaway on an ocean liner en route to Hawaii who, after he was caught, sings for his fare, but with the help of his friend Pua turns detective to recover stolen naval documents from crooks. America was definitely infatuated with Hawaii!

Toward the end of 1920s and the beginning of the 1930s, the business side of travel and tourism in Hawaii had earned sufficient recognition to be called an “industry”:¹⁷⁸

Vacation traffic to the Hawaiian Islands has reached proportions where the business of catering to visitors has become the Territory’s “Third Industry” ranking right after sugar and pineapples.

In his 1928 report to the Department of the Interior, Hawaii Governor Wallace Farrington noted that “caring for and catering to the tourist has been characterized as Hawaii’s fastest and most interesting means of livelihood.”¹⁷⁹

Tourist arrivals grew at an average annual rate of 9.2 percent between 1922 and 1930, and 5.7 percent between 1930 and 1940 (Table 1, Appendix).¹⁸⁰ Four consecutive years of declining tourist arrivals (1930-1933) during the Great Depression and a 90-day maritime strike

¹⁷⁶ Leonard Maltin’s movie review for TCM channel at <http://www.tcm.com/tcmdb/title/94966/Waikiki-Wedding/>

¹⁷⁷ At <http://www.tcm.com/tcmdb/title/77494/Hawaii-Calls/>

¹⁷⁸ *Thrum’s Annual, 1936*, p. 70; Hawaii Tourist Bureau’s 1927 annual report claimed “... advertising has developed for Hawaii a real third industry...”

¹⁷⁹ *Governor’s Report, 1928*, p. 12.

¹⁸⁰ Kato and Mak, 2013, p. 241.

in late 1936 and early 1937 largely explain the slower growth rate of the 1930s.¹⁸¹ Hawaii's tourists predominantly came from the U.S. (Table 2, Appendix). The Hawaii Tourist Bureau reported in 1927 that of some 10,000 tourists who came to Hawaii from the US. Mainland on the ships of Matson Navigation Company and the Los Angeles Steamship Company, over 6,000 came from the Pacific Coast: California (5,526), Washington (342), and Oregon (143).¹⁸² Just about every state sent visitors to Hawaii; the top five states were California, New York (531), Illinois (487), Washington, and Massachusetts (238). The peak year of tourist travel to Hawaii before the Depression was in 1929 when 22,190 "local tourists" (18,050 from the U.S. mainland) and 22,262 "one-day tourists" (i.e. through passengers) arrived in Hawaii.¹⁸³ The 1929 visitors and steamship companies spent \$10.3 million in Hawaii.¹⁸⁴ If tourism was the third largest industry in Hawaii in 1929, it was a very distant third.¹⁸⁵ In that year, sugar exports produced \$69 million in revenues, and pineapple produced \$38 million. However, tourism was gaining ground, from 5 percent of combined sugar and pineapple revenues in 1922 to 12 percent in 1940.¹⁸⁶

Air Travel Comes to Hawaii

On October 21, 1936, Pan American World Airways inaugurated its Clipper passenger service from San Francisco to Manila via Honolulu, using the long-range flying boat, the Martin

¹⁸¹ *Governor's Report, 1937*, p. 7; *Governor's Report, 1938*, p. 53.

¹⁸² Hawaii Tourist Bureau, 1927, p. 5.

¹⁸³ Hawaii Tourist Bureau, 1929 and 1931.

¹⁸⁴ Schmitt, 1977, p. 273.

¹⁸⁵ Actually, Hawaii's defense industry (i.e. U.S. government expenditures in Hawaii for defense) produced more revenue annually than tourism during the 1930s. WWII would catapult defense into number one until tourism overtook all three in 1972. (Schmitt, 1977, p. 165.) Earlier, a U.S. Navy study entitled "Economic Value of the Navy to Hawaii" showed that for five years beginning in 1926, the Navy *alone* spent nearly \$42 million in Hawaii of which over \$10 million were pay for civilian employees, over \$23 million for materials and miscellaneous, and nearly \$8 million for pay and allowances of officers and enlisted men. (*Thrum's Annual, 1933*, pp. 140-141.) The Hawaii Tourist Bureau estimated that tourists spent \$44.4 million in Hawaii during the same five years (Schmitt, 1977, p. 273).

¹⁸⁶ Schmitt, 1977, p. 165.

M-130.¹⁸⁷ The M-130 could carry 32 passengers and cruise at a speed of 130 miles per hour.¹⁸⁸ On its inaugural flight from San Francisco to Honolulu, the *Hawaii Clipper* carried seven passengers at a one-way first class only fare of \$356. It took about 20 hours to reach Hawaii, compared to a 5-day voyage by the fastest steamships. For the next few years, Pam Am flew a weekly schedule between San Francisco and Manila, with stopovers in Honolulu, Midway Island, Wake Island and Guam. Stops were necessary for refueling. In 1939, Pan Am replaced the M-130 with the B-314 flying boat, also dubbed a Clipper, which could fly longer range, had slightly more air speed, but could carry many more (70+) passengers. Flight time from San Francisco fell from 20 hours one-way in the M-130 to 17.5 hours in the B-314, and the airfare fell to \$278 one-way.¹⁸⁹

Pam Am's flying boats were featured in the company's exotic posters, but they did not bring a dramatic change in tourist travel to Hawaii before World War II. High fares, long flights, and limited capacity were significant obstacles. As well, consumers had to be assured about the safety of long distance commercial air travel. The [Hawaii] Department of Public Works reported that between July 1, 1940 and June 30, 1941 Pan Am carried only 380 passengers—presumably not all of them were tourists-- from San Francisco to Honolulu (not including through passengers) and 324 passengers from the Orient to Honolulu.¹⁹⁰

¹⁸⁷ Flight No. 1 began regular scheduled service on November 22, 1935 but it carried no paying passengers. *Governor's Report, 1937*, p 3.

¹⁸⁸ Kato and Mak, 2013, pp. 232-233.

¹⁸⁹ Schmitt, 1977, p. 468.

¹⁹⁰ P. 22 at <http://quod.lib.umich.edu/p/philamer/ACH4185.1941.001?rgn=main;view=fulltext>

The story of how commercial inter-island air travel began in Hawaii is about the history of Inter-Island Airways, a subsidiary of the Inter-Island Steam Navigation Co., Ltd.¹⁹¹ On November 11, 1929, the company inaugurated commercial inter-island air service in Hawaii using its three twin motored Sikorsky S38 amphibian planes. The planes were selected because of their ability to take off from land or water, their rugged construction, and their ability to fly on one-engine if necessary.¹⁹² Each plane could carry nine passengers and a pilot and co-pilot.¹⁹³ Escorted by 49 army and navy planes, two planes took off from Honolulu's John Rogers Airport on that day bound for Maui and Hawaii Island.¹⁹⁴ To overcome the "natural hesitancy of the general public to venture into the air," the company had earlier used a Bellanca plane¹⁹⁵ to offer short sightseeing tours over Oahu "in order to permit as many people to experience the thrill of flying and thereby become air-minded."¹⁹⁶

In its first full year of operation in 1930 the airline carried over 10,000 paying customers; thus for every passenger who traveled by air between Hawaii's islands, nearly 14 traveled by ship.¹⁹⁷ In July 1931, the company added a fourth plane in response to strong demand. Five years later it added two more Sikorsky amphibians (S43) that were faster, more comfortable and had greater passenger capacity (16).¹⁹⁸ Using bigger planes meant lower fares.¹⁹⁹ Hawaii's first

¹⁹¹ Inter-Island Airways changed its name to Hawaiian Airlines in 1941.

¹⁹² *Thrum's Annual, 1933*, p. 124.

¹⁹³ *Thrum's Annual, 1936*, p. 43. The "9" passenger figure came from an article written for *Thrum's Annual, 1936* by Stanley Kennedy, President of Inter-Island Airways. Other sources mention "8" passengers.

¹⁹⁴ *Thrum's Annual, 1936*, p. 44.; also <http://www.hawaiianairlines.com/aboutus/pages/hawaiian-history.aspx>

¹⁹⁵ See <http://www.nationalaviation.org/bellanca-giuseppe/>

¹⁹⁶ *Thrum's Annual, 1933*, p. 125.

¹⁹⁷ Schmitt, 1977, p. 460.

¹⁹⁸ *Thrum's Annual, 1936*, p. 46; Schmitt, 1977, p. 470.

inter-island sightseeing tour by air was made on June 12, 1932; it consisted of a one-day tour with automobile trips on Kauai. Subsequently, special excursion flights were made available to all Hawaii's larger islands.²⁰⁰

In 1940, Inter-Island Airways carried 28,600 inter-island air passengers; a ratio of one air passenger for every 5.5 ship passengers. If 1941 were added to the comparison, the ratio would be one air passenger for every 3.3 ship passengers.²⁰¹ Air travel was rapidly gaining on ocean travel. Inter-Island's company president described its air service "of primary importance to Hawaii's 400,000 residents and 40,000 annual visitors."²⁰² Given aviation's late start and limited capacity, it is safe to say that air travel—both trans-Pacific and inter-island—was not a major factor in the development of tourism in Hawaii before World War II. Tourism in Hawaii before World War II was propelled by steamships.

Conclusion

Pan American World Airways executive Paul Kendall once observed that tourism flourished in Hawaii because it enjoyed "an accidental head start in climate and environment."²⁰³ This article suggests that a lot more than nature's gift helped to make Hawaii a dream destination for millions of people around the world. Hawaii also benefited greatly from being at the crossroads of the vibrant pan-Pacific economic region.

¹⁹⁹ One-way fares to Hilo declined to \$23 and to \$15 to Maui or Kauai by 1939; flight time to Hilo fell to 85 minutes. (Schmitt, 1977, p. 471)

²⁰⁰ *Thrum's Annual, 1933*, p. 141.

²⁰¹ The attack on Pearl Harbor occurred on December 7 and launched the U.S. into World War II.

²⁰² *Thrum's Annual, 1936*, p. 47.

²⁰³ Kendall, 1975.

To create a successful tourist destination requires transportation, infrastructure, accommodations and support services. A new destination that is unfamiliar to potential visitors also needs to be promoted. In Hawaii all of these elements came together before World War II, with a little help from government. And it began on the cheap. Ships that brought tourists to the islands early on were built to carry freight (and mail); passengers were taken on simply as “a convenience” or a profitable side business.²⁰⁴ Harbors and other forms of infrastructure such as roads and railroads were either already in place when tourism began or were built to serve the sugar industry and the needs of a growing economy fueled by sugar (and pineapple, after 1900). Tourism was largely spared the expense. It also took business leaders with vision, energy, and the stomach for risk-taking to pull all the ingredients together to make it work. When just about all the resources in the islands were channeled into supporting sugar, tourism-minded businessmen worked to create a niche that most people at first didn’t even think was a serious business. Government mail subsidies were instrumental in sustaining shipping services that brought sizable numbers of “accidental” (one-day) tourists to Hawaii. They were Hawaii’s first wave of tourists following the adventurers and curiosity seekers. U.S. protective coastwise laws helped one domestic shipping company (Matson) to become the dominant player in Hawaii tourism. And one should not ignore the importance of rising standard of living in America and population growth (especially along the Pacific Coast) in driving demand for tourist travel to Hawaii. Eventually, huge outlays were made to build magnificent passenger liners that rivaled the best in the world. In the late 1920s and 1930s, new combination ships were built primarily to carry passengers; they were bigger, faster, and more luxurious than before, and with growing

²⁰⁴ *Thrum’s Annual, 1935*, pp. 69-70.

demand consumers were able to enjoy greater frequency of service from more overseas cities. Hotels of exquisite luxury and service were built, although budget minded tourists could still find rooms in many “family hotels” and semi-residential hotels. A non-government tourist organization—which would become the envy of other tourist destinations after World War II—was established financially as a private-public partnership to promote tourist travel to Hawaii. To be sure, the tourist numbers were modest. In 1940 Hawaii received only 25,000 tourists who stayed at least two days and another 24,000 one-day visitors.

For readers of this article who seek deeper meaning and policy lessons beyond just a story, there are several. First, it is not enough to have wonderful climate, beautiful scenery, pristine beaches, and hospitable residents to entice potential tourists to visit. Emerging destinations unfamiliar to travelers need to be promoted. From very early on Hawaii recognized the need to advertise. For well over one hundred years it worked diligently to cultivate a unique brand. Hawaii’s brand, as described by Gloria Garvey and Brook Gramann, principals of the Brand Strategy Group in Honolulu, is that Hawaii is “a place of staggering beauty and extraordinary gentleness. A place that offers rest and restoration. A place of unique heritage and culture. A place of Aloha. A place that is American, and yet it is not.”²⁰⁵ The proof of Hawaii’s success is that visitors keep coming back again and again. Second, early experiment with a private tourist bureau and even a private-public partnership to fund generic tourism promotion didn’t work very well because such arrangements don’t solve the problem of freeriding. Third, to estimate the financial return from tourism advertising requires information on how much *more* tourism revenue is generated by advertising. Only the *additional* amount matters! That is not an

²⁰⁵ Garvey and Gramann, 2003, p. A6.

easy task. Fourth, Hawaii's success at developing tourism may lead aspiring destinations to conclude (mistakenly) that all they need to do to grow tourism is to build the necessary infrastructure such as harbors, airports, highways, and so on. Build it and they will come! They may be in for a rude awakening. Those investments are expensive and may never pay for themselves through the additional tourism revenues and taxes generated. Hawaii was fortunate in that, at the very beginning, tourism entrepreneurs were able to take advantage of infrastructure already in place. Fifth, in developing tourism the wellbeing of residents should come first. It is essential to maintaining the goodwill of residents toward tourism. Sixth, developing tourism may take a very long time, and the best efforts may be stymied by uncontrollable factors such as global conflicts, contagious diseases, labor unrest, economic crises, restrictive and unfriendly government policies, and so on. Finally, an element of luck can play a big role. Hawaii is often said to be disadvantaged because of its geographical isolation in the middle of the vast Pacific Ocean. But as luck would have it, in tourism, Hawaii gained a windfall by being located at the crossroads of the major trade routes spanning the Pacific region. Ships, required by technological limitations to layover in Hawaii on their distant journeys, dropped off thousands and tens of thousands of "accidental" tourists each year. It was an economic bonanza for Hawaii. That geographical advantage vanished with the arrival of the Boeing 747 and other wide-bodied jet planes that are able to bypass Hawaii on their way to their final destinations. Tourism in Hawaii took off after the jet plane arrived in 1959. However, the foundation for the tourist industry that we know today was being laid nearly 90 years earlier.

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Appendix

Table 1

Tourist Arrivals and Tourism Revenues in Hawaii: 1921-1940

<u>Year</u>	<u>Tourists*</u>	<u>One-day Tourists**</u>	<u>Revenues (in millions \$)</u>
1921	8,000	20,547	
1922	9,676	18,202	4.4
1923	12,021	19,492	5.5
1924	12,468	19,103	5.7
1925	15,193	19,201	7.2
1926	16,762	19,478	8.0
1927	17,451	19,657	8.2
1928	19,980	20,743	9.2
1929	22,190	22,262	10.3
1930	18,651	21,585	8.7
1931	15,779	19,268	6.9
1932	10,370	16,662	4.1
1933	10,111	17,173	3.8
1934	16,161	25,110	6.3
1935	19,933	25,992	7.9
1936	22,199	28,046	8.9
1937	21,987	31,951	9.5
1938	23,043	27,132	10.2
1939	24,390	41,041	11.0
1940	25,373	24,165	12.0

Notes: *Spent at least 2 days in Hawaii; **Through passengers on ships and planes.

Sources: "Tourists" from Hawaii Tourist Bureau, 1931; Schmitt, 1977, p. 273.

"One-day Tourists" from Hawaii Tourist Bureau, 1927, 1929, 1930, 1931, and *Governor's Report*, 1930-1941.

"Revenues" from Schmitt, 1977, p. 273.

Appendix

Table 2
Tourist Arrivals by Source

<u>Year</u>	<u>U.S. Mainland</u>	<u>Orient</u>	<u>Antipodes*</u>	<u>Cruises, etc.</u>	<u>Total</u>
1922	8,043	490	693	450	9,676
1923	9,082	558	764	1,617	12,021
1924	9,365	476	681	1,946	12,468
1925	11,702	433	1,071	1,987	15,193
1926	12,517	423	1,162	2,660	16,762
1927	13,612	480	1,278	2,081	17,451
1928	16,655	433	1,272	1,620	19,980
1929	18,050	675	1,474	1,991	22,190
1930	15,089	566	1,090	1,906	18,651
1931	14,393	756	621	9	15,779
1932	9,432	481	425	32	10,370
1933	9,345	403	363	--	10,111
1934	12,709	808	512	2,132	16,161

Notes: * Antipodes=Australia and New Zealand

Sources: Hawaii Tourist Bureau, 1929 and 1931 and *Governor's Report, 1930-1935*.