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## COVER

Molokai developers must face off with OHA trustee Walter Ritte to move their projects forward.

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# Hawaii Business

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## MAUI

**The paycheck kings:  
Maui's "Top 25"  
employers**

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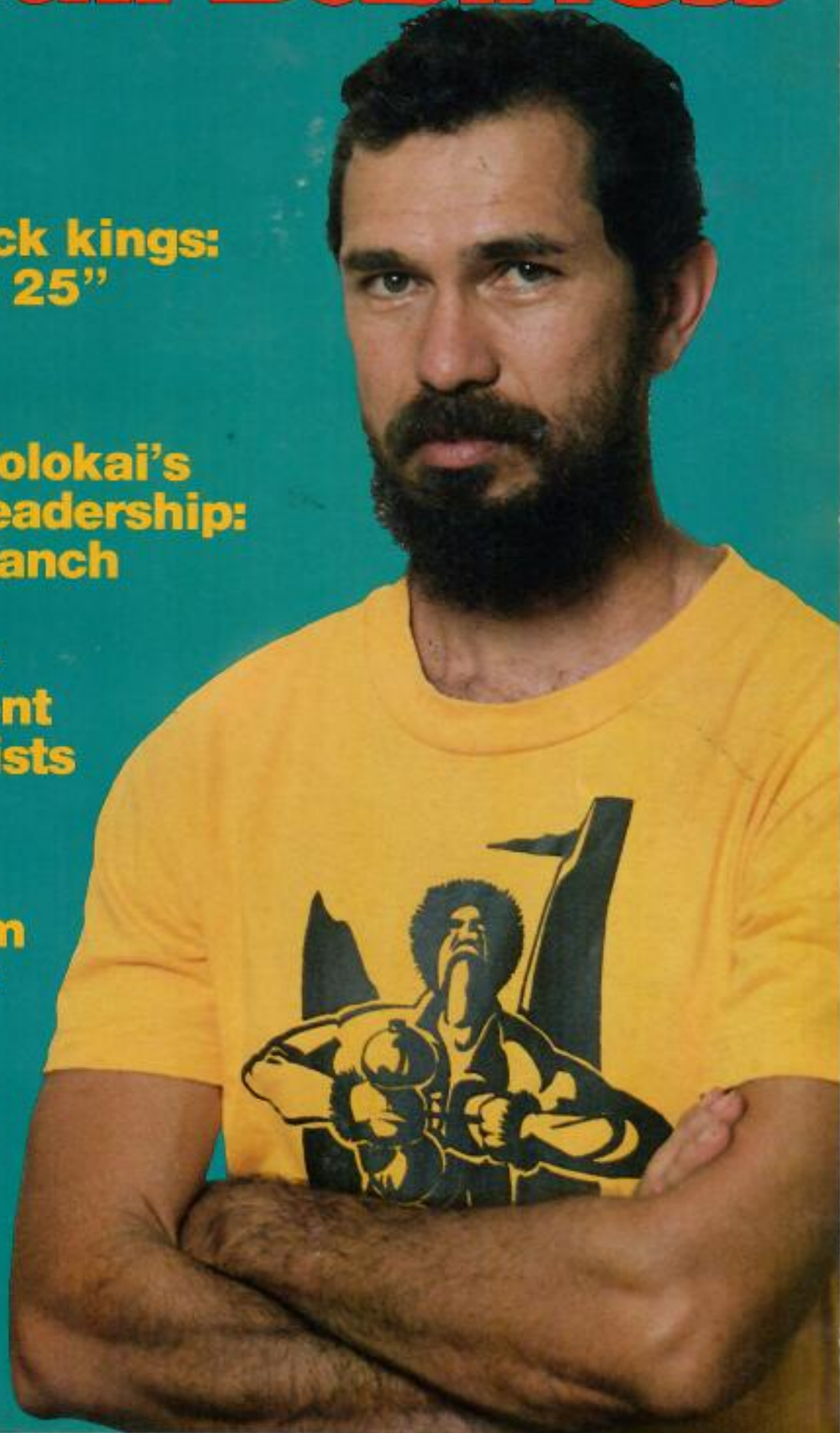
**Sizing up Molokai's  
stumbling leadership:  
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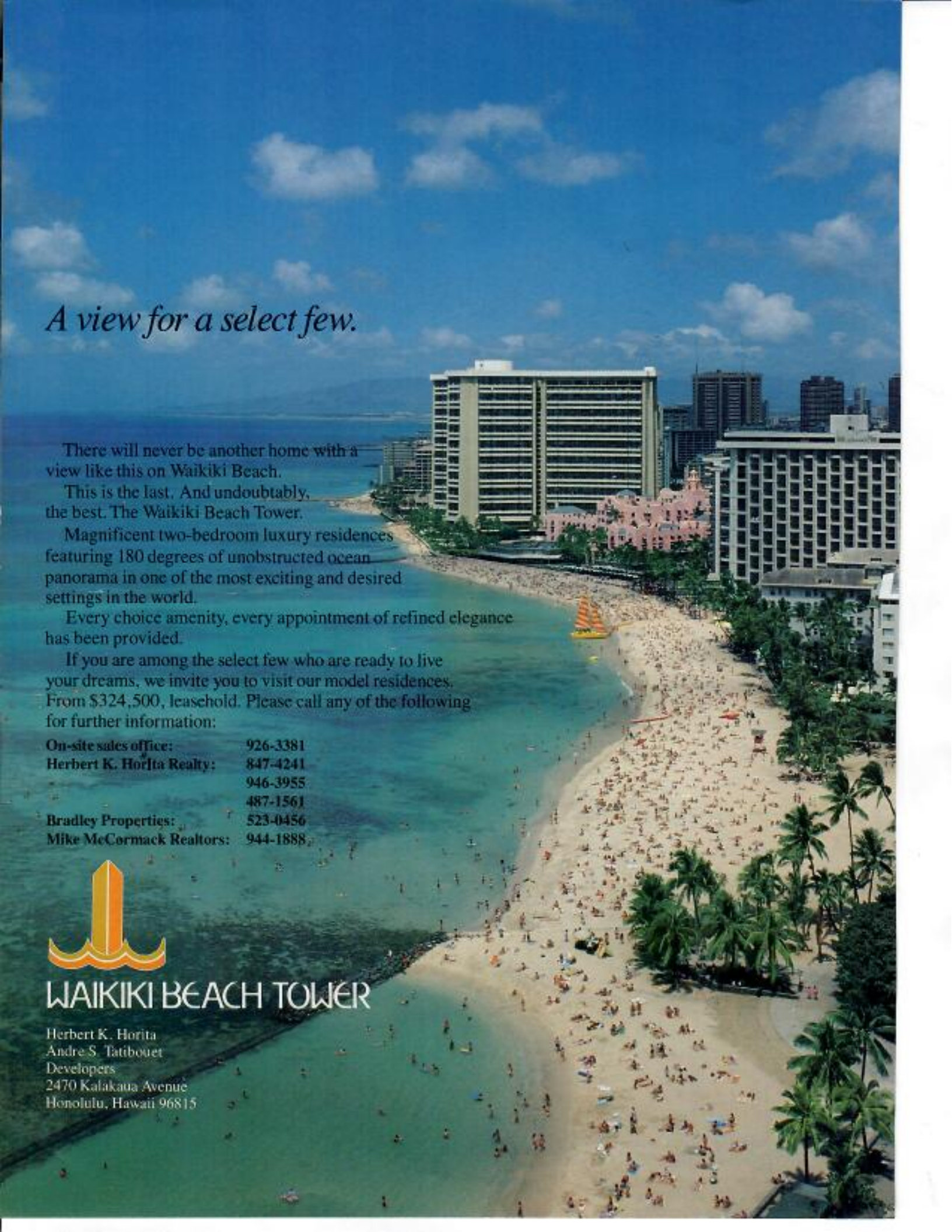
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OHA trustee Walter Ritte



An aerial photograph of Waikiki Beach in Honolulu, Hawaii. The image shows the Waikiki Beach Tower, a large, modern, multi-story building with a grid-like facade, situated on the edge of the beach. The beach is crowded with people, and the turquoise ocean water is visible. In the background, other high-rise buildings of the city are visible under a blue sky with scattered white clouds.

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# Hot talk

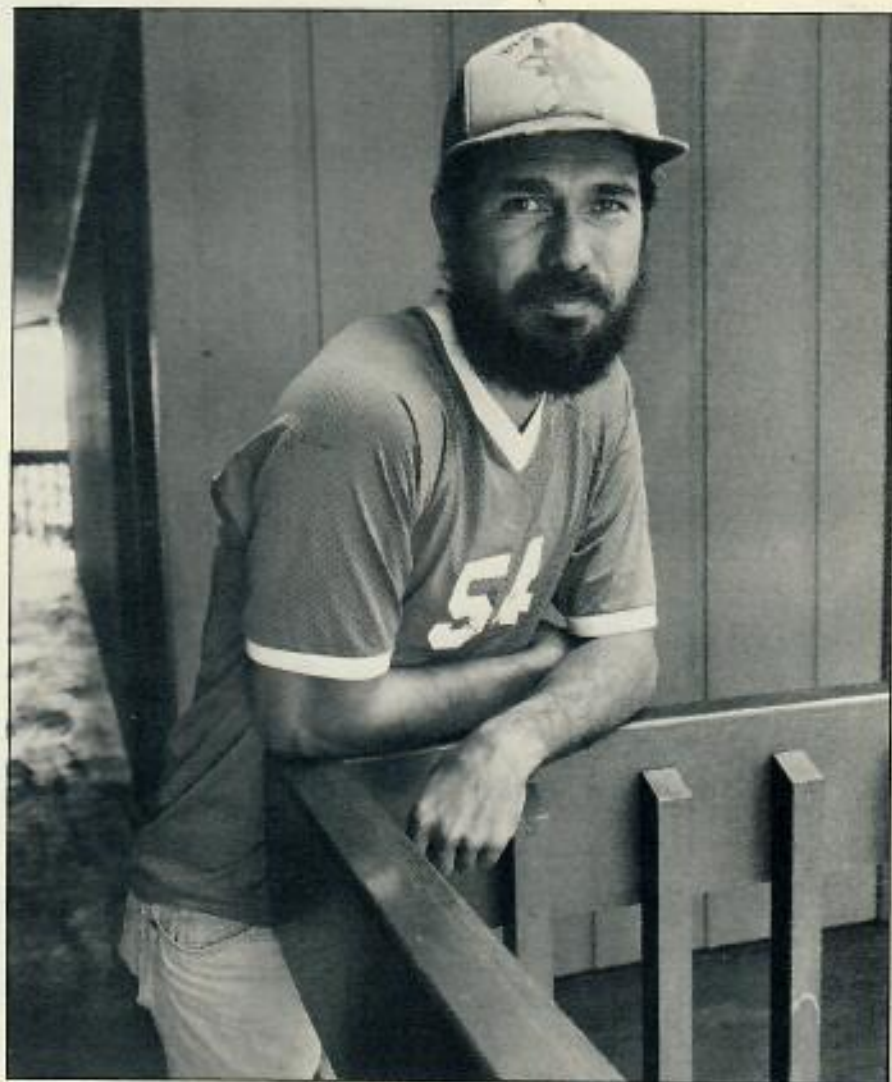
**Walter Ritte on business, tourism, and the "last resort."**

*SOCIAL ACTIVISTS* in the 70s used their anger to make their points: The dramatic clenched fists, marches, and defiance of authority made good news footage, and turned many previously unknown community members into media stars overnight. They knew how to attract the attention and make the most of a 30-second news clip. But in terms of substantive challenges, the activists were often paper tigers, unable to penetrate the political armor of "the system." Years of spinning their wheels led to frustration, burnout, or resignation in some, but others—the Yukimuras, Nishikis, and Ritte—figured that the way to beat the system is to use it.

Somewhere along the way, activists learned how to make the legislative and legal systems work for them, to hit business where it hurts the most—the bottom line. Even when they know they won't win, some activists admit that they'll nevertheless sue and appeal at every turn to stall. And each day of delay is added cost to the developer, often amounting to hundreds of thousands, even millions of dollars. Moreover, a challenger to a development project doesn't necessarily need broad-based support—all it takes is one person with an attorney to stop a project in its tracks, or, at the very least, run up legal bills.

And that has changed the way developers do business. No longer can the business community ignore or discount activists as simple annoyances, or as public relations problems that can be cured with advertising dollars. Activists have become an economic issue in the business world, one that demands attention and creative problem-solving. Some businesses still use the steamroll strategy—outnumber, outfund, and discredit the activists. But others are trying a different tack: Defuse an issue by working with the activists to get them on their side. Even activists admit it can work. As Ritte points out, Mauna Lanī is an example where activists were appeased when their concerns were addressed.

Walter Ritte is undoubtedly the best known activist on Molokai, and perhaps in the state. His issue is Hawaiian rights, which has drawn him into frays with local governments over land ownership and access, with the military over Kahoolawe, and with private corporations over tourism development. His militancy buys him



OHA trustee Ritte: "We've been able to do more inside-the-system damage to control tourism, so the situation has become less hot."

a lot of media mileage—he's outspoken, and doesn't fear making strong, pointed accusations of wrongdoing and injustice, regardless of the libel consequences in naming names on hearsay evidence. He paints himself as a champion of the poor—he himself lives modestly, and says he's satisfied with his lot in life. His run-ins with the law favorably reinforce his counterculture, anti-establishment image with his followers; but they also advance his opponents' attempts to discredit him as a reprehensible criminal—and have probably hurt his credibility and political effectiveness within the existing system.

But the bottom line for Ritte is that, criminal record or not, people vote for him and his particular, often ill-defined, vision of Molokai's and Hawaii's futures. He possesses the power of political office as an elected trustee of the increasingly litigious Office of Hawaiian Affairs, he knows the system, and how to use it to delay or foil developers' plans. His decision to mobilize his forces against a project or issue—or not to—has an impact on its outcome. Ritte and other activists are as much a concern of the local business community today as high interest rates and labor unions. Understanding who these activists are—and

how far they're willing to go to block the development of tourism on Molokai—is crucial to any discussion of the future of the island. Hawaii Business associate editor Elyse Tanouye recently spent several hours talking to Ritte about business, Molokai and its economy, and the potentially explosive situation in the tourism industry there.

**HB: What is your background?**

**Ritte:** Whenever anyone asks what I do I just say I'm a hunter, and that's it. I graduated from Kamehameha Schools in 1963, went to San Francisco College of Mortuary Science and stayed there for 12 months, traveled, then came back to the University of Hawaii for three years. I flunked the speech course, so I couldn't graduate, so I came home.

**HB: You're originally from Molokai?**

**Ritte:** I was born on Maui, came here when I was a child, and grew up here. I've been here on the island for 30-plus years.

**HB: How did you become involved in the community and local issues?**

**Ritte:** I guess it started after I came home from the university. I got into some political trouble and I couldn't get a job after I got on the blacklist.

**HB: A blacklist? Do you have any proof?**

**Ritte:** No, it's just something that I knew. I took the test for the fireman's position—there were three of us that took the test and we all passed. There were two openings, and the other two guys got the jobs. A couple of months later, there were two more openings and I was the only one on the list, but they brought two people from Maui to fill the openings. Then, I got an offer from the federal government to work for Lokahi Pacific (a federal community development agency). I took all the interviews and got the job, and a week later, they said there was no such job. I found out it was because of politics. So, I got cut off from the economy early. It's a small island, it's very easy to cut someone off. It's very simple: Either you play ball, or you don't get nothing over here. Very few people control everything.

So I started getting involved in community organizing. The first one was Hui Alaloha, and that started my interest in doing community work. We opened up all kinds of beaches on the west side of Molokai that were closed for 40 years. That led to Kahoolawe, and so on.

**HB: You say you couldn't get a job because of politics. How did you support yourself?**

**Ritte:** I became a hunter.

**HB: You sold the meat?**

**Ritte:** No, I traded it. But I had to go on welfare. Welfare, hunting, fishing, just living off of whatever I could get.

**HB: Do you relate at all to business?**

**Ritte:** My father is a mortician. I went 12 months to get my mortician's license—I was the youngest guy in the state to get a mortician's license. So I could be a

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businessman. In fact, my father just retired, and he wanted to give me the business at no charge. It's the only one on the island, but I gave it to my sister just because I like what I'm doing.

**HB:** So you could be a businessman if you wanted.

**Ritte:** I have nothing against business. I'm not anti-business. I want my friends to live here in the way they choose to live here. In fact, I'm supporting this one guy on tourism—he wants to do helicopter trips. I'm supporting some of the (Hawaiian) homesteaders who want to bring tourists to see their macadamia nuts, ti leaf farms. That's great. It's local. Whatever the locals want, terrific. But not what Louisiana Land wants—that's completely different. The locals got to live here, so they know what they can and cannot do. Like this guy doing the helicopter tours—he knows he can't come down into the valleys, he's got to stay up 2,000 feet so the sound doesn't bother anybody down below; he's got to stay out so far from the ocean. He knows this kind of stuff, he's got that sensitivity.

But these other helicopter companies, they come down here and they buzz and they land on the water and they chase the fish. They do all these kinds of hassles that thrill the tourists but hassle the hell out of us. And they don't care. There's a difference, a subtle difference that's a major difference.

**HB:** So you don't mind small business?

**Ritte:** Oh yeah. Small is beautiful. It's the only way Molokai is going to make it.

**HB:** Doesn't small business depend on larger businesses, draw upon them? Large businesses provide the infrastructure, they bring the tourists.

**Ritte:** No, that's a stock idea. You learn that when you go to the university, in planning courses—you got to have this, that and that, or you don't have any business. We don't believe in that kind of stuff.

**HB:** Is tourism the main focus of your problems with the business community?

**Ritte:** I would say so.

**HB:** If someone were to set up a high-tech plant here, would that bother you?

**Ritte:** I don't know. If they're going to ruin the resources, yeah. This island is sacred to us, we're not going to ruin this island for anybody's job. It's here for all of our future generations. We're not going to compromise our environment.

**HB:** What is it about tourism that you don't like?

**Ritte:** The tourism industry for us is a malignant cancer that needs to be controlled. And we refuse to accept it until it becomes benign. It just eats everything up.

For us on Molokai, this is our island. Tourism will come here and they'll take our island away from us. They'll own all the land and we'll become the servants. We're independent people here, we're hunters, fishermen, we're people who

haven't chosen to go to Oahu and follow the jobs. We know how to survive over here.

**HB:** But Molokai has always had just one or two entities who have owned nearly all the usable land, and the people have "served" them as laborers on the plantations. So, it has a history of that already. Why do you fear tourism for those reasons?

**Ritte:** Some people don't. The Filipinos and Japanese plantation workers came

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### **"This island is sacred. We're not going to ruin it for anyone's job."**

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over here as immigrants, they're people who have come here, they don't have roots here. They're just welcomed guests and they'll take those kinds of jobs. You'll get support for tourism from those guys. The people who have roots here, who have been here for generations, they, to me, are the people of this island. You're not going to take this away from us, this is the home of my ancestors.

That's the difference between someone like myself—I'll fight for this land—and those other guys, they know if they don't make waves, they'll be allowed to use the land. Different attitude, very different, because of the difference in relationships toward the land.

**HB:** That sounds adversarial with the other ethnic groups on the island.

**Ritte:** Yeah, the other ethnic groups don't fight like how we fight. They stand on the side and watch. It's not adversarial, we don't hate each other. But one side doesn't care how it gets the jobs, and the other is very particular—to the point where it's hurting our generation, we've got to suffer a little bit now because we can't get the quick jobs. In the long run, we'll be much better off because we'll have planned exactly what we want.

**HB:** But Molokai has a 20-percent unemployment rate, a high welfare rate. What about those people who need those jobs?

**Ritte:** No matter what you do, whatever kind of economy you have, there's always going to be people who don't have enough jobs.

**HB:** So a big hotel is not the answer, for you?

**Ritte:** We've seen what happens to Molokai. Everytime they make this construction stuff, the unions send over all their guys from outside islands, and out of the ten guys that get hired, two are from Molokai. We've been through it. We don't have all the answers yet, but somewhere we've got to find innovative kinds of ideas that are different, not the stock stuff that they send over. We're not

accepting it. So we're going to take gas for awhile. But we've got some ideas.

**HB:** About those ideas, up to now, the activists have taken the "anti" stance, but, as you told members of your group at that meeting recently, "If you don't like my idea, what's a better idea and one that will work?" Up to now, the activists haven't presented alternatives—better, workable ideas—to the business community. Are you waiting for someone else to come up with them?

**Ritte:** We're working on it really hard. But innovative stuff is hard to sell because they don't fit into the fill-out-the-blanks kinds of stuff. We're working on the idea of "small is beautiful," and following conferences on that on the Mainland—things that would fit on Molokai. It's just a matter of getting it into the planning process.

**HB:** Where are you going to get the money to carry out those ideas?

**Ritte:** Dan Inouye, he's our key. Here we are, the state's broke, it can't give us anything. We have the highest unemployment, we have the highest electric rates, we have all these statistics where we can apply for a lot of federal money. But we don't have the ear to anybody in the federal government. So I spend a lot of time trying to organize the precincts, trying to get a broad base. We're going to make Inouye feel like this island really loves him. That's our goal, to make Inouye our best friend, so he can help us get all of our crazy ideas into action, get monies for those crazy ideas.

We've already got EDA (federal Economic Development Administration funds) money, and that's without anybody's help. Imagine if we had someone like Inouye actively looking, knowing our problems—we'd go to him and point out this, this, this, aquaculture, agriculture, we need all these things. He'll know where those monies are and what's available.

**HB:** The federal government will want to put those monies in the hands of some sort of accountable organization.

**Ritte:** Yes, we have two—one is OHA, and the other is Lokahi Pacific, which has a long track record dealing with federal monies, and they have a very good standing with the federal government. Lokahi Pacific has the island organized into districts and it has elections in each district—all set up so that we can bypass the county and get the monies directly.

**HB:** This whole political process requires give and take, and negotiations, compromise. Would you be willing to give in on some things to gain others?

**Ritte:** There's a time and place, you know. We cannot sit down and compromise from a weak position. So, yeah, you compromise, but when you're in a strong position, or at least equal. For example, if we're going to compromise with Kalaheo, we've got to be at least equal. They're not going to come to us unless they're forced to, right? I'm hardheaded, but I'll

do what's best, I'll compromise. I'm compromising on Dan Inouye. For me to come out into the community and say, "Here's our friend," plenty of guys are going to say, "Hey, that's unreal."

**HB:** That's the next question, how will your supporters interpret your compromises?

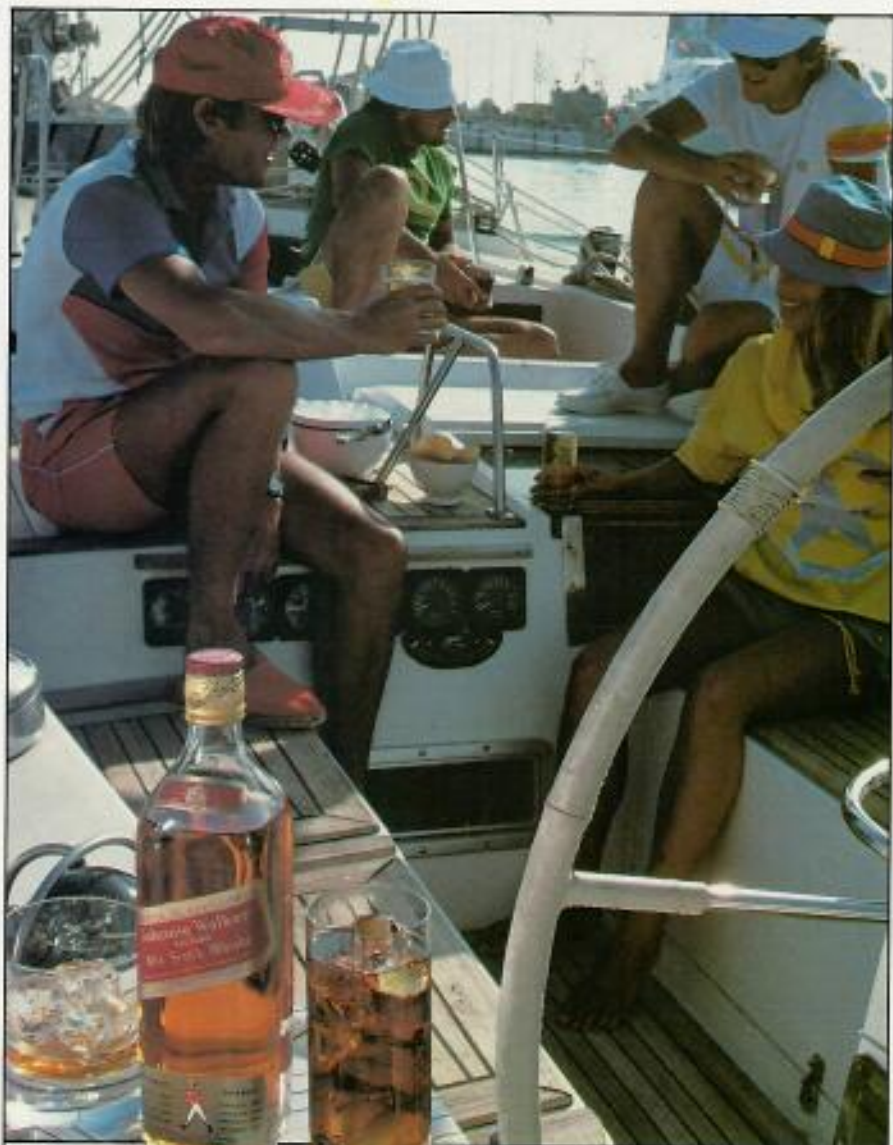
**Ritte:** The only way I can handle that is to throw it right on the table for everybody and that's what I'm doing. I'm telling people, "Hey, we're economically on the skids, who can help us? We all know the state no more money. Who's going to help us?" They're not going to know who, so I'll say, "I know who—the same guy I called the one-armed bandit, the same guy I chastised three years ago—Dan Inouye."

But now, as far as I'm concerned, he's proven himself. We put together this \$1.2-million Hoolehua project for wind-breaks. We spent six months writing up the project, and we took it to Dan Inouye. He personally called in people from all the federal agencies and sat them down in his office in Washington. Representative Clayton Hee went over, and we're in the process now of getting some money. So, he was the guy that, just through some personal moves, saved us three or four years of lobbying and scraping to get the money. He did it. I looked at that, and saw that this guy has some power to help us, and we need a lot of help. So now, when we start to identify all of our innovative ideas, we have someone to take them to.

**HB:** What sort of ideas are you working on?

**Ritte:** One thing that we have here that no one else has is resources, natural resources. I put together a concurrent resolution for the legislature asking for a task force to come to Molokai—involving OHA, Department of Land and Natural Resources, people in the community—to re-examine our natural resources. If we form this task force, what I'm trying to get is that Molokai people have first crack at these resources. There's a tremendous amount of stuff here for us, all we've got to do is manage it well. We have to have control over our natural resources, that's first and foremost. Then we built upon that.

You go to the east side of Molokai, the fishermen out there—the knowledge that they have, amazing knowledge. They know exactly when the fish are coming, what exactly they're doing, know all that stuff. And yet, people want to train these guys to be masons and carpenters. That blows my mind. Why waste all that money when these guys have knowledge that's handed down from generation to generation—that they've learned from small-kid time? Why not manage what the hell they know, and set up the infrastructure so that they can do what they do naturally? That's the innovativeness that we've been trying to work at. I think we're about five years away from getting



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to that point. In the meantime, we've got to stop this tourism cancer.

**HB: Until then, you'll be depending on taxpayers?**

**Ritte: Yeah.**

**HB: Is there a point when Molokai will be self-sufficient?**

**Ritte: Yeah, it's going to take awhile, it might take 15 years. Because to become self-sufficient, not only does the infrastructure have to be set up, but people's minds and attitudes have to be set up too. If we're going to manage our resources, it's going to take a lot of education.**

**HB: Why will it take so long?**

**Ritte: It's hard for us. My kids watch television, and so they want what other kids want, because they're watching the same programs, the same commercials. We have a different lifestyle, so it really conflicts with that. They all want all these goodies, but we're not set up for them to have all these goodies. Instead of a candy bar, they got to eat maybe a banana or coconut. That's the hardest thing to change: The attitude of "what do I want?" I need a job to get a candy bar, I need land to get the coconut and banana. I don't know how to make that happen.**

**HB: It sounds like you'd like to pull Molokai out of the mainstream of development, of the modern value structure in Hawaii. Is that realistic? You're part of the whole world, part of the United States, part of Hawaii.**

**Ritte: Yeah, we're part of it, but I'd like to see Molokai be an alternative. If it's all the same—boring. Guys like me would have to be in jail. That's why the jails are so full. I was in jail, I thought it was old home week, everyone almost thinks the same. That's the kind of people in jail. There's no alternatives for them: They don't like the 9-to-5, they don't want to be tied to "the Man." But what else is there? You got to do it that way, that's how it's set up. Molokai has to be an alternative place.**

I got four kids. I know, realistically, that if just one of them stays back, that's what I expect. The other kids will go off and live different lives, different jobs, and get into the mainstream. But what about that one? I'd like to see Molokai be the alternative for that one. Exactly what kind of alternative, I don't know.

We're sort of working out the answers, and I think a lot of it is going to have to do with education. I don't want to be a tour guide, I want to be an educator. I would like for you to send your kids to me for three months to learn traditional things and just live with me. Instead of me being a tour guide, I'd like to educate your child.

**HB: It seems on Molokai that people aren't really anti-tourism, but they fear overdevelopment. How does a developer address that fear?**

**Ritte: Before you even start—you come here and make sure that we're involved, otherwise, you won't be accepted. You're not going to come to our island and push**



your weight around—"I'm building this, and I'm building that, whether you like it or not." You should say, "I would like to do this, what do you guys think about this, what do you think about that?" That's the approach you've got to take. These tourism guys, if they come here with all their preconceived plans and try to shove them down on us, they're going to find resistance. I'll use this office (OHA) to stop them, as a tool to stop them, as best I can, and I told them that. So it's a straight head-to-head combat that's going on right now. All they want to do is re-educate our minds, they don't want to sit down and talk things over, they want to force their values for this island on us.

**HB: How do you feel, then, about Kaluakoi? Has it included the community enough in its planning?**

**Ritte:** No. It's just a giant Mainland corporation that puts in millions and millions of dollars, puts in the infrastructure, doesn't care about the community. We're just watching all of this and trying our best to control it. They're hardheaded as hell and we're hardheaded as hell, so we're just beefing all the time. It's costing them a lot of money.

**HB: What is it specifically that you feel Kaluakoi did wrong that it could have done better?**

**Ritte:** Kaluakoi should have announced it was coming.

**HB: Is it just their procedures that you object to, or is it the actual plant?**

**Ritte:** They came here with the cancer, a disease that we're all afraid of. If they announced they were coming beforehand, and came to the community to try to work things out, I think it would have been a much different approach.

**HB: How would the reaction have been different if that had taken place?**

**Ritte:** It wouldn't have been all this negative, it wouldn't have been a full-on confrontation between the community and Kaluakoi. That's why I like Ken Char—they finally got a local person heading HVB instead of all these high-powered haole guys who don't really know the people—he's sensitive about Molokai. I've talked to him before, I told him, "You guys cannot win this battle, there's no way you're going to win this battle," and I think he understands. We're going to develop Molokai at our own pace. This bill (\$100,000 for promoting Molokai) was just killed in the Legislature—we testified against it.

We see tourism as something we have to deal with. Our approach is this—give us whatever (development) monies are available, don't make us whores. Let us use the monies to do our thing. Then the tourists are going to come because they want to see what the hell we're doing. If we're sitting back here just waiting to serve them, what the hell are they going to look at except mountains and waterfalls? If we're active in doing the things we want to do—farming, fishponds, taro, some of those traditional kinds of things



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—the tourists are going to want to see what we're doing. We want the quality tourists, we don't want the \$10 package where you need a hundred tourists.

**HB:** Do you see any other large landholders in the state who you feel have done a good job of managing its land and the community?

**Ritte:** I hear talk, I don't know for sure, that Kenny Brown has come the closest. That resort, Mauna Lani—he went out, got the community input, hired all the community guys to set up his fishpond, to make sure all the historic sites were

**"We cannot compromise from a weak position."**

preserved, all this kind of stuff. He's the one who's come the closest—you got to have the approach where you get the community to help plan for you.

**HB:** If Kenny Brown had been here doing Kaluakoi, if he had put Mauna Lani here, would you have accepted that?

**Ritte:** No. It might be alright for Kona, but it's not alright for us. We would have planned it a lot different. We want a lot of small things. If you got \$80 million for Mauna Lani, let's have 80 small things. You set up a big plantation, right, and put all your marbles there, then they up and leave because they got better money elsewhere. So we don't believe in huge kinds of things.

**HB:** You say "we don't believe in huge kinds of things." Do you feel you reflect the community point of view?

**Ritte:** I lived here all my life, I know what they're talking about. I wouldn't be so solid in my position, take such an extreme position if I didn't think I was reflecting the people I grew up with. Why would I do that?

**HB:** It's a problem many people find on Molokai—pinpointing the leaders and measuring their real support base.

**Ritte:** Yeah, we have a lot of appointed leaders—they appoint themselves. But all those years growing up, I was part of the community. I was just a guy drinking beer with everybody. So I know what the community thinks. They don't agree with me just to be nice to me. Some people will. They'll say, "Oh yeah, those damn tourists," and then they'll talk to Jeff Tai (of Destination Molokai) and say, "Those damn activists." There are a lot of those kinds of people, they play two sides of the fence, but that's survival.

**HB:** But some people say you're out in left field and not really in touch with the community.

**Ritte:** Well, they'll have their opinion, and we'll clash, and one of us will fall. It's not costing me any money, it's costing them. Economically, they're going to lose.

This community is not one that goes to meetings and stuff. I get most of my in-

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formation from drinking with the guys. I live here, and I hear what they're talking about when they're most relaxed. It's not when they're all pressured-out in front of a microphone and all these guys staring at them. They don't like coming to meetings.

But you hear talk. The tourist industry is so vulnerable, so vulnerable. If the community doesn't accept you, I don't care how much money you pour into it, it's not going to work. Because the community can pass out leaflets, it can picket. And when we're drinking, eh, it's heavy talk. They talk of heavy violence and all that kind of stuff.

We love our island, it's part of our whole heritage. It's like we're protecting our very essence, our souls. Nobody's going to destroy it for personal gain. They don't realize the commitment we have. They come in and it's just a money commitment. You know, "If it doesn't make it here, we'll make it someplace else." But we got to live here. Nobody's going to push us out, take the land away from us, cut off our access, take away our food. They ain't because they ain't.

**HB:** You talk about "heavy violence." What is the potential, in your estimation, for something like that?

**Ritte:** Violence over here could happen like that. Once one goes, that's it, man, it's going to be dominos.

**HB:** So you're...

**Ritte:** I'm the cap. If I can't succeed, then the thing blows. Because I'm saying to these guys, "We can do it without you going to jail, without you getting hurt, without you dying. I've been in jail, and that's no place you want to be, all you do is meet all your friends, they're there. But there's another way. It takes longer, but there's another way."

People don't know that these guys feel so strongly—the Jeff Tais don't know that, they didn't grow up here, they don't know what people say when they're drunk, how they feel when they're relaxed, what they talk about. Kaluakoi is right next to Hoolehua (Hawaiian Homesteads land), and that's the most dangerous place to be. If you threaten Hoolehua, those guys over there would explode. That's why we're trying to talk to these guys, that's why we need buffer zones so that the fishermen don't feel that all these guys with their go-carts, and sail boats are going to scare away all the fish. So you got to have a buffer zone. That's what Kawakui (part of Kaluakoi development) was supposed to be, that sand beach was supposed to be a neutral zone but, no, they insist on putting all this stuff over there. The guys at Hoolehua say, "How are we going to get our opihī over there, with all those goddamn tourists over there? Burn 'um down! Blow it up! Whatever you got to do. We going to eat, we're not going to have all these outsiders take all of our food." Kaluakoi don't know that, they hear talking, but it's only words.

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There's strong feelings here, they won't say it to an outsider. I told Ken Char all these things, I said, "Eh, I think this thing's going to blow." I believe he can relate to that. Waianae can blow, Nana-kuli can blow, Waimanalo, wherever the Hawaiians are. They have strong feelings, and they operate from the gut level. That's where they operate from—from their emotions.

**HB: So, there's anger, frustration. And you feel that has the potential to turn violent? That could be a significant factor.**

**Ritte:** That goes without saying. Because the bottom line is, that's the trump card. One incident on Molokai would wipe out tourism. Everybody here knows that, that's our trump card.

**HB: That's terrorism.**

**Ritte:** It goes completely against our grain.

**HB: What would be your credibility after that?**

**Ritte:** If you come to my island, you're on my island, I don't care if I have credibility, you're coming to see me.

**HB: But in terms of credibility within the Molokai community, there's surely a lot of people who would disapprove of that violence and disassociate themselves from such a group.**

**Ritte:** Yeah, but so what? It will still accomplish the same thing, which is the downfall of the tourism industry. So, you lose your credibility, and you split the community. The trump card is played and the battle is won.

**HB: The battle is won?**

**Ritte:** If Kaluakoi goes on its merry way, it'll be shut down. If the tourists don't come, what the hell does it mean? It all boils down to the tourists coming here. Without that, the whole Destination Molokai is dead. They're so vulnerable—the tourists can go anywhere else, Molokai is not a high destination place.

So the talk is there, the people who could do it are there—it's just whether or not the threat is such that they feel they have to go to that level. But the people here won't lose this battle, because they've got the trump card.

**HB: Do you believe it's going to end in that situation?**

**Ritte:** There's no need to get to that level. If you talked to me three years ago, I thought for sure it was going to explode when Kaluakoi made its initial push in Kawakii. But then came the Office of Hawaiian Affairs, and we've been able to do more "inside-the-system" damage to control this thing. So, it's become less and less hot. I think we're moving away from violence right now because of our success in the system. We got people like Representative Clayton Hee who can speak for the people, fight for the people. We got people inside the system. Other people can't stand it, but we're the ones keeping the cap on this talk of violence because we can show results. I feel the trend is going away from violence.

**HB: What about your personal credi-**

**bility—you've had problems with the law, you're coming up for trial in May. How does that affect your effectiveness?**  
**Ritte:** Statewide, people won't understand, but it won't hurt my credibility here on Molokai. To be thought of as an "outlaw" is nothing over here. Ninety-nine percent of the people who grew up here do what I do. They've all got rifles, they've all been caught poaching at one time or another, they've all gone through the same thing. It's a way of life over here, it's survival.

I'm so hardheaded. I wear slippers when I go to the legislature, I wear jeans and t-shirt, I have a beard. It's hard for some people to accept me because I'm so different.

**HB: You compound that with a reputation—stories that you shoot at people, you're maybe irrational. Isn't that counterproductive in your work?**

**Ritte:** Yeah, it makes it a lot harder, but I'm used to that. The harder it is, the better I like it. It keeps you on your toes. It has another side to it. People say, "He's this, he's that, but you got to give him credit, he doesn't change," it's the longevity of it all.

**HB: By longevity, you mean the longer you're yourself, you're consistent in your attitude, the more likely people will believe you?**

**Ritte:** Yeah. I've got to keep this longevity thing, that's going to be the difference on whether I'm accepted. As long as I don't kill anybody, or do anything to turn the situation into a whole downward slide.

**HB: Will you run for another office?**

**Ritte:** I'll put four more years into OHA, then go and take care of my family. I haven't been taking care of my family.

**HB: Where will the next generation of leadership for your group come from?**

**Ritte:** I had an experience that gave me hope: There was this graduating class from Kamehameha Schools three years ago, and a group of the top kids—real smart and real vocal—one of them came to me and said, "There's seven of us at the top of the class and we all decided that we're all going to college, finish school, come back and get involved in the movement. So just hang on until we get back." So, there's a crop coming up that's going to be well-educated. When we got out of high school, we had no purpose in life except to just take care of Number One. There was no relationship to other Hawaiians, no relationship to the land. The kids coming out now have a purpose, and they're going to become lawyers and political scientists. There's a wave that's coming.

**HB: In summary, what do you see in the future?**

**Ritte:** I'd hate to have a community where there are no choices. I see Molokai in the long run as being the most stable economy of all the islands. We're going to be ahead of everyone else. We're not going to sell-out for the almighty dollar. ☐

# Who's in charge here?

By Elyse Tanouye

*Where are Molokai's leaders? In Honolulu, Maui and Louisiana.*



*Molokai Ranch's Spalding: Owning half of the usable land makes the ranch potentially the most powerful entity on Molokai.*



*Kaluakoi's Boydston: The embattled resort has taken it on the chin from the recession and community activists.*

DEL MONTE's announcement in 1982 to close its Molokai pineapple plantation could turn out to be the best thing that's ever happened to the island. True, it caused a lot of personal hardship and further weakened an already troubled economy. But there's nothing like a fire to attract the attention and help of rescuers—the Del Monte crisis set off emergency alarm bells throughout the state and brought running the money, talent, and power the island's sputtering economy has so desperately needed for so long.

The fire was partially put out by Del Monte itself when it later decided to maintain a scaled-back operation on Molokai. But the scare was enough to shake up government and business officials and awaken them to the tinderbox state of Molokai's economy: It is heavily dependent on single industries—pineapple in the past, and tourism today; it has the state's highest unemployment rate—last year averaging 20 percent; and a high number of public assistance recipients—15 percent of the island's households, compared to the statewide average of nine percent. Because of the troubled

economy, the small 6,000 population has grown only 15 percent since 1970, a crawl compared to Maui's 62 percent. That is partly due to the out-migration of young people, who find few opportunities on Molokai—out of the 100 or so students who graduate from Molokai High School each year, perhaps five will find jobs on the island.

So, for more than a year now, the spot-

## Molokai's leadership now comes from off-island groups.

light has been focused on "the Molokai problem." The tiny island economy has been studied, surveyed, analyzed, hashed and rehashed by public officials, business leaders, and the media. Out of that concentration of high-powered effort emerges different and, in many cases, conflicting visions of Molokai's future. Where it once faced a dead-end street,

Molokai now wrestles with almost too many paths to choose from—all leading to a different Molokai. With the many alternatives laid out on the table, what is needed is leadership.

**Outside looking in.** What leadership, on Molokai there is at present comes primarily from outside the island—and it will probably remain so. The people and institutions making the major decisions affecting the island and its economy are five: Molokai Ranch, Kaluakoi, Del Monte, the state and the Maui county governments, all of which are headquartered an airline ticket way. (Even Molokai Ranch is headquartered in Honolulu.) Despite assurances that they understand Molokai and its needs, they must factor into their decisions all their other priorities, the other demands on their time and resources, and, most importantly, the other interests they are mandated to protect—whether they be of stockholders, parent companies, or off-island constituents.

On the island itself, there is a distinct void in leadership. The island is essential-

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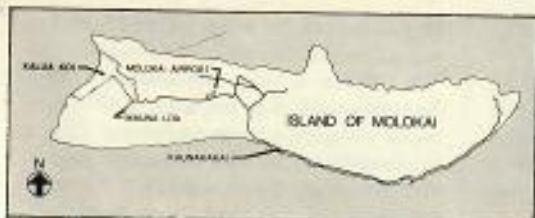
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*Del Monte's Kawakami: Del Monte's tenuous commitment puts its Hawaii role in question.*

*Maui councilwoman Lingle (above) and state representative Hee: Bringing Molokai's concerns into government's decision-making process.*

ly an appendage to Maui county, so there is lacking the focal point in the community that a central government usually provides. And, perhaps because the residents don't have to go through the motions of picking from among themselves a leader to represent them exclusively—a mayor, for example—there is no tradition of leadership, or traditional avenue of building the support base that makes leaders. The question, "If you had a mayor's race here today, who would run, and who would win?" usually elicits shrugs.

Moreover, perhaps because the community is accustomed to the powerful plantation/ranch paternalism that demands obedience, Molokai is a community of followers, who probably feel they don't have the authority to interfere with the decisions of the powers that be. It looks like apathy, but it's really learned helplessness. When the community does get involved, it is usually over an issue that it's sure it has a better grasp of than others—for example, the biggest controversy last year wasn't unemployment or tourism development; the issue that generated the most stir, the most com-

munity involvement, was the question of moving the baseball field in Kaunakakai.

Among people living on the island, Hawaiian activists come the closest to having the qualities of leadership—they hold high media visibility, make strong statements and create issues—but the extent of community support behind them is difficult to determine. Moreover, their style—and vision—tend to be more reactive, simply running counter to whatever the powers present.

**Tourism vs. agriculture.** The big issue, of course, and the big split among the leadership groups—primarily the activists versus the rest—is the tug-of-war between tourism development and diversified agriculture, both in embryonic stages of development on Molokai. It's a familiar debate heard throughout the state, especially where there is competition for land, water, and labor. But on Molokai, where such resources are plentiful, the argument is more hypothetical and esoteric—the clashing of two value structures: The activists say they're fighting to protect the island's rural lifestyle by advocating agriculture as Molokai's

number-one priority; business and government say they place jobs and economic growth above ambiance.

In between is the community, which seems to be less "anti-tourism" as it is fearful of "overdevelopment." Where that overdevelopment line falls, however, is the area of conflict—is it one hotel, or five, or 20? Tourism officials constantly argue that the visitor industry and agriculture can co-exist on Molokai. The activists say no, that once tourism gets a foothold, it will run rampant and roughshod over the community. The battle continues. It's a power play that comes down to who's got the aces, and how they play them.

Following is an analysis of the players, and their potential as leaders in charting a vision for Molokai:

### ■ Molokai Ranch

With 37 percent of the land—half of the island's usable acreage—Molokai Ranch is by far the largest landowner (see chart, page 84). That makes it potentially the most powerful entity on Molokai, the one with the most aces to play since its decisions on the use and sale of that land

will greatly influence the type of economic development that takes place. But its vision hasn't always matched its power. By and large, the ranch has played its cards conservatively through the years, holding onto its aces, except to get out of a jam.

Until recently, the ranch, controlled by the Cooke family since 1908, kept its lands in safe and steady agriculture—its own cattle and hay operations, while leasing major blocks to pineapple companies like Dole and Del Monte. As a result, Molokai's economy overall has

lagged behind the other islands, and for years, seemed frozen in time back in the '50s. When Cooke descendent Philip Spalding took over the helm in 1973, the ranch adopted a more aggressive stance in diversifying its own economic base—and consequently Molokai's. "We own too much of this land," says Spalding. "One reason Molokai hasn't developed is we've held onto too much of it."

Like his Maui, kamaaina-family counterpart, Colin Cameron, head of Maui Land & Pineapple, Spalding wanted to take the lead in developing new industries for Molokai. But land-rich, capital-poor Molokai Ranch couldn't afford to do it alone. Instead, it parlayed the ranch's assets—chiefly land—into joint ventures with better-capitalized companies, like Mainland giant Louisiana Land & Exploration Co.

In 1969, Molokai Ranch joined forces with Louisiana Land in a 50-50 deal to create from scratch an ambitious tourism plant in West Molokai called Kalua Koi (later changed to Kaluakoi), patterned after Amfac's master-planned resort prototype in Kaanapali. The ranch put up the land—starting with a 6,800-acre parcel—and Louisiana Land was supposed to pay the bills for infrastructure development, operations, and marketing. When costs skyrocketed past projections, Louisiana Land demanded that Molokai Ranch put up some of the capital. But Molokai Ranch found the deal too rich to handle. Last year, it completed the "divorce," severing its involvement in the project. It sold its 50-percent interest in Kaluakoi, which included Louisiana Land picking up its option to buy an undeveloped 6,300-acre beachfront block, for a total of \$4.8 million—about \$762 an acre, an amount Spalding concedes is lower than what an open-market sale would have brought.

Although officially removed from the project, Spalding continues to put his weight behind the resort to push it along the political and bureaucratic path—since, obviously, the resort's success enhances the land values and real estate potential of the ranch's remaining 59,000 acres. (Like Cameron and other kamaaina descendants, Spalding maintains strong political ties and influence in the reigning Democratic power structure—despite being a staunch Republican.)

Molokai Ranch took the leadership role—and the risk—in bringing big-time tourism to Molokai and giving the island an alternative to its pineapple-dependent economy. The ranch's leadership potential is still strong—it has the land, connections, and ideas—but it lacks the financial base to develop its potential. (Net earnings have declined significantly in the last two years—and a major loss last year was averted only by the Kaluakoi sale.) Moreover, the company's attention has been focused on expanding on the Mainland—in land trades to acquire

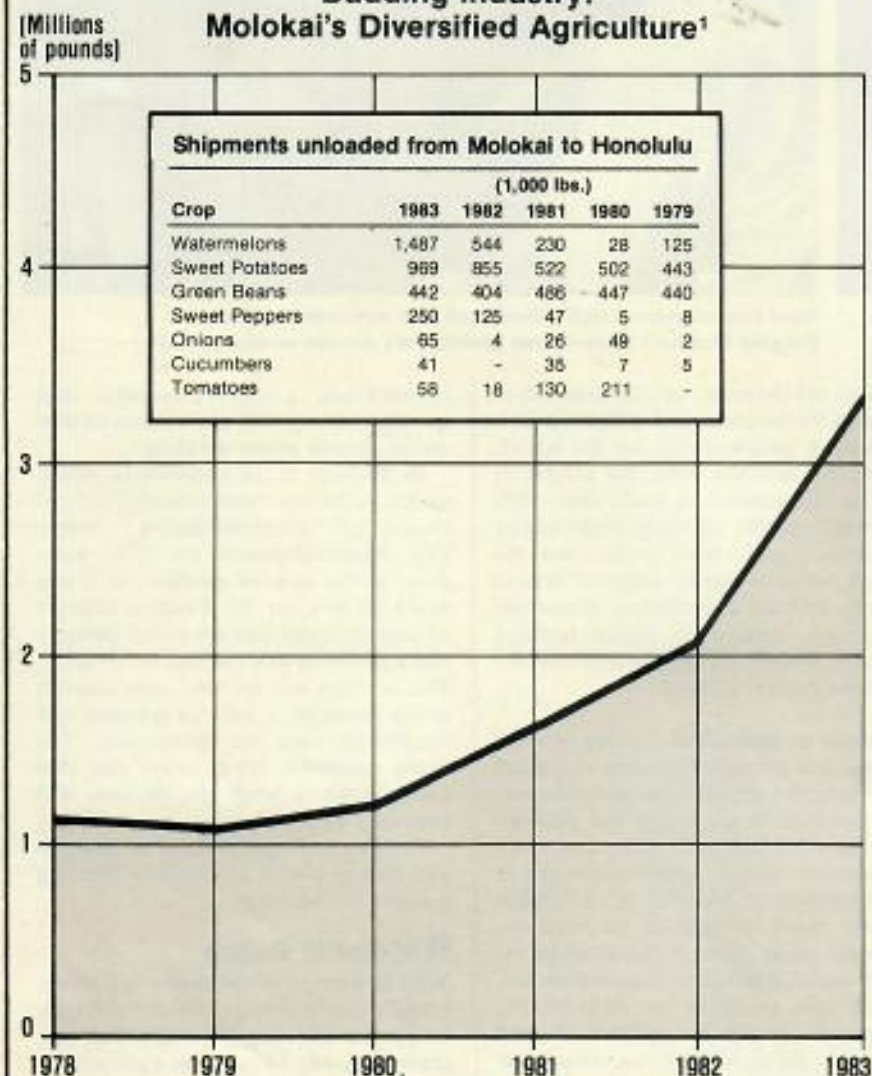
### Where they work: Jobs and income by sector on Molokai, 1982

Sector	Monthly Average	Annual Income (\$ Millions)	Income as % of Total
Services—including tourism	427	4.3	19.0
Government	369	5.1	27.0
Agriculture	288	4.2	18.6
Transportation, communication, and utilities	167	2.8	12.4
Retail trade	120	1.2	5.3
Finance, insurance, real estate	86	1.1	4.9
Construction	50	1.1	4.9
Wholesale trade	31	.5	2.2
Sub-total	1,538	21.3	94.3
Public Assistance <sup>1</sup>	307	1.3	5.7
Total	1,845	\$22.6	100.0

<sup>1</sup> Number of cases in February 1982, and benefit income.

Source: State of Hawaii Department of Planning and Economic Development, Molokai—issues and options.

### Budding industry: Molokai's Diversified Agriculture<sup>1</sup>



<sup>1</sup> Total Molokai grown fresh fruits and vegetables unloaded from ships and planes in Honolulu.

Source: State of Hawaii, Department of Agriculture



agricultural businesses, like vineyards, and commercial properties. And now, out of the biggest project on Molokai—Kaluakoi—Molokai Ranch is, for the time being, no longer the leader, but the cheerleader.

### ■ Kaluakoi Corporation

The most financially powerful interest on Molokai is the resort developer Kaluakoi, a subsidiary of the \$1.2-billion Louisiana Land & Exploration Co. Besides having the financial clout, Kaluakoi is also now the island's fourth largest landowner, with about 13,000 acres of prime real estate. Those two factors combine to make Kaluakoi probably number one in the power pecking order. But it has found it difficult to translate its economic clout into leadership.

Kaluakoi's original plans for 33,000 hotel and condominium units have been scaled back to a fraction, the result of economic and community pressures. Today's plans call for a total of about 3,300 units developed over a 20-year period. The company says it has invested \$60 million in the development, much of it in infrastructure development, and claims that it hasn't yet made one dollar in profit. In fact, it has sustained heavy losses every year—last year alone amounting to \$5 million—says Phillip Boydston, vice president of Kaluakoi. The company had hoped to break even this year but owing to the slow real estate market, that point is still another two or three years away, estimates Boydston.

Besides a recession, the company also didn't count on such strong—and effective—challenges from community activists opposed to Kaluakoi's plans. Kaluakoi's combative style is a major point of objection from the activists, and even from allies. It is accused of being overly stubborn, forceful, and of steamrolling over opposition. Boydston admits the company made some serious mistakes in handling the activists in the early years, which he blames on inexperience.

But there are indications that Kaluakoi is changing its approach. For one, it has played a large role in the creation of the marketing organization, Destination Molokai, that is as concerned with promoting tourism to the Molokai community as it is the world market. Headed by a Hawaiian, Jeff Tai, who is also the island manager of Tropical Rent-a-Car, the group has stressed the urgency for community support of tourism. In another move, Kaluakoi last year hired community relations consultant Ernest "Juggie" Heen, who has worked with companies like Alexander & Baldwin, McDonald's of Hawaii, and Hawaiian Electric Co. on similar problems. Working through those local spokesmen, Kaluakoi hopes to woo community support, and rid itself of its image as a giant, dispassionate Mainland company.

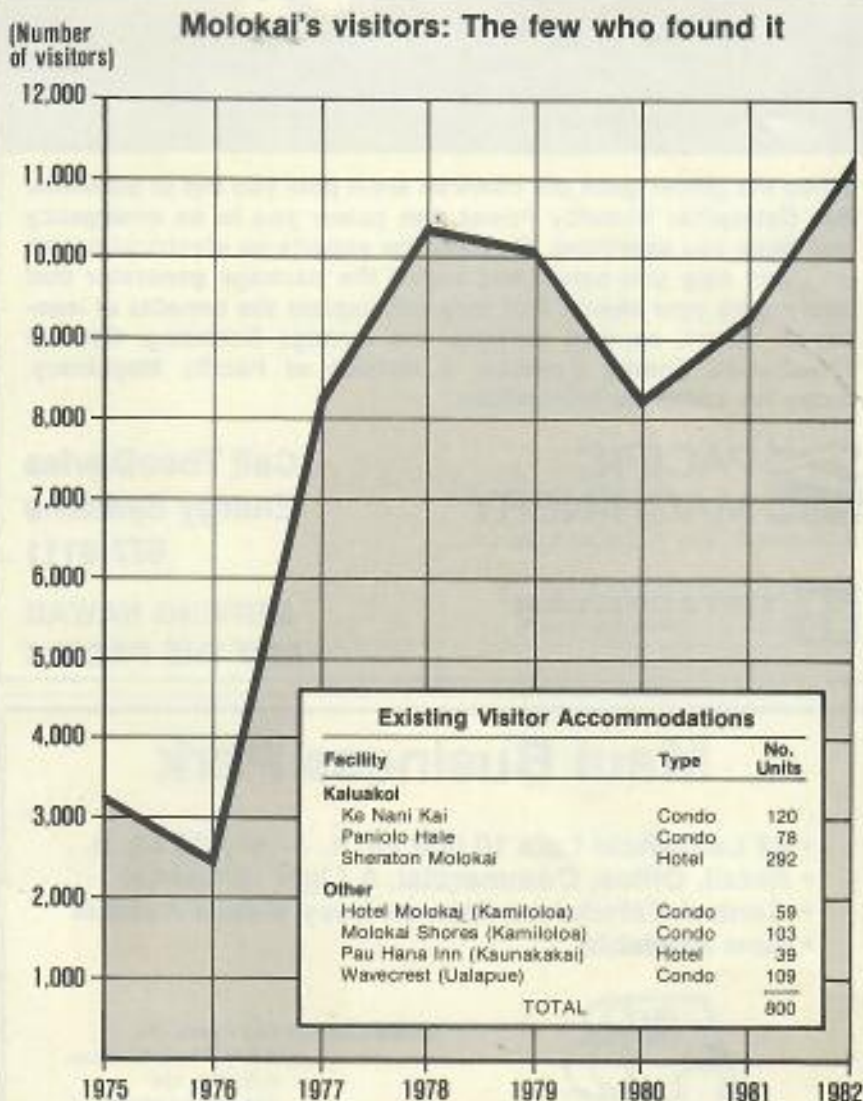
Unfortunately, speculation has arisen



Destination Molokai's Tai: Selling tourism to the island community.



Molokai Ranch's Hodgins: Balance in the economy means tourism and agriculture.



Source: State of Hawaii, Department of Planning and Economic Development, Molokai—status and options.

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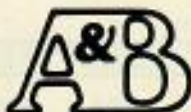
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in the past year that the parent company is indeed losing interest in the resort. Observers have interpreted statements made by L.L.&E that it intends to divest itself of non-oil related ventures as a sign that Kaluakoi is up for sale. Boydston flatly denies the notion, but adds, "Everything we have is for sale—for the right price. And even if we were to sell, I don't see the difference it would make since anyone who bought it would have to be at least the size of Louisiana Land." Perhaps it doesn't matter financially—but in terms of an island looking for leadership, it's hard to rally behind a company that may not be around if the price is right.

### ■ Del Monte

Del Monte's announcement 18 months ago to close its Molokai operation may have come as a surprise to some but in fact, the plantation had been running on borrowed time since 1975 when the company first decided to pull out of the island, says company spokesperson Ken Kawakami. Improved market conditions gave the plantation a reprieve until 1982, when the word came down from the San Francisco head office that, due to heavy losses, the Molokai operation would be shut down. But it was granted another reprieve when the EDB pesticide issue was raised a few months later and Molokai, with many of its acres in drip irrigation (needed for application of alternative chemicals), looked salvageable again to Del Monte.

The company, although scaled back significantly, continues as a major economic force on the island. It is still a large business, farming 2,000 acres (down from 3,300) and one of the island's biggest employers, with 85 full-time employees (compared to 140 in 1982). Interestingly, more than half of the released employees were eligible for retirement benefits, so those actually left unemployed probably numbered only about 25. That is certainly of concern, but the situation was not nearly as severe as all the ballyhoo that followed Del Monte's announcement would have indicated. However, it faces the same credibility problem L.L.&E faces—the uncertainty of Del Monte's future on the island, brings into question its future leadership role.

### ■ Government

Two groups that won't run away are the state and Maui county governments. Their stability and resources could help them play key roles in Molokai's economic development. Their priorities will determine what approvals are granted, what projects are funded, and what businesses are supported. Government is powerful enough in the state and on Molokai to impose its will on the island probably more effectively than any single business. Part of the reason is that Molokai is so dependent on government funds to provide services and public assistance

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—the island is beholden, and defers to the hand that feeds it. Councilwoman Linda Lingle estimates the ratio of taxes paid to government services rendered on runs about one-to-three. For that reason, she says, Molokai can't afford to become its own county despite talk of wanting to do so, since most people presumably wouldn't be willing to give up those services.

But government leadership depends on an active, involved citizenry to shape its plans and priorities and on Molokai

### Molokai's Dynasties

Land Owner	Number of Acres	Percent of Total (rounded)
Molokai Ranch, Ltd. <sup>1</sup>	59,200	37
Hawaiian Home Lands	25,500	16
State of Hawaii	18,900	12
Kaluakoi <sup>1</sup>	13,000	9
Murphy Ranch	9,000	6
Francis Brown	6,000	4
Bishop Estate	4,400	3
Meyers Estate	3,000	2
Pearl Friel	1,800	1
Edith & John Austin	1,700	1
W. R. Hustace	1,500	1
Floyd Anglin	1,000	1
Miscellaneous	13,700	9
	158,700	

<sup>1</sup> After Molokai Ranch sale of 6,300 acres in 1983 to Kaluakoi.

Source: State of Hawaii, Department of Planning and Economic Development, Molokai—Issues and Options.

that's lacking for a variety of reasons. The physical separation from the governmental bodies, of course, hampers community participation in most governmental decision-making, which makes electing an effective official to represent the community views especially important. But Molokai is in the odd position of being too small to have its own government, and its voting bloc too small to even elect its preferred representative to state and county legislatures. It shares District 9 with populous areas of Maui. As a result, Molokai's choice for representation seems to get outvoted every time—both Regino Colotario, who ran for a Maui county council seat, and Larry Helm, who ran for a state House seat, won on Molokai in the last election, but lost the races. It's evident then that the Molokai community is as powerless politically as it is economically. Moreover, if Molokai goes the way of Kihai and Kona, its small voting bloc can be easily diluted—and its voice further diminished.

### ■ Activists

One voice that is being heard, if not always respected, is that of the activist community on Molokai. Their names—Ritte, Aluli, Helm, Machado, and others—are well known both on Molokai and in the state. They're the bane of developers, but they're a force to contend with. They have the power to stop projects; they have in effect, the "veto," either through legal and legislative systems, or

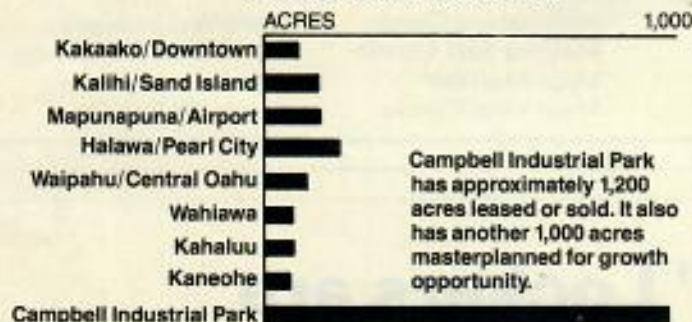
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# Hawaii Business

violence (see story, page 65). Their style has been historically contrary—"anti-this, anti-that." They say they are formulating their own ideas, articulating a vision of their own—one of a back-to-the-basics, Hawaiian culture-based, subsistence economy—but they haven't yet shown how to translate their ideals into working programs. It's clear that the activists are better at fighting an idea, than at developing one.

Still, while community members often disagree with the activists, particularly with their radical extremes, many concede that in raising the issues and asking the questions the activists play an important role. "There's no question that the noisy few have made developers go through the process of reevaluation," says Molokai Ranch vice president Aka Hodgins, who does favor tourism development for what he calls "balance." But he adds, "I myself question whether Molokai has to follow the same formula as the other islands. Those 'anti-development' groups have some pretty good ideas and developers should take note, step back and listen."

The activists have been infiltrating "the system" to make political power work for, instead of against, them. Walter Ritte is an OHA trustee. And, for the last few years, state representative Clayton Hee, who also came from Molokai activist beginnings, has carried the activist ideas and issues into the decision-making process of the Legislature. He has also been aligning himself with other similarly dissident legislators—primarily in the Senate—who can add their voice and vote to his, if he wins in his bid for a Senate seat this year. (Although he is running from Kaneohe, he plans to maintain his farm and house on Molokai, and, he says, will carry on his activism.)

The extent that the activists can rally support from the Hawaiian community will be an important factor. Hawaiians make up nearly half of the island's population, one of the highest concentrations of any ethnic group found anywhere in the state.

So, who among all these players will provide the leadership for Molokai? The off-island decision-makers, with their political and financial muscle, will probably prevail—for the immediate future. But, Molokai Ranch is looking elsewhere in its diversification plans, and is generally looking to decrease, rather than increase its asset concentration on Molokai. And, the long-term participation of Kaluakoi and Del Monte in the community is uncertain—if not in reality, then in perception. The activists, then, could by default ultimately end up as Molokai's best bet for leadership in the future, especially if they continue to move into the political arena where they can influence government, the remaining key decision-maker. But it's anyone's game, determined by how the players play their aces. ■

# "Hoe-down" on Molokai



Farming's been in Larry Jefts' family for 350 years, first in Indiana and, now, on Molokai. He started with two acres five years ago, and now, on 100 acres, Jefts produces three million pounds of watermelons a year, and three-quarters of a million pounds of green bell peppers. Head of the island's newly formed Molokai County Farm Bureau, Jefts is telling farmers to do what Mainlanders do—think big. "Our farms are too small and inefficient to be competitive," he says. "We have to become more cost efficient, using more scale techniques and mechanization."

Orca Sea Farms, Inc.'s John Ray and Ron Nolan would like to raise marine shrimp but, for three years now, they've spent their time raising money. It sold out its first \$1-million limited partnership in 1982, and will raise another \$6 million this year. A risky business, and hard to sell, but Orca is finally getting off the ground—and underwater.



At least half of the corn in the U.S. can trace its roots back to Molokai, estimates Thomas DeCourcy (right photo, with hat), manager of Holden's Foundation Seeds, Inc., the largest seed corn company in the country, and Peter Eichhorn (right photo, right), general manager of the \$1-million-a-year Hawaiian Research, Ltd. One of Holden's biggest competitors, Funk Seeds International, also has a research station on the island, run by Dr. Elizabeth Johnson (left). Molokai is becoming a seed corn center of the world—in January, hundreds of mostly Midwestern corn-breeders descend on Molokai to oversee the operations. "We're the Silicon Valley of the seed industry," says Eichhorn.



Eight years ago, when George and Linda Mokuau's number came up for 40 acres in Hawaiian Homeland's Hoolehua project, they had no hesitation about moving from Honolulu, where George (right) was an MTL bus driver. With the guidance of people like his cousin, Heine Mokuau, a Molokai sweet-potato grower, and Glenn Teves (left), an HHL agricultural agent, the Mokuau's have built a productive sweet potato farm, producing some 5,000 pounds a month. Unlike some of their neighbors, the Mokuau's see no problem with tourism on the island, since they depend on both agriculture and tourists for their income: When she's not on the farm, Linda (middle) works at the Hotel Molokai.

The sun is hot, the water cheap, and the arable land plentiful—central Molokai is farm country, and an increasingly bountiful one at that. There's a buoyant optimism among farmers there, as every year their harvests increase by leaps and bounds, and the farmers one by one take over the number-one spot as producers of their particular crops. They all have expansion plans, and envision the day when they'll make Molokai the breadbasket of the state. To many farmers, especially young, undercapitalized ones, Molokai is the land of opportunity, a chance to make a start on a shoestring.

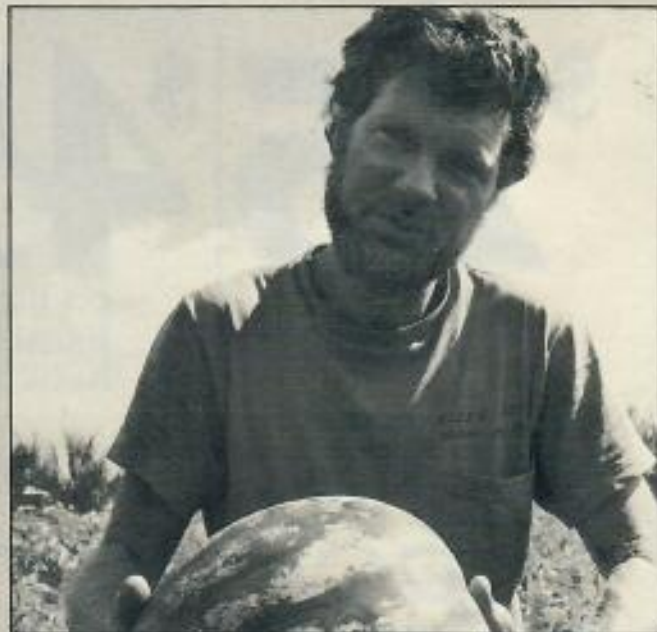


Six days out of the week, Dave Curtis is the state's largest string bean grower. The seventh day, Curtis spends in Honolulu as a practicing architect, with his biggest client, Kahala Mall. Curtis says he has no problem maintaining the two identities. "The only difference between the two businesses is one's inside and the other's outside." Like most businesses, farming has its marketing problems, like when the prices crashed for string beans recently. "I don't know anyone getting rich in farming," he says, but adds that he enjoys "being able to live in both the architecture and the agriculture worlds very much."



Daniel Kuhn came all the way from Switzerland to study tropical agriculture at the UH. But like so many of his classmates when he graduated, he couldn't find affordable land to farm. Then, he discovered Molokai—with abundant and cheap land and water. Five years ago he set up Hawaii Tropical Plants which has grown into the state's fifth largest foliage nursery, farming eight to 10 different types of plants on 70 acres.

As the only alfalfa growers in the state, Richard Hanchett (left), and Lee Wilford (right), have had to learn by trial and error. "It's difficult to get assistance since there's not much information available about growing alfalfa in Hawaii," they say. "In fact, the UH sends their guys to us when they have questions." Their 149 acres produce about 130 tons of alfalfa a month, which is sold for \$110 a ton as feed for dairy cows and horses. The farm is a marvel of mechanization, run by just the two of them, and \$150,000 in equipment.



With just \$200 and a lease in Molokai Agricultural Park, Bill Pfeil has become one of the biggest watermelon growers in the state, and expects to rake in nearly \$1 million this year. The Berkeley philosophy major built his business solely from the original \$200 investment, and believes very strongly that farmers shouldn't fall into the debt trap. Nearly every cent, he says, went back into the farm, while he lived in a tent for 10 months, then in a Young Bros. container, and now a pyramid house he built atop the container.

# Hawaii Business

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## MAUI

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OHA trustee Walter Ritte

