



THE CHINESE CHAMBER OF COMMERCE OF HAWAII

夏威夷中華總商會

LANTERN

NEWSLETTER

June, 2021

OFFICERS 2020-2021

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Chinatown Cleanup Project

The Chinese Chamber will be spearheading a Chinatown Cleanup on Saturday, August 14, from 9:00 a.m. to 12:00 noon. Chamber English Secretary **Yu Shing Ting** is project chair. For more information or to register as a volunteer, send an email to info@chinesechamber.com. Write "Chinatown Cleanup" in the Subject line and include your name and the names of people who may be joining you that day. Check-in and pickup of supplies at the Chamber building, 8 South King Street, begins at 9:00 a.m. and runs to 11:00 a.m. While you're there, you may have a chance to take a look at the recently completed chair lift and rest rooms.

Narcissus Queen Search

After a one-year hiatus due to the COVID-19 pandemic, preparations have begun for the 2022 Narcissus Queen Pageant that will be held on Saturday, January 8, 2022. (Chinese New Year is on Tue., February 1). What would the Pageant be like without a dozen lovely, talented, and charming contestants? The contestants must have a minimum of 25% Chinese ethnicity; single (never been married or given birth to a child); be between 19 and 26 years of age on the Pageant date; and been a resident of Hawaii for at least 12 months prior to the Pageant. If you or a young woman you know meets those criteria, please contact the Chinese Chamber at 533-3181 or info@chinesechamber.com for more information and a contestant application. Completed applications should be submitted by August 15.

L & L Musubi Day

In advance of its Sunday, August 8 National Spam® *Musubi* Day, L & L Hawaiian Barbecue is giving away 100,000 Spam® *musubi* at participating locations in Hawaii and elsewhere. First, you have to download the L & L mobile app by Sunday, August 7, then check the mobile app on August 8 to see that you've been picked to receive a FREE L & L Spam® *musubi* at a participating L & L store near you. (For those in Hawaii, one lucky winner may win a trip to the mainland, courtesy of Hawaiian Airlines). Official terms and conditions can be found at the L & L Web site, hawaiianbarbecue.com. In addition, the L & L online store will soon be selling four limited-edition t-shirts featuring Spam® *musubi*.

COVID Update

With half the year gone by, the number of Americans who have been "fully vaccinated" has reached around 50%. However, that is a long way from the 75-85% mentioned by Dr. **Anthony Fauci** back in December as the level needed for herd immunity. At the time, it appeared that most Americans could be vaccinated by April 2021. According to CNN Health, as new cases are again on the rise nationally, states – largely in the south – with low vaccination numbers had COVID cases three times higher than others, and in the vast majority of current deaths, the individuals were not vaccinated.

In addition, the Centers for Disease Control and Prevention has advised that those who are "fully vaccinated" need not wear face masks outdoors; however, caution is still advised indoors, especially in premises that are poorly ventilated. As for vaccinations, discussions are ongoing between Pfizer and top government medical personnel as to whether booster shots are necessary. Currently, the U.S. government agencies do not believe that they're necessary. Finally, *NY Times* personal health columnist **Jane Brody** writes that ideally, the pandemic practice of hand-washing will continue as a matter of personal hygiene. (And early on, Dr. Fauci expressed hope that the custom of hand-shaking would end).



President
Russell Lau

Aloha Chamber Members, Board of Directors and Staff:

I am both honored and pleased to serve as your incoming 2021-2022 President of the Chinese Chamber of Commerce of Hawaii. I follow in the proud footsteps of my late father **Daniel Bow Tan Lau**, who was a staunch supporter of the Chinese Chamber for many years, and my brother **Jeffrey Daniel Lau**, a past President of this extraordinary organization.

First, I would like to thank the 2020-2021 officers led by **Elvira Lo**, our President; First Vice President **Jonathan Cook**; Second Vice President **Gabriel Lee**; Third Vice President **Michael Young**; English Secretary **Yu Shing Ting**; Chinese Secretary **Jack Zhang**; Treasurer **Sherman Wong**; Assistant Treasurer **Sarah Moy**; Immediate Past President **Elvira Lo**; Executive Vice President **Wen Chung Lin**; and special mention to **Tina Ge**.

These individuals had to plan around an unprecedented government shutdown of the economy where normal sources of funding evaporated and government rules constantly changed. No one could determine for certain what events could or could not occur. However, under the creative leadership of Elvira, she played a key role in fund-raising and loan negotiations with our financial institutions to help us keep our Chamber financially sound. Thank you all!

I would also like to thank the Board of Directors and all Chamber members for continuing to maintain the mission of the CCHC to promote business development and preserve our Chinese culture during these difficult times. Your

support for our organization is important and we would like to encourage you to continue to help us with our mission. As your elected President, I promise to sustain the momentum already established and continue to strive for excellence and success during these “get back to normal” times as a result of the coronavirus vaccines.

Please join me in welcoming the 2021-2022 officers and directors, starting with President-Elect Jonathan Cook; First Vice President **Angeline Shiroma**; Second Vice President **Michelle Wong**; Third Vice President Michael Young; English Secretary Yu Shing Ting; Chinese Secretary **Cy Feng**; Treasurer Sherman Wong; Assistant Treasurer Sarah Moy; and Special Advisors Michele Choy and **Mona Choy**. I would also like to welcome the two legal advisors, **Delwyn Wong** and Jeffrey Lau.

One of the things I would like to do in this upcoming year is to introduce more of a business networking and idea sharing aspect to the Chamber. I encourage all of our directors to share their thoughts about business in Hawaii and how they have overcome obstacles to their success. If anyone would like to talk about their companies, please let me know and we will try to arrange time during our monthly board meetings. I encourage your participation.

During June, our officers and advisors have been working very hard to plan our 72nd annual Narcissus Festival (headed by Michele Choy and Angie Shiroma), our golf tournament (headed by Michael Young and Michelle Wong), and our installation, awards and holiday party (headed by Sarah Moy and Michele Choy).

Every one of the officers has been coordinating and holding planning meetings, and everyone has been fully engaged in moving our events forward. A special shout out goes to Yu Shing Ting and Michael Young for their early efforts to coordinate a special clean up effort in Chinatown. This event is scheduled for Saturday, August 14. Please come out and help us be a part in improving the quality of life in Chinatown. We need your help!

I would also like to thank the volunteers of our CCHC Chinatown Outreach Task Force, which has a motto of “The Chinese Chamber cares about Chinatown.” This group is headed by **Wes Fong**, with Vice Chair Elvira Lo and Secretary Yu Shing Ting. Go get ‘em! Yea, team!

For those of you who are unfamiliar with my background or our company, I am the Chairman and CEO of Finance Factors, Ltd., a company deeply rooted in Chinese culture and in Chinatown Honolulu. In fact, our very first office was located at the corner of King and Smith Streets, in Chinatown. Finance Factors was founded in 1952, by six local Chinese businessmen, including my father and the late Hawaii U.S. Senator **Hiram L. Fong**. These six businessmen pooled their resources to form Finance Factors, Ltd., which has become a financial institution specializing in real estate lending, helping to meet the unique needs of all the people of Hawaii.

Today, we have branch offices on Oahu, Maui, Kauai, and the Big Island, and a Mortgage Center in Guam. Finance Factors specializes in residential loans for purchase, refinance, cash-out, and home equity as well as commercial real estate loans. Finance Factors also offers some of the best rates on certificates of deposit and savings accounts, with deposits insured by the FDIC.

With the success of Finance Factors, the founders established additional businesses to serve Hawaii’s people. Finance Realty Company, Ltd. was formed in 1953 to help meet the post-WWII housing shortage. It built a 19-acre subdivision in Manoa, followed by 435 homes in Waipio Acres in Wahiawa, then built Hawaii’s first planned residential community in Makakilo, with more than 6,000 residences. Today, the company is active in developments spanning Hawaii, Guam, California, and Alaska.

Waipono Investment Corporation is mostly involved in managing the Finance Factors Family of Companies’ own commercial properties, including the Finance Factors Center in downtown Honolulu, the Finance Factors Liliha Center, the Finance Factors Hilo Center, the Finance Factors Kaimuki Center, the Finance Factors Manoa Center, the Henry Street Shops in Kona, and our newest, just opened in June 2021, the Finance Factors Kahului Center.

Finance Insurance, Ltd., is a full-service insurance agency providing auto insurance and property and casualty insurance to a variety of business and personal customers.

Today, the company provides a full range of personal, commercial, professional, and life/group insurance. All of these companies operate under the holding company, Finance Enterprises, Ltd., which was created in 1976.

On a personal note, my spouse **Connie Lau** is the CEO of Hawaiian Electric Industries, parent company of Hawaiian Electric Companies, American Savings Bank, and Pacific Current. Our daughter, **Jen Lau**, her husband **Rob Nelson**, and their toddler, **Blake**, returned home last year at the start of the pandemic and are now working for our companies after successful careers in banking, securities, finance, and online commerce platforms. Our middle child, **Gregory**, returned home in December and is licensed to practice law in California and Washington, D.C. Greg recently passed the Hawaii Bar and is now working for a local law firm. Our youngest son, **Eric**, is the only one in the family who doesn't have his MBA, but he has a much harder and rarer degree to get, an MSF in Finance and is working for a late stage data startup in San Francisco.

I want to thank everyone for giving me this opportunity to lead the Chamber and I look forward to an exciting year. I think we have much to do to adapt to these changing times and I look forward to the day that we can once again have in-person meetings.

Stay safe and healthy and let's get back to normal.

Economic Update

Jobs. With the number of Americans who have had at least one vaccine inoculation, COVID restrictions are being relaxed following federal recommendations and states are in the process of reopening for business. With a great deal of relief, Americans are once more venturing out, many going back to work while others are out shopping or traveling. (The term "revenge travel" refers to people who are traveling now, making up for lost time in 2020; the same applies to "revenge shopping"). At the same time, as the number of employed increases, there's the phenomenon of more jobs than applicants.

As mentioned in the last Lantern, 26 governors (including Democrat **John Bel Edwards** in Louisiana) have cut or are planning to cut the \$300.00 weekly supplemental payments as well as payments under the PUA program in the mistaken belief that people would rather stay at home and get paid not to work. What this overlooks, however, is that due to being cooped up at home for months, people had a chance to look at their job, often for low wages, such as the now unappreciated "essential workers" in food stores or transportation; the rude or ungrateful customers or passengers; and the prospect of encountering unruly people who are unvaccinated and not wearing masks. Given such considerations, what the *Washington Post's* **Megan McArdle** referred to as the "Great Reset" is a major factor in the difficulty in finding workers. According to *Business Insider*, other factors include three mismatches: a skills mismatch, with applicants without the necessary skills needed by a business; the geographical mismatch of jobs available in one place and workers in another; and an expectations mismatch with people expecting more options in work.

The stellar June jobs report showed 850,000 jobs created (with an increase in pay) when economists had expected 700,000. According to CNN's **Christine Romans**, the biggest increase came in low-wage leisure and hospitality with 343,000 jobs and somewhat better paid education sector with 269,000. So a *Bloomberg* article in early July nailed it: "Extra Jobless Benefits Aren't Holding Back the Economy," and so much for the canard that low-wage workers were staying home to get the supplemental jobless benefits.

Broken global supply chain. The adjacent Los Angeles and Long Beach ports are the first and second busiest container gateways in the U.S. The two handled 4.97 MILLION TEUs (Twenty-foot Equivalent Units) in the first quarter of 2021, up 34.9% during the same period in 2020. The combined LA/LB complex was congested even before the pandemic, but now ships are anchored with wait times of one to two weeks. A further complication is that even before the pandemic, there was a shortage of truck drivers – straight truck, container, and tractor-trailer – and the shortage is critical in long-haul drivers who pick up and deliver across state lines. According to the American Transportation Associations, there is a shortage (as of 2019) of more than 60,000 long-haul drivers due to retirements and churn (switching employers). The vast bulk of freight (64% in value, 70% in weight) is shipped by road while a shrinking, minuscule amount (3% in value, 9% in weight) is shipped by rail. (So much for spending on highway versus rail infrastructure).

In addition to transportation problems, there is also the matter of just-in-time (JIT) inventory management in which inventory is intentionally kept low in order to avoid overstocks. (This is also known as the "Toyota Production System" or TPS in manufacturing). That may be fine in "normal times," but the last year was anything but normal. With widespread business openings and low inventories, prices go up due to shortages and this causes inflation, exemplifying **Adam Smith's** law of supply and demand. One prominent example of a bottleneck's ripple effect is the world-wide shortage of computer chips, partly due to shipping, which has affected motor vehicle manufacturing and led to a shortage of new cars for car rental companies, which are now besieged with business and travel customers, and a resulting high demand for used cars.

Inflation and the numbers "game." Fed Chair **Jerome Powell**, President Biden, and Treasury Secretary **Janet Yellen** all agree that current inflation is "transitory," but have different end-dates for when prices will return to normal, anywhere from the end of 2021 to some time in 2022. There are also different measures of inflation. The consumer price index (CPI) measures the average change in prices over time of a fixed "basket" of goods and services. The Commerce Department's Bureau of Labor Statistics actually calculates two CPIs: The CPI-U for "all urban" consumers and a subset, the CPI-W for "all urban and clerical workers." To complicate matters further, since 1987, BLS has computed a less publicized CPI-E for "Americans 62 years of age or older" or essentially those eligible for Social Security whose expenditures

CALENDAR OF EVENTS

Jul 20 • Tue

Executive Committee Meeting

Google Virtual Meet
4:30 p.m.

Jul 27 • Tue

Board of Directors Meeting

Google Virtual Meet
12:00 p.m.

Aug 14 • Sat

Chinatown Cleanup

Chinatown District
9:00 a.m.

Aug 24 • Tue

Executive Committee Meeting

Chamber Office
6:00 p.m.

Aug 31 • Tue

Board of Directors Meeting

Google Virtual Meet
12:00 p.m.

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would be different than younger Americans (fewer large purchases such as homes and motor vehicles and more spending on health care and medications).

However, the CPI-U (“headline inflation”) can be deceptive as Nobel economics laureate and NY Times columnist **Paul Krugman** pointed out in a May 13 column. A less volatile measure is “core inflation,” which excludes food and energy. Recent examples such as the Colonial Pipeline shutdown (which transports much of the gasoline for the southeast U.S.) and the disagreement on production expansion among OPEC + members as well as the start of summer motor vehicle and airline travel have caused spikes and shortages in gasoline (or kerosene in the case of jet fuel).

Counter-Pandemic Efforts

There have been some recent developments regarding assistance, actual and potential, to Americans, aimed at alleviating the massive adverse effects on the American economy and society.

One provision of the American Rescue Plan, signed into law on March 11, is “refundable” monthly payments of the Child Tax Credit until the end of 2021, with the rest as a tax refund in 2022. On Thursday, July 15, the direct deposit (or mailing) of checks will begin. The program is a “temporary” one, expiring in a year, and President Biden wants to extend it for four years as part of his American Families Plan while Democrats hope to make it permanent. (Republican Sen. **Mitt Romney** had proposed an even larger child benefit, financed by cutting other government programs). The credit, involving a monthly payment of up to \$300.00 per child 17 and under, has the potential of cutting the 2019 child poverty rate of 14.4% in half. (The U.S. has around 74 million children). There is some concern among analysts, however, that the checks may not reach 4-8 million children who are not included on current lists due to their low-income parent(s) not having had to file tax returns as well as their being “unbanked.” (The credit is “refundable,” meaning that even very low income parent(s) with no tax liability can still receive the funds).

On May 28, President Biden proposed a \$6 trillion budget for fiscal year (FY) 2022, and then on June 24, he announced support for \$1.2 trillion bipartisan infrastructure framework (BIF). Late on July 13, the Senate Budget Committee reached agreement on \$3.5 trillion FY 2022 budget “framework,” with many details to be worked out and actual legislation yet to be written. At present, the BIF may be a precursor to the broader “human infrastructure” focus of President Biden’s American Families Plan. Potentially, features of the AFP could become as important a part of the American safety net as Social Security, and most other rich, developed countries provide a guaranteed child-based income. (With all these shifting numbers, the dust may clear before the month-long August congressional recess or it may get shortened due to the workload).



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