What A Blast!
Remembering the Early Days at Outrigger Enterprises
By Dr. Richard Kelley

This week, I have been doing a little research on some of the activities and events that led to the founding of our company, Outrigger Enterprises Group, in Waikiki over 67 years ago. The official starting year according to our advertising and press releases was 1947, the year the Islander Hotel opened in Waikiki. However, my parents Roy and Estelle Kelley were very busy at least 15 years before, building the foundation for our future hotel business. They worked hard, made some smart decisions and had more than a “little bit of luck” along the way.

Here’s the story of one “little bit of luck.” It was far more than “little,” however. It was a blast!

At first, it did not look that way. In late 1941, Roy and Estelle Kelley were, in fact, “down on their luck.”
• Pearl Harbor and Honolulu had just been bombed.
• Martial law was declared throughout Hawai‘i.
• Fearing an invasion of Hawai‘i by Imperial Japan, women and children of U.S. mainland origin were about to be evacuated to California. Estelle Kelley and her three children were sure they would be on the evacuation list.
• Roy was losing his sight due to the development of early-age-onset cataracts in both eyes.
• There was chaos throughout Hawai‘i and the United States.

Military commanders put their heads together to decide how to protect the Hawaiian Islands from an invasion and takeover by Japanese forces. A circle of barbed wire was put around O‘ahu and concrete “pill boxes” were built and manned with machine guns. In Waikiki, there was a pair of coastal artillery cannons that could hurl 14-inch, high-explosive, armor-piercing shells several miles out to sea if the Japanese returned with an invasion force.

These huge cannons had been installed at Fort DeRussy’s Battery Randolph in 1913, before the outbreak of World War I. They had been occasionally test-fired but, since there were very few structures nearby in those years, there had been limited or no damage done by the shock waves from the muzzle blast.

The last test-firing had been done in 1920, 21 years before the Pearl Harbor attack, so new tests were scheduled for just five days later, on December 12, 1941.

By that time, there were many structures nearby. The YWCA had a beach club with locker rooms right next door to Battery Number 2. Just a few yards further down the beach were the Edgewater Beach Cottages, housing a number of apartments in eight two-story cottages. A central walkway between the rows of cottages led from Kalia Road to the sands of Waikiki. In the middle of the walkway, there was a beautiful white Italian marble statue of a girl releasing a dove.

Everything changed instantly when the cannons at Battery Randolph were test fired. The shock waves did extensive damage, particularly in the Edgewater Beach Cottages, housing a number of apartments in eight two-story cottages. A central walkway between the rows of cottages led from Kalia Road to the sands of Waikiki. In the middle of the walkway, there was a beautiful white Italian marble statue of a girl releasing a dove.

Blast or blasts? I have been told that instead of testing one cannon at a time, both were fired together but I have never seen documentation of that.
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“Test charge” or “full-service” load? Likewise, I have not seen proof of whether the cannons had been loaded with a small amount of gun powder or a full load capable of hurling a heavy 14-inch, steel-clad shell miles out to sea.

No matter how much powder was loaded and how many cannons were fired, the Edgewater Beach Cottages were left in shambles and were shut down for the remaining years of World War II.

Fortunately, my father regained much of the sight in one of his eyes thanks to the doctors at the Mayo Clinic. We all returned to Hawai‘i in 1944. Roy and Estelle almost immediately began to build single-story apartment units on another piece of property on Seaside Avenue. Material and labor were hard to find but, with the help of some off-duty Navy Seabees and students from Kamehameha School’s manual arts class, several units were completed and the foundations for a larger building – the future Islander Hotel – were also put in.

Around that same time, possibly as early as late 1944, Roy received a phone call from Kingie Kimball, a member of the family that owned the Halekulani Hotel, alerting him that the neighboring Edgewater Beach Cottages might be up for sale. The price was low thanks to the damage from the test firing three years earlier.

Holiday Inn founder Kemmons Wilson liked to say that success was often “Half Brains and Half Luck.” In fact, that is the title he used for his autobiography.

I would say that theory applies here. It was a lucky break for Roy and Estelle that the Edgewater Beach Cottages were damaged. But they also had the brains and guts to follow through.

They bought the cottages, fixed them up and, after a few years, used the land to build the first tower of what is now the Outrigger Reef on the Beach!