



Independent & Sovereign Nation State of Hawai'i

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Nation of Hawai'i's Submission re: EMRIP Study on Good Practices and Challenges in Business and Access to Financial Services by Indigenous Peoples

Nation of Hawai'i¹ has long been involved in advocacy efforts on behalf of the Hawaiian people that focus on developing our economic sovereignty as a means of moving from dependency to maturing capacity and being able to independently manage and control our cash and assets.² The following focus areas: the unfulfilled Bank of America commitment, the *Kuleana Waiwai Like* model for Hawaiian economic sovereignty and our cryptocurrency *Aloha Coin* demonstrate how problematic business and lending practices have inspired us to create our own systems to promote Hawaiian economic sovereignty.

I. Bank of America's Unfulfilled \$150 Million Commitment

In 1994, Bank of America announced a program to enhance service to native Hawaiian and Filipino communities and made a four-year commitment to provide \$150 million in residential mortgage loans for native Hawaiians seeking housing through the Department of Hawaiian Home Lands.³ In 1998, Bank of America merged with NationsBank and as the end of the four-year commitment period approached, Ian Chan Hodges, one of Nation of Hawai'i's allies, negotiated a deal with NationsBank to avoid default on the \$150 million commitment.⁴ NationsBank agreed to help support the creation of a Native Hawaiian Community Development Financial Institution (CDFI) by providing an investment of a minimum of \$1 million in the Native Hawaiian CDFI and up to \$3.5 million with match, \$125,000 in organizing grants, and in-kind professional assistance as requested.⁵ The unfulfilled \$150 million commitment led to two economic development initiatives: the development of a mortgage company now known as Hawaiian Community Assets⁶ and a commitment to provide \$3.5 million in matching funds and technical assistance to form a Hawaiian owned and controlled bank and/or financial institution.⁷

¹For more information on Nation of Hawai'i, see our response to the UNPFII's 2016 Questionnaire to Indigenous Peoples' Organizations *available at* https://www.un.org/development/desa/indigenouspeoples/wp-content/uploads/sites/19/2016/08/Nation_of_Hawaii.pdf. Nation of Hawai'i also submitted a written report to the UNPFII. See attachment entitled, "Nation of Hawai'i's Written Report to the UNPFII FINAL 1.30.17."

²<http://bumpykanahele.com/kuleana-waiwai-like/>.

³<http://bumpykanahele.com/bank-of-america/>.

⁴*Id.*

⁵*Id.*

⁶<http://hawaiiancommunity.net/>.

⁷<http://bumpykanahele.com/kuleana-waiwai-like/>.

II. *Kuleana Waiwai Like* Model for Hawaiian Economic Sovereignty

Nation of Hawai‘i developed the *Kuleana Waiwai Like* model⁸ to transition from dependency and third-party control of Hawaiian cash and assets (including our National lands and resources) to maturing capacity where Hawaiians control our cash and assets and also become the shareholders of Hawaiian economic sovereignty.⁹ The development of a Hawaiian owned and operated bank is the focus of this model and the Hawaiian people will become shareholders and unite economically while we work towards political unity.¹⁰ In 1998, the lost opportunity cost for the unfulfilled \$150 million Bank of American commitment was \$3.5 million and almost twenty years later, the Hawaiian people are still awaiting the development of a Hawaiian Bank.¹¹

III. *Aloha Coin*: Nation of Hawai‘i’s National Currency

Although we continue to hold Bank of America liable for their \$150 million commitment to the Hawaiian people, Nation of Hawai‘i has also promoted Hawaiian economic sovereignty through the development of an independent monetary system. Nation of Hawai‘i worked closely with Japanese business partners to develop the cryptocurrency *Aloha Coin* and through a 2015 executive order, the Nation adopted a cryptocurrency-based national monetary system and named *Aloha Coin* as its national currency.¹² *Aloha Coin* is a Japan-based cryptocurrency and its founders consulted closely with the Nation in its development. Information regarding *Aloha Coin* can be found at alohacoin.info and aloha-coin.com. Cryptocurrency is a good alternative to traditional banking and credit card systems, which have largely failed Hawaiians and other indigenous peoples due to discriminatory and predatory practices.

On February 26, 2017, during the Virtual National Indigenous Consultation with Special Rapporteur on the Rights of Indigenous Peoples, Victoria Tauli-Corpuz, Nation of Hawai‘i shared:

An **Independent Monetary System**--such as Nation of Hawai‘i’s cryptocurrency *Aloha Coin*--is a solution to many of the issues discussed in this consultation. With a decentralized monetary system that is not attached to the oppressive Member State government and that is independent from central banking and credit card systems that have not treated indigenous people fairly, an indigenous nation can build a strong, independent economy, empower its people and wield powerful economic, social, legal and political capital.¹³

During the 16th Session of the U.N. Permanent Forum on Indigenous Issues, Nation of Hawai‘i made an intervention as part of the International Indian Treaty Council delegation. We discussed our work to achieve economic recognition through our cryptocurrency *Aloha Coin* and

⁸<http://bumpykanahele.com/Kuleana-Waiwai-Like.pdf>.

⁹<http://bumpykanahele.com/kuleana-waiwai-like/>.

¹⁰*Id.*

¹¹*Id.*

¹²<https://www.hawaii-nation.org/alohacoin.html>.

¹³See attachment entitled, “Nation of Hawai‘i’s Talking Points for SR Consultation 2.26.17.”

recommended that the “Permanent Forum conduct a study on how Sovereign Indigenous Nations exercise and promote their National Sovereignty through traditional and new economic development projects that provide for their Peoples in the absence of adequate State assistance.”¹⁴ The advance unedited version of the report from the Permanent Forum’s 16th Session appears to address this issue in paragraph 108, which reads, “108. The Permanent Forum appoints Mr. Les Malezer, a member of Forum, to undertake a study on Indigenous peoples and sustainable development, to be submitted to the Forum at its seventeenth session.”¹⁵

Nation of Hawai‘i will continue to work towards Hawaiian economic sovereignty by holding Bank of America accountable to its commitment to the Hawaiian people while also exploring alternative approaches to build capacity, achieve economic recognition and create business and financial systems that fit the unique needs and aspirations of the Hawaiian people.

¹⁴<http://statements.unmeetings.org/media2/14684046/ittc.pdf>.

¹⁵https://www.un.org/development/desa/indigenouspeoples/wp-content/uploads/sites/19/2016/08/rev_PFI-2017-final-report-Clean_SPFII_19May2017.pdf, pg. 23, ¶ 108.