

## FOURTH DAY

Monday, January 23, 1978

The Senate of the Ninth Legislature of the State of Hawaii, Regular Session of 1978, convened at 9:30 o'clock a.m., with the President in the Chair.

The Divine Blessing was invoked by Reverend James Marocco of the First Assembly of God Church, after which the Roll was called showing all Senators present, with the exception of Senators R. Wong and Young, who were excused.

The President announced that he had read and approved the Journal of the Third Day.

## SENATE CONCURRENT RESOLUTION

A concurrent resolution (S.C.R. No. 14), entitled: "SENATE CONCURRENT RESOLUTION EXPRESSING THE SUPPORT OF THE HAWAII STATE LEGISLATURE FOR AFFIRMATIVE ACTION PROGRAMS AND CLOSELY ALLIED PROGRAMS AND ACTIVITIES AND ENCOURAGING THE PEOPLE OF HAWAII TO LEARN MORE ABOUT THE IMPLICATIONS OF THE BAKKE CASE SCHEDULED FOR HEARING BEFORE THE SUPREME COURT OF THE UNITED STATES", was offered by Senator Chong, by request, and was read by the Clerk.

By unanimous consent, S.C.R. 14 was referred to the Committee on Judiciary.

## SENATE RESOLUTION

A resolution (S.R. No. 51), entitled: "SENATE RESOLUTION EXPRESSING THE SUPPORT OF THE HAWAII STATE LEGISLATURE FOR AFFIRMATIVE ACTION PROGRAMS AND CLOSELY ALLIED PROGRAMS AND ACTIVITIES AND ENCOURAGING THE PEOPLE OF HAWAII TO LEARN MORE ABOUT THE IMPLICATIONS OF THE BAKKE CASE SCHEDULED FOR HEARING BEFORE THE SUPREME COURT OF THE UNITED STATES", was offered by Senator Chong, by request, and was read by the Clerk.

By unanimous consent, S.R. No. 51 was referred to the Committee on Judiciary.

## INTRODUCTION OF SENATE BILLS

On motion by Senator Taira, seconded by Senator Anderson and carried, the following bills passed First Reading by title, were referred to print and were placed on the calendar for further consideration on Tuesday, January 24, 1978:

## Senate Bill

No. 1712-78 "A Bill for an Act Relating to Discriminatory Employment Practices."

Introduced by: Senators Ushijima, Yamasaki, Chong, Ching, George, Taira, Nishimura, Takitani, F. Wong, O'Connor, King and Kuroda.

No. 1713-78 "A Bill for an Act Relating to Hiring Practices."

Introduced by: Senators Ushijima, Yamasaki, Chong, R. Wong, Ching, George, Taira, Nishimura, O'Connor, King, Takitani, F. Wong and Young.

No. 1714-78 "A Bill for an Act Relating to Crisis Assistance."

Introduced by: Senators Ushijima, Yamasaki, Chong, Ching, Taira, Nishimura, Hara, Young, F. Wong, Takitani, O'Connor, Toyofuku, King and Kuroda.

No. 1715-78 "A Bill for an Act Relating to Mental Health."

Introduced by: Ushijima, Yamasaki, Chong, Ching, George, Taira, Nishimura, Young, F. Wong, Takitani, Toyofuku, King, Kuroda and Hara.

No. 1716-78 "A Bill for an Act Relating to an Income Tax Credit for Health Insurance."

Introduced by: Senators Ushijima, Yamasaki, Chong, Ching, Taira, Nishimura, Young, F. Wong, Takitani and King.

No. 1717-78 "A Bill for an Act Relating to a Job-Sharing Pilot Project."

Introduced by: Senators Ushijima, Chong, Ching, George, Taira, Nishimura, Young, F. Wong, Takitani, O'Connor, Toyofuku, King, Kuroda and Hara.

No. 1718-78 "A Bill for an Act Relating to Real Property Taxation."

Introduced by: Senators Chong, Yim, Taira, King, Takitani, Nishimura, Hulten, Ushijima, Yamasaki, Toyofuku, Yee and Henderson.

No. 1719-78 "A Bill for an Act Making an Appropriation for a Grant-In-Aid for the Breast Cancer Demonstration Project of the Pacific Health Research Institute."

Introduced by: Senators Chong, King, Young, Yim, Ching, Hulten, Taira, Takitani, Nishimura, Henderson, Ushijima, Yamasaki, Toyofuku and Yee.

No. 1720-78 "A Bill for an Act Making an Appropriation for A Child Abuse Program."

Introduced by: Senators Chong, Yim, King, Taira, Young, Ching, Takitani, Nishimura, Hulten, Ushijima, Yamasaki, Toyofuku, Yee and Henderson.

No. 1721-78 "A Bill for an Act Relating to the Problem of Inhalant Abuse."

Introduced by: Senators Chong, Ching, Taira, King, Takitani, Nishimura, Hulten and Ushijima.

No. 1722-78 "A Bill for an Act Relating to the Penal Offense of Promoting Intoxicating Compounds."

Introduced by: Senators Chong, Ching, Taira, King, Takitani, Nishimura, Hulten, Ushijima, Yamasaki, Yee and Henderson.

No. 1723-78 "A Bill for an Act Relating to Exemptions from Income Tax."

Introduced by: Senators Chong, Yim, Taira, King, Takitani, Nishimura, Hulten, Yamasaki, Toyofuku, Ushijima and Henderson.

No. 1724-78 "A Bill for an Act Relating to Support of Mental Health-Related Programs."

Introduced by: Senators Chong, King, Taira, Young, Takitani, Nishimura, Hulten, Ushijima, Yamasaki, Toyofuku and Yee.

No. 1725-78 "A Bill for an Act Relating to the Hawaii Commission for Medical, Legal, and Moral Aspects of Medical Technology."

Introduced by: Senators Chong, Takitani, Nishimura, Hulten, Ushijima and Yamasaki.

No. 1726-78 "A Bill for an Act Relating to Exemptions from the General Excise Tax."

Introduced by: Senators Chong, King, Takitani, Hulten, Ushijima and Yamasaki.

No. 1727-78 "A Bill for an Act Relating to Drugs."

Introduced by: Senators Chong, Hulten, Ushijima, Yee and Henderson.

No. 1728-78 "A Bill for an Act Making an Appropriation for a Grant-In-Aid for Kuakini Home, Oahu."

Introduced by: Senators Yim, Chong, Young, Taira, King, Takitani, Nishimura,

Kuroda, Hulten, Ushijima, Yamasaki, Toyofuku, Hara and Yee.

No. 1729-78 "A Bill for an Act Making an Appropriation for the Kukulu Kumuhana Project for the Honolulu YMCA."

Introduced by: Senators Yim, Chong, Young, Taira, King, Takitani, Nishimura, Kuroda, Hulten, Ushijima, Yamasaki, Toyofuku, Hara, Yee and Henderson.

No. 1730-78 "A Bill for an Act Making an Appropriation for a Grant-In-Aid to Castle Memorial Hospital, Kailua, Hawaii."

Introduced by: Senators Hulten, Chong, Young, Taira, King, Takitani, Nishimura, Kuroda, Ushijima, Yamasaki, Toyofuku, Hara and Henderson.

No. 1731-78 "A Bill for an Act Relating to the Assessment of Buildings for Real Property Taxation Purposes."

Introduced by: Senators Hulten, Young, Taira, Ching, Nishimura, Kuroda, F. Wong, Yee, Soares, Toyofuku, Chong, Hara, Saiki, Henderson, George, Ushijima, Takitani, Kawasaki, Anderson, R. Wong and Yamasaki.

No. 1732-78 "A Bill for an Act Relating to the Transfer of the Real Property Taxation Power and Function to the Counties."

Introduced by: Senators Hulten, Ching, King, Hara, F. Wong, Soares, Ushijima, Takitani, Yamasaki, Chong, George and Kawasaki.

No. 1733-78 "A Bill for an Act Relating to Abortion."

Introduced by: Senators Hulten, Nishimura, Soares and Kawasaki.

No. 1734-78 "A Bill for an Act Making an Appropriation for a Kailua Beach Boat Ramp, Oahu."

Introduced by: Senators Hulten, Young, Taira, Ching, King, Kuroda, Saiki, Chong, Hara, Nishimura, F. Wong, Yee, Yamasaki, Anderson, Henderson, Soares, George, Ushijima, Takitani and Toyofuku.

No. 1735-78 "A Bill for an Act Relating to the Relief of the Walter Thomas Tort Claim #76-97 Against the State and Providing Appropriations Therefor."

Introduced by: Senators Hulten, Ching, Kuroda, Taira, Henderson, Takitani, Yamasaki, King, F. Wong and Toyofuku.

## STANDING COMMITTEE REPORT

Senator Yamasaki, for the Committee on Legislative Management, presented a report (Stand. Com. Rep. No. 2-78), informing the Senate that Senate Concurrent Resolution No. 14, Senate Resolution Nos. 50 and 51, and Senate Bill Nos. 1613-78 to 1711-78 have been printed and are ready for distribution.

On motion by Senator Yamasaki, seconded by Senator Henderson and carried, the report of the Committee was adopted.

## ORDER OF THE DAY

## REFERRAL OF SENATE BILLS

The President made the following committee assignments of bills that were introduced on Friday, January 20, 1978:

Senate Bill	Referred to:	No. 1627-78	Committee on Ways and Means
No. 1613-78	Committee on Consumer Protection, then to the Committee on Judiciary	No. 1628-78	Committee on Ways and Means
No. 1614-78	Committee on Judiciary	No. 1629-78	Committee on Ways and Means
No. 1615-78	Committee on Ways and Means	No. 1630-78	Committee on Transportation, then to the Committee on Public Utilities
No. 1616-78	Committee on Ways and Means	No. 1631-78	Committee on Public Utilities
No. 1617-78	Committee on Intergovernmental Relations	No. 1632-78	Committee on Public Utilities
No. 1618-78	Committee on Consumer Protection, then to the Committee on Judiciary	No. 1633-78	Committee on Public Utilities
No. 1619-78	Committee on Judiciary	No. 1634-78	Committee on Public Utilities
No. 1620-78	Committee on Economic Development, then to the Committee on Ways and Means	No. 1635-78	Committee on Transportation, then to the Committee on Public Utilities
No. 1621-78	Committee on Economic Development	No. 1636-78	Committee on Public Utilities
No. 1622-78	Committee on Ways and Means	No. 1637-78	Committee on Public Utilities
No. 1623-78	Committee on Human Resources, then to the Committee on Ways and Means	No. 1638-78	Committee on Ways and Means
No. 1624-78	Committee on Ways and Means	No. 1639-78	Committee on Ways and Means
No. 1625-78	Committee on Ways and Means	No. 1640-78	Committee on Health, then to the Committee on Ways and Means
No. 1626-78	Committee on Judiciary, then to the Committee on Ways and Means	No. 1641-78	Committee on Health
		No. 1642-78	Committee on Health
		No. 1643-78	Committee on Health, then to the Committee on Judiciary
		No. 1644-78	Committee on Health
		No. 1645-78	Committee on Judiciary
		No. 1646-78	Committee on Health, then to the Committee on Judiciary
		No. 1647-78	Committee on Judiciary
		No. 1648-78	Committee on Health, then to the Committee on Ways and Means
		No. 1649-78	Committee on Health, then to the Committee on Judiciary
		No. 1650-78	Committee on Human Resources, then to the Committee on Ways and Means
		No. 1651-78	Committee on Human Resources
		No. 1652-78	Committee on Human Resources
		No. 1653-78	Committee on Human Resources
		No. 1654-78	Committee on Human Resources

No. 1655-78	Committee on Human Resources	No. 1679-78	Committee on Human Resources, then to the Committee on Ways and Means
No. 1656-78	Committee on Judiciary	No. 1680-78	Committee on Higher Education, then to the Committee on Ways and Means
No. 1657-78	Committee on Judiciary, then to the Committee on Ways and Means	No. 1681-78	Committee on Human Resources
No. 1658-78	Committee on Judiciary	No. 1682-78	Committee on Human Resources
No. 1659-78	Committee on Judiciary	No. 1683-78	Committee on Health, then to the Committee on Ways and Means
No. 1660-78	Committee on Judiciary	No. 1684-78	Committee on Health, then to the Committee on Ways and Means
No. 1661-78	Committee on Judiciary	No. 1685-78	Committee on Human Resources, then to the Committee on Ways and Means
No. 1662-78	Committee on Judiciary	No. 1686-78	Committee on Judiciary
No. 1663-78	Committee on Judiciary	No. 1687-78	Committee on Judiciary
No. 1664-78	Committee on Ways and Means	No. 1688-78	Committee on Judiciary, then to the Committee on Ways and Means
No. 1665-78	Committee on Ways and Means	No. 1689-78	Committee on Judiciary
No. 1666-78	Committee on Ways and Means	No. 1690-78	Committee on Judiciary
No. 1667-78	Committee on Ways and Means	No. 1691-78	Committee on Judiciary
No. 1668-78	Committee on Ways and Means	No. 1692-78	Committee on Judiciary
No. 1669-78	Committee on Energy/Natural Resources, then to the Committee on Ways and Means	No. 1693-78	Committee on Judiciary
No. 1670-78	Committee on Ways and Means	No. 1694-78	Committee on Human Resources
No. 1671-78	Committee on Judiciary	No. 1695-78	Committee on Judiciary
No. 1672-78	Committee on Transportation	No. 1696-78	Committee on Judiciary
No. 1673-78	Committee on Ways and Means	No. 1697-78	Committee on Judiciary
No. 1674-78	Committee on Ways and Means	No. 1698-78	Committee on Judiciary
No. 1675-78	Committee on Health, then to the Committee on Ways and Means	No. 1699-78	Committee on Judiciary
No. 1676-78	Committee on Higher Education, then to the Committee on Ways and Means	No. 1700-78	Committee on Judiciary
No. 1677-78	Committee on Health, then to the Committee on Ways and Means	No. 1701-78	Committee on Judiciary
No. 1678-78	Committee on Health, then to the Committee on Ways and Means	No. 1702-78	Committee on Judiciary
		No. 1703-78	Committee on Judiciary
		No. 1704-78	Committee on Judiciary
		No. 1705-78	Committee on Judiciary
		No. 1706-78	Committee on Judiciary

- No. 1707-78 Committee on Judiciary
- No. 1708-78 Committee on Judiciary
- No. 1709-78 Committee on Human Resources, then to the Committee on Ways and Means
- No. 1710-78 Committee on Health
- No. 1711-78 Committee on Transportation

#### RE-REFERRAL OF A SENATE BILL

The President made the following re-referral of a bill that was introduced on Thursday, January 19, 1978:

Senate Bill                      Referred to:

- No. 1554-78 Committee on Consumer Protection, then to the Committee on Judiciary

At 9: 36 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 9: 37 o'clock a.m.

At 9: 38 o'clock a.m., the Senate stood in recess subject to the call of the Chair to meet in joint session with the House of Representatives in accordance with House Concurrent No. 1.

#### JOINT SESSION

The Joint Session of the Senate and the House of Representatives was called to order at 10: 05 o'clock a.m., by the Honorable James Wakatsuki, Speaker of the House of Representatives.

At this time, the Speaker introduced the following to the members of the Joint Session: the First Lady of Hawaii, Mrs. Jean Ariyoshi, and Lt. Governor Nelson K. Doi.

The Speaker then appointed the Committee from the Senate, composed of Senators Kawasaki, Ching, Taira and Yee, and the Committee from the House, composed of Representatives Kondo, Kihano, Yuen and Ajifu, to escort the Honorable George R. Ariyoshi, Governor of the State of Hawaii, to the dais.

Representative Naito then presented Governor Ariyoshi with a lei on behalf of the Senate and the House of Representatives.

The Speaker presented the Governor of the State of Hawaii, the Honorable

George R. Ariyoshi.

Governor Ariyoshi addressed the Joint Session as follows:

"Mr. Speaker, Mr. President, Mr. Chief Justice, Mr. Lieutenant Governor, members of the Ninth State Legislature, distinguished ladies and gentlemen, my fellow citizens:

It is a high privilege to address this august body -- you who are charged under our Constitution with determining the policies of our State. All of you have diligently and conscientiously tackled the many problems and challenges facing our community. I am very, very grateful for the cooperative spirit with which you have worked with me.

Twelve months ago, I stood before you at this very same podium and told you that we must become masters of our future and that if we have no say over who comes here, and in what numbers, we might as well abandon any thoughts of a Hawaiian future.

As I said then, and I repeat now, the fundamental question underlying everything we do is whether we have spiritual determination to be masters of our destiny.

These Islands -- through the days of the Monarchy, the Republic, the Territory, and the State -- have reached many turning points which have shaped the destiny of all those who live here now and those who will live here in the future.

This year, we will once again reach a turning point in our history. People of every age, of every era, tend to feel that the decisions facing them are the most crucial and the most important of all of history.

I would say that our age, our era, certainly is no different.

Most of us are convinced that the decisions we make in the next few months and years -- or the decisions that we decline to make -- very well can be the difference between success and failure in our State.

Time, since its beginning, seemingly has accelerated, demanding more and more of each generation and giving fewer moments in which to accomplish objectives.

1978 is a year of decision for Hawaii, and indeed for our style of life.

We are serious when we talk about a preferred future for our Islands and for all of our citizens -- those who live here now and those who will live here

after we are all long gone.

If we do not seize the opportunities now present to assert ourselves and to implement our wishes, then we will have only ourselves to blame. It will be tragic if, in the year 2000, the leaders at that time look back a quarter of a century on the lost opportunities and with great remorse for what might have been, but wasn't.

We have been told that possibly nothing of significance will come out of this legislative session, that because 1978 is an election year, all of us will be too cautious and too concerned about our images to propose and act upon anything controversial and to this, I say, nonsense! The needs and the concerns of the people know no political seasons, and I trust that we will answer any such notions that we will have a 'non controversial' session by enacting significant legislation and spelling out clearly and boldly for all to see the directions toward which we feel this State should move.

Today, I would like to report to you briefly on how we have perceived our commitment to the future of Hawaii and what we have been doing to implement that commitment.

Early last summer, I assembled a group of State workers, expert in a variety of disciplines --land use, health, planning, agriculture -- to join with me in an effort to begin to address our concerns over the rate of growth in Hawaii.

I asked them to let their minds run free, not to be constrained by negative thinkers or by past defeats, and to identify for us possible strategies by which we might reasonably expect to gain some control over our future.

I told them, as I have told others, that I am not advocating a no-growth policy, but that I am seeking the right amount of growth, the right kind of growth, and in the right places.

They have responded to this difficult task by identifying a variety of potential legislative and administrative actions which I will ask you, and the citizens of Hawaii, to consider in the days which lie ahead. Many of these ideas remain conceptual in nature.

Many will require further review and analysis. As we delve into them more thoroughly, some may fall by the wayside. But it is my hope that you will allow these legislative halls to become a forum for discussion and for dialogue on these and other ideas

which will be put forward as we, together, seek a direction for tomorrow.

We are submitting these proposals without the benefit of public hearings. We want the Legislature to provide the forum which so far has been lacking. We want you and our citizens to be very frank in expressing opinions on these proposals, to articulate your hopes and desires for the future of these islands, and to become partners with the Executive Branch of this government in shaping our future.

Let me briefly share some of the major areas of thought which will be presented to you.

First, we believe that we must seek the kind of growth for our economy -- in tourism, agriculture and other commerce -- which will not encourage in-migration, but rather will provide jobs for our own people, at decent wages, and in an atmosphere which enhances their sense of well-being and dignity.

In this regard, we will propose legislation appropriating funds which will again make the State a partner with the City and County of Honolulu in providing much needed capital improvements in Waikiki and to encourage the renovation and redevelopment of the existing visitor facilities.

In addition, we will propose the implementation of a program to encourage intra-state tourism and recommend legislation relating to managing the rate and nature of tourism growth. We will also propose legislation which will encourage the employment of Hawaii residents in the public and private sector and continue on-going efforts to match available jobs with the talents of resident job-seekers.

Secondly, we will continue our efforts to seek greater self-sufficiency for Hawaii by increasing our agricultural diversity and preserving our agricultural lands. To me, this is vital if Hawaii is to remain economically viable and environmentally attractive.

We will therefore propose legislation which will allow the State to purchase the development rights for agricultural land. We will propose that leases of public lands for agriculture be allowed on a negotiated basis in order that agricultural enterprises are not left out of the process of obtaining viable acreage. We will propose, also, that agricultural lot sizes be a minimum of two acres and that the penalty of failure to retain land dedicated to agriculture be raised from ten percent to 25 percent of the maximum taxes due.

Next, we will propose actions which the State can take to directly discourage in-migration and immigration.

These will include the use of the survey technique to identify more specifically why people come to Hawaii and why they leave. We will recommend that you consider statutory amendments that exclude able-bodied adults, without minor children, and below a certain age, from receiving State-funded welfare payments. And, we will ask that you consider authorizing a study of the impact of a system of taxation which would impose higher tax rates on future new residents on the basis that their presence directly and immediately places new costs upon the public sector for services.

Also, we will seek to improve the availability and accessibility of family planning services so that our own resident population will have a choice in the matter of family size.

As I stated to you in my message last year, we also believe it is necessary to pursue with the Federal government remedies to current immigration laws which unfairly impact Hawaii and threaten certain other states and cities.

We will work with our Congressional delegation to explore the avenues available to us in amending present statutes so that immigrants may be more equitably apportioned among the states and so that states receive Federal funds proportionate to the number of immigrants choosing to reside within their boundaries.

I intend to pursue several other programs which I feel are vitally needed for the integrity and the stability and the well-being of certain of the states, including Hawaii, in regard to immigration.

On the one hand, Congress establishes quotas for the number of immigrants that are admitted annually to the United States, reasoning, quite correctly, that our society can absorb just so many persons who may put special burdens on our institutions. But the same Federal government that recognizes that the entire nation can absorb only so many immigrants fails to recognize that individual states have identical concerns, often magnified because of lack of resources.

To me, it is terribly inconsistent for the U.S. government to say that only so many immigrants can enter the United States in any given period, but then fail to take into account the special needs of the individual states.

In connection with this, I am exploring proposing congressional action which will establish state-by-state quotas for immigrants, based on population and ability to provide services.

Also, I am going to explore Federal legislation that would require each immigrant to remain a minimum period of time in the state to which he or she first settles before moving to another state. The theory here is that once immigrants establish roots and lifestyles in certain areas, they are less likely to resettle in such target areas as Hawaii, which presently are bearing a disproportional burden for a Federal policy in which they have no voice.

Also, I feel the Federal government must take measures to make sponsors of aliens entering this country more responsible for their economic well being. I am suggesting that Federal action be taken to hold sponsors financially responsible if public assistance is needed to support an immigrant during a specified period of time after entrance into the United States.

I emphasize, as I did in my previous State of the State message, that my actions in the field of immigration are not designed to separate families. Far from it. I feel that the reuniting of families must receive the highest priority possible in determining who may enter this country. But at the same time, we must also be realistic. This State cannot accommodate every person who may wish to live here. To me, it is that simple.

We must find solutions here in Hawaii, and working in concert with the Federal government, to this growing and encompassing problem. No longer can we shrug off the problem with the easy remark that this is a Federal matter. Yes, it certainly is a Federal matter, but at the same time, the Federal government is a creature of the 50 states and it simply must be responsive to the needs of the member states of this and other areas.

It is with this in mind that I intend to pursue this issue vigorously in the months ahead until we achieve an equitable balance between human needs on the one hand and our State's needs on the other. I am confident that this balance can be achieved.

And finally, we need ways to control both the timing and the location of growth in this State.

In this regard, we will send legislation to you which would require the adoption of specific criteria by the Land Use Commission for deciding whether lands should be made available for development. These

criteria would include consideration of the need, location, environmental effects and public costs of future urban development. In addition, we will propose that a study be undertaken of whether the Land Use Commission should become a full-time body.

This is part of the package of proposals that we will offer for your consideration this session in the areas of growth and the future of these islands.

We need these tools, and others, with which to shape and direct the future of this State. You members of the Legislature are the only ones who can provide them.

Without these tools, we will lose, and continue to lose, precious opportunities. With them, we can begin to move in the directions that we all desire and that are so necessary for all the citizens of this State.

Because I feel that action is so vitally needed not only in the areas of our future but also in the areas of our present, I wish to discuss with you for a few minutes some of the issues that will come before you this session.

The continuing escalation of our welfare costs is of great concern to us all. Last year, I proposed a number of measures to curb the rapid increases in general and medical assistance payments. These measures are not intended to cut off assistance from the needy. However, we cannot endure these increases year after year at the expense of the curtailment of other programs, and I urge your favorable consideration and action of the proposals now before you.

In this case, perhaps money speaks louder than words. When year after year, we find it necessary to provide huge unanticipated additional appropriations for a single State program -- \$8 million this year and \$17 million for next year -- then we must take action.

Another nagging concern in this area is welfare fraud. Last year, with limited support, we successfully prosecuted 65 offenders and recovered \$150,000. This year, I am requesting more funds and positions to continue this crackdown on welfare abusers. These offenders are an unnecessary burden on our taxpayers and they bring the entire program into public disrepute.

In the same area, we are asking for funds this session to set up within the Attorney General's office a special

unit to investigate and prosecute those providers who abuse the Medicare-Medicaid programs.

On transit, this Administration addressed itself to the enormous and growing problems of traffic congestion, particularly on the island of Oahu. We have added new highways and we have widened and expanded existing ones. While these measures have helped, other alternatives must also be pursued. Obviously, we cannot forever endure an increasing and worsening congestion of automobiles. There has to be a turn-around and we must decide soon what that is to be.

I feel that we must come to grips with this issue this session. It is my feeling that not all of the answers are yet at hand, despite what some persons would lead us to believe. We are told, for instance, that a fixed guideway system, linking this city along a narrow corridor, is the only answer. It may be the ultimate answer or it may not be. Frankly, I do not think anyone in this State yet has the answers to who is going to pay for such a system, not only to construct it, but even more importantly, to operate it. The costs of such a system would be enormous for every tax-paying citizen in this State.

The questions on mass transit are vital to this State, and I am happy that you are attempting to get all the facts to seek the best possible solutions.

In another area, we have underway a plan to redevelop the Honolulu waterfront area, to make it a people-place, and to link it with the downtown Honolulu business area. I find the plans exciting for this old, but ever new, area of our city. I urge your support on this project.

The State has long sought a system of integrated inter-island transportation to accommodate both the passenger and cargo needs of our State. We continue to pursue this goal and are prepared to continue jointly with private enterprise the development of semi-submersible vessels as a possible answer to one of the major gaps in available systems, and in this regard, I am asking for \$160,000 for developmental planning funds to be used in a joint effort with interested parties in the private sector.

Also, we are studying very carefully the consequences of the termination of Sea Flite operations and the announced curtailment of inter-island cargo service by Hawaiian Air.

I want to report to you also that this Administration intends to pursue vigorously a joint operation of Barber's Point Airfield as a general aviation airport for Oahu.



I am totally in support of moving general aviation from Honolulu International Airport as a matter of safety for all of our traveling public. At the same time, I am reluctant to locate a new airport in any of our rural residential areas. It has long been my feeling that if persons decided to live near existing airports, they at least knew what they were getting into. Only as a last resort should we impose a new airport facility in an area where none has existed before and, for that reason, I am going to pursue very vigorously a joint sharing of the military facilities at Barber's Point. I will enlist the help of our Congressional delegation and I will keep you informed of the progress on this.

Last year, we submitted for your consideration a bill which would have provided for a merging of our employees' retirement system with the social security system. We viewed this as an urgent matter because of the increasing costs of our present system to both the government as an employer and our employees. I reiterate the urgency of this legislation now because of recent increases in social security taxes which serve to compound an already serious problem.

In the area of crime, I urge you to give serious attention to the findings and recommendations of the Hawaii Commission on Crime which is operating under the able leadership of Lieutenant Governor Nelson K. Doi.

This commission has embarked on a very ambitious and very much needed undertaking to identify problem areas and to offer solutions for the protection of our citizens.

In another area, aquaculture is proving to be one of the fastest growing industries in Hawaii. Sales of aquaculture products in 1978 are expected to increase 500 percent over 1977. Conservative forecasts for this industry indicate that wholesale receipts may reach \$84 million in 1990 and create thousands of new jobs.

As the President of the Senate and the Speaker of the House pointed out in their addresses at the opening of this session last week, aquaculture offers tremendous potentials for this State. Therefore, I am requesting \$750,000 for research and development, and \$1.25 million to match \$3.75 million in Federal funds for the construction of a Tropical Aquaculture Center in Hawaii. I am convinced that these dollars will be repaid with great interest in the years ahead as the aquaculture

industry flourishes and provides thousands of productive jobs for our citizens.

The Federal government, in conjunction with the University of Hawaii, is very seriously considering the establishment of a Tropical Agricultural Center in Hawaii. This Center, supported by Federal and State dollars, would create programs covering agricultural education and research and development needs relevant to the Pacific and Asian regions. The establishment of the Center would undoubtedly attract research activities of many private sector firms involved in tropical agriculture; further expand employment opportunities for University graduates; and draw needed capital into Hawaii. I will communicate with you further on this project.

For many years, we have expressed the desire and the need to develop Kakaako to its fullest potential. I am happy to report today that we are ready to begin the first of three critical planning phases to make the development of residential, recreational, commercial and light industrial uses in this area a reality. This year, we are requesting nearly \$2 million to fund the first phase. The total planning cost will be \$6 million and will pave the way for a development program that will help our construction industry, provide new job opportunities, new homes, and recreational areas for our residents.

I know that the private sector has been patiently awaiting government action for many years and I urge its cooperation and understanding as we work together on this landmark project. Kakaako may not be the answer to all our urban problems, but it is a welcome and long-awaited start.

With your strong support, the State has made great progress in energy management and conservation and in the research and development of alternate energy resources. Federal recognition of Hawaii's progress is evidenced by the growing commitments of Federal funds for our energy programs. In order to step up research and application of our natural energy resources, I am requesting authorization to spend \$5 million on promising projects. Our funds will be used to match Federal dollars whenever and wherever possible. In addition, with the support of Hawaii's Congressional delegation, we will continue to press the United States Department of Energy for a strategic petroleum reserve to be located here. I am sure that all of us are aware of our almost total dependence on oil and certainly we all vividly recall the 1974 energy crisis and the gas plan. Action this year is vital and will move us toward achieving our goal of reducing our dependence on oil imports wherever

possible.

I want to reaffirm my total commitment to the University of Hawaii and to higher education in this State. Despite a lack of all of the dollars we would like to spend in the UH system, I feel that tremendous progress has resulted in the past year and I am confident that this progress will continue, under enlightened administration and programs. Just as I am asking for planning in all aspects of our future, I am asking, too, that this legislative body address itself decisively this session to a West Oahu campus.

My feeling is that we vitally need another four-year undergraduate program on the island of Oahu other than the Manoa campus. We need it not only to relieve physical pressures on the Manoa facilities, but also to provide a more relaxed atmosphere for those of our students who would benefit from such an environment.

But while favoring another undergraduate college, I do not favor spending enormous, or unneeded, sums of money to create one. I am of the opinion that we should attempt to acquire a 44-acre parcel of Federal land now being used by the Navy as a drum-storage area which is adjacent to Leeward Community College. This land would provide space for expansion while at the same time permitting a sharing of existing and new facilities. I think it would be the height of folly for us to spend enormous sums of money on creating a totally new campus when we can mesh with already existing facilities and thereby serve the people for less money.

I urge your earnest consideration of such a plan.

I want, also, to take notice today of what I perceive to be a new spirit and a new dedication in the operation of our public school system. I am tremendously encouraged by the accomplishments of the past several years in the education of our young, and in the plans for the future. I am impressed with the efforts to bring a greater involvement on the part of all of our citizens to the process of education, and also to provide for greater flexibility in the educational process, extending down to the district and school levels. We are intensifying efforts to involve the total community in making a commitment to quality education in this State and I feel we definitely are moving in the right direction.

I was tremendously encouraged, incidentally, by the results of the first Governor's conference on

education held three weeks ago. The conference focused on our problems as well as our achievements and set a direction which I hope we will pursue with success in the years to come.

The Department of Accounting and General Services and the Stadium Authority have begun to explore the possibilities of expanding our Aloha Stadium site at Halawa into a complete sports and convention complex consisting of a multi-purpose arena accommodating perhaps 20,000 persons for a variety of events. Such exploration will necessarily take into consideration the plans being developed by the City and County of Honolulu.

This island needs such a complex, not only to complement existing facilities and satisfy existing needs, but also to attract major league basketball and hockey teams and to provide adequate facilities for even the largest conventions, including, perhaps, the nominating conventions of our two major political parties.

And now, I would like to discuss with you very briefly a document which I put a great deal of hope for the future -- the State Plan.

In your wisdom, you ordered that such a document be assembled. The Plan brings together the collective thinking of the State on the needs and desires of our people. It represents our objectives and details the machinery needed to achieve them. It spells out our priorities and calls for a statewide planning framework. What is being proposed is a mechanism whereby State and County activities can be integrated in a framework which recognizes the distinct roles and responsibilities of each level of government.

All this has been accomplished in the State Plan which, if adopted this session, will be the first such document in any of the fifty states.

Once again, Hawaii will have led the nation in innovation and good government, but obviously, we should not adopt this document just to be first. We should adopt it because it will lead to a better Hawaiian tomorrow.

I will be sending you several of the State Plan's working tools for your consideration and approval this session.

The first of these tools is what we call the priority directions. While the State Plan articulates the long-range aspirations of our people, the priority directions list detailed challenges for immediate attention and action by this Administration and this Legislature. Priority directions, once adopted by you through concurrent resolution,

will provide the necessary direction for State and County agencies as well as the private sector over the next years. I wish to note that our legislative packages reflect the directions detailed in this document.

A second tool of the State Plan is the State functional plans. The first of these plans -- tourism, housing, agriculture, and transportation, are being prepared for your consideration. These plans assess our needs on a statewide basis and play the vital roles of guiding the allocation of public resources in the future. This role is exceedingly important, given the limitations of our resources and the need to manage them in the best possible manner in order to achieve the goals and objectives listed in the State Plan.

I urge you, then, to study the State Plan and its accompanying legislation, to offer us your input on it, and ultimately to adopt it, if you agree with us on its importance.

The Hawaii State Plan is not the end, it is a beginning. It is the beginning of us finally taking control of our destiny. It will serve notice that we know what is good for this State, what is proper, and what is achievable.

Thus far today, I have concentrated on the future of these islands, properly, I feel, because there is no more important subject.

But for a few minutes, I would like to share with you some of my thoughts on the immediate past, and what we have achieved, working together, for the good of this State.

I am sure that we are all mindful of a recent survey that shows a discouragingly low public regard for the functions of government and how those functions address themselves to the needs of the people.

This disenchantment with government certainly is not restricted to Hawaii. Our figures were about the same as those recorded nationally, but this is of little comfort to those of us in government. I find it disturbing and disconcerting, particularly when this public perception of government is measured against the concern and the effort that are expended in all branches of government for the benefit of our people. That these efforts are not perceived and appreciated is a genuine sorrow to me, and I assume to you also, and I feel this disenchantment with government is composed of many parts.

For one thing, there is a general malaise throughout this country on the part of the governed toward those who govern. Some of this is understandable since in these days of financial and social complexities, the expectations of citizens often exceed the abilities of government to perform.

But at the same time, I think all of us have been remiss in not telling our constituents just what we have been doing -- and why. We have not made them equal enough partners, certainly in information, in the governing process. We have tended too much, possibly, to feel that doing a good job was tantamount to being perceived as doing a good job.

So possibly it would be a worthwhile exercise for the next few minutes to note briefly what we have achieved -- working together, you and I, for the common good -- in the past few years.

Certainly the accomplishments have been many and varied. They have touched on every conceivable aspect of life in these islands.

They range from the acquisition of hundreds of acres of park lands to be held in public trust, to helping the elderly; from putting more of our citizens onto the land through the Hawaiian Homes program, to striving to alleviate traffic congestion on Oahu; from bold and aggressive steps to secure alternate energy sources for this State, to fiscal responsibility; from a more progressive and humane treatment of our mentally incompetent and disturbed, to the successful operation of Aloha Stadium; from welfare reform, to home ownership for low and moderate income families; from the preservation of a major part of the Cost of Living Allowance for our Federal workers, to the development of water resources; from the promotion of Hawaii's products, to the preservation of our agricultural lands; from the protection and preservation of our Hawaiian sugar industry, to planning for an International Trade Center; from the start of a new prison, to extensive capital improvement funds to stimulate a lagging economy; from vans for the handicapped, to a new look and a new spirit in our educational system; from a coastal zone management law to planning for a new revitalized waterfront in downtown Honolulu; from a tourism study, to the Windward Regional plan which is designed to preserve and protect a unique area and lifestyle; from a full-time Public Utilities Commission, to inexpensive meals for the elderly; from the spurring of the aquaculture industry, to sunset laws to weed out those governmental functions and programs that either don't work or are not needed; from programs

to find absent parents and make them participate in the support of their children, to new hospitals and health centers for the care of our people; from a plan for Kakaako, to a reef runway for the convenience and safety of our citizens; from a new highway in Kona, to a new airport in Hilo; from the Kohala Task Force, to the Kauai Task Force; from assisting 'Hawaii 5-0', to placing a telescope atop Mauna Kea through which we can study the mysteries of the universe.

The list of accomplishments and achievements goes on and on, too long, too diverse, and too voluminous for this address.

But because I am so proud of the accomplishments that you and I have forged in moving this State forward, ever forward, toward its destiny, I will be making available to you, and the rest of our citizens, a more detailed report in printed form of our stewardship in the past three years.

These years have not been easy ones, make no mistake about that. They have not been blessed with abundant revenues. They have witnessed a national recession and local construction problems, which had a chilling effect on our economy. They were years in which the demands on government became ever more compelling, while the abilities and the willingness of our citizens to pay for these services did not rise commensurately. They were years of inflated dollars and reduced purchasing power.

But if these were lean years for revenues, they were at the same time rich years for accomplishments. They were rich in services offered to our citizens. They were rich in our abilities to move ahead in our educational systems on all levels despite money restrictions. They were years in which the Hawaii dream of equality and justice for all moved many steps forward toward total reality. They were years in which the State government accepted every problem and every challenge as an opportunity to create a better State. They were years in which Hawaii moved to the forefront in international trade and in the furthering of peace and understanding amongst all nations. They were years in which we moved aggressively in our efforts to attract regional headquarters for multi-national firms, and I may say here that in the next few days, I will make an announcement for the location of a regional headquarters of a large American corporation in our State.

They were years during which we made many decisions -- many right, some wrong -- which will affect the lives of all of our citizens for decades to come. And they were years in which the government of this State said loudly and clearly that we will be the masters of our fate and the shapers of our destiny.

Working with you, this is my legacy my first Administration will leave for the people of this State. Not just accomplishments that can be measured, many as they may be, but a new spirit and a new will to succeed and to achieve.

No leader can ask for more than that, and I am well satisfied.

And now, my friends, we come to the end of another State of the State message. I appreciate your attention to what I have had to say.

We share an awesome responsibility, you and I, a responsibility that transcends this time and this place.

It is, after all, you and I, as representatives of the people of this State, who must find the right direction, the direction which will leave Hawaii a better place than we found it.

It is not easy to find that direction. We know that it does not come just from taking care of today's problems and today's needs. Putting our priorities on finding immediate solutions to immediate concerns leads us nowhere. Direction comes only from an awareness of future problems and future needs and a willingness to step forward and address that future -- as difficult and overwhelming as that may sometimes be. And, as politically unrewarding, too.

That has been my approach to the job of governing because I believe that while there are many who can accomplish the daily work, there are few who can lay the foundation for a preferred future. I believe that you and I, working together, have made great strides in laying that foundation. But much more needs to be done, and, God willing, you and I will be called upon to continue our efforts to bring rich rewards to all who have found their place in Hawaii.

Aloha, mahalo, and God bless you all."

President Ushijima then rose and stated:

"Thank you, Mr. Governor, for your very comprehensive speech that imparts your policies, your thoughts and programs for Hawaii. We certainly appreciate the concerns that you have expressed.

The concerns are ours also and again, we offer to you our hand of cooperation to move Hawaii forward to solve many of the problems that confront us for a great and better Hawaii.

If there is no further business before this body, this joint session with the Senate and the House, Second Session, Ninth State Legislature, is hereby declared adjourned."

At 11: 05 o'clock a.m., the President

declared the Joint Session adjourned.

The Senate reconvened at 11: 10 o'clock a.m.

#### ADJOURNMENT

At 11: 11 o'clock a.m., on motion by Senator Taira, seconded by Senator Anderson and carried, the Senate adjourned until 11: 30 o'clock a.m Tuesday, January 24, 1978.