

SIXTY-SIXTH DAY

Monday, April 28, 1980

The Senate of the Tenth Legislature of the State of Hawaii, Regular Session of 1980, convened at 8:30 o'clock a.m., with the President in the Chair.

The Divine Blessing was invoked by Reverend Dennis Koshko of the Cathedral of Our Lady of Peace, after which the Roll was called, showing all Senators present with the exception of Senator Cobb who was excused.

The President announced that he had read and approved the Journal of the Sixty-Fifth Day.

At this time, Senator Yee introduced to the members of the Senate 25 second grade students from Punahou School, accompanied by their teacher Joan Petrie.

HOUSE COMMUNICATIONS

The following communications from the House (Hse. Com. Nos. 779 to 784) were read by the Clerk and were disposed of as follows:

A communication from the House (Hse. Com. No. 779), informing the Senate that the report of the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate to House Bill No. 18, H.D. 1, was adopted by the House; and H.B. No. 18, H.D. 1, S.D. 2, C.D. 1, passed Final Reading in the House of Representatives on April 25, 1980, was placed on file.

A communication from the House (Hse. Com. No. 780), informing the Senate that the report of the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate to House Bill No. 2773-80, H.D. 1, was adopted by the House; and H.B. No. 2773-80, H.D. 1, S.D. 1, C.D. 1, passed Final Reading in the House of Representatives on April 25, 1980, was placed on file.

A communication from the House (Hse. Com. No. 781), returning Senate Concurrent Resolution No. 58, S.D. 1, which was adopted by the House of Representatives on April 25, 1980, was placed on file.

A communication from the House (Hse. Com. No. 782), returning Senate Bill No. 866, S.D. 1, which passed Third Reading in the House of Representatives on April 25, 1980, was placed on file.

A communication from the House (Hse. Com. No. 783), returning Senate Bill No. 2634-80, S.D. 1, which passed Third Reading in the House of Representatives

on April 25, 1980, was placed on file.

A communication from the House (Hse. Com. No. 784), informing the Senate that the amendments proposed by the Senate to House Concurrent Resolution No. 124 were agreed to by the House and H.C.R. No. 124, S.D. 1, was finally adopted by the House of Representatives on April 25, 1980, was placed on file.

SENATE RESOLUTIONS

The following resolutions (S.R. Nos. 377 to 385) were read by the Clerk and were disposed of as follows:

A resolution (S.R. No. 377), entitled: "SENATE RESOLUTION EXPRESSING APPRECIATION TO THE MINISTERS OF RELIGION FOR THEIR INSPIRATIONAL PRAYERS", was jointly offered by Senators Mizuguchi and Anderson.

On motion by Senator Mizuguchi, seconded by Senator Anderson and carried, S.R. No. 377 was adopted.

A resolution (S.R. No. 378), entitled: "SENATE RESOLUTION EXPRESSING DEEPEST APPRECIATION TO THE MEMBERS OF THE VARIOUS MEDIA FOR THEIR COVERAGE OF THE ACTIVITIES OF THE TENTH LEGISLATURE, REGULAR SESSION OF 1980", was jointly offered by Senators Mizuguchi and Anderson.

On motion by Senator Mizuguchi, seconded by Senator Anderson and carried, S.R. No. 378 was adopted.

A resolution (S.R. No. 379), entitled: "SENATE RESOLUTION RELATING TO THE PRINTING OF THE JOURNAL OF THE SENATE", was jointly offered by Senators Mizuguchi and Anderson.

On motion by Senator Mizuguchi, seconded by Senator Anderson and carried, S.R. No. 379 was adopted.

A resolution (S.R. No. 380), entitled: "SENATE RESOLUTION RETURNING ALL BILLS, CONCURRENT RESOLUTIONS, AND RESOLUTIONS TO THE CLERK'S DESK", was jointly offered by Senators Mizuguchi and Anderson.

On motion by Senator Mizuguchi, seconded by Senator Anderson and carried, S.R. No. 380 was adopted.

A resolution (S.R. No. 381), entitled: "SENATE RESOLUTION REGARDING COMPLETION OF THE WORK OF THE TENTH LEGISLATURE SUBSEQUENT TO THE ADJOURNMENT THEREOF", was jointly offered by Senators Mizuguchi and Anderson.

On motion by Senator Mizuguchi, seconded by Senator Anderson and carried, S.R. No. 381 was adopted.

A resolution (S.R. No. 382), entitled: "SENATE RESOLUTION AUTHORIZING THE PRESIDENT TO DESIGNATE THE EMPLOYEES WHO WILL WORK AFTER ADJOURNMENT", was jointly offered by Senators Mizuguchi and Anderson.

On motion by Senator Mizuguchi, seconded by Senator Anderson and carried, S.R. No. 382 was adopted.

A resolution (S.R. No. 383), entitled: "SENATE RESOLUTION AUTHORIZING THE PRESIDENT TO EXPEND FUNDS AFTER ADJOURNMENT", was jointly offered by Senators Mizuguchi and Anderson.

On motion by Senator Mizuguchi, seconded by Senator Anderson and carried, S.R. No. 383 was adopted.

A resolution (S.R. No. 384), entitled: "SENATE RESOLUTION RELATING TO STANDING AND SPECIAL COMMITTEES AUTHORIZED TO CONDUCT HEARINGS DURING THE INTERIM BETWEEN THE ADJOURNMENT OF THE REGULAR SESSION OF 1980 AND THE CONVENING OF THE REGULAR SESSION OF 1981", was jointly offered by Senators Mizuguchi and Anderson.

On motion by Senator Mizuguchi, seconded by Senator Anderson and carried, S.R. No. 384 was adopted.

A resolution (S.R. No. 385), entitled: "SENATE RESOLUTION AUTHORIZING THE PRESIDENT TO APPROVE THE JOURNAL OF THIS SENATE FOR THE SIXTY-SIXTH DAY", was jointly offered by Senators Mizuguchi and Anderson.

On motion by Senator Mizuguchi, seconded by Senator Anderson and carried, S.R. No. 385 was adopted.

STANDING COMMITTEE REPORT

Senator Yamasaki, for the Committee on Legislative Management, presented a report (Stand. Com. Rep. No. 1176-80) informing the Senate that Senate Resolution Nos. 374 to 376 and Conference Committee Report Nos. 97-80 to 99-80 have been printed and are ready for distribution.

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

ORDER OF THE DAY

FINAL READING

Conference Committee Report No. 99-80 (H.B. No. 1912-80, H.D. 1, S.D.

1, C.D. 2):

Senator Cayetano moved that Conf. Com. Rep. No. 99-80 be adopted and H.B. No. 1912-80, H.D. 1, S.D. 1, C.D. 2, having been read throughout, pass Final Reading, seconded by Senator Kawasaki.

At this time, Senator Cayetano rose to speak in favor of the measure as follows:

"Mr. President, I rise to speak in favor of H.B. No. 1912-80, H.D. 1, S.D. 1, C.D. 2, relating to the budget.

"In doing so, I wish to express my thanks to the members of the Ways and Means Committee, Majority and Minority, for their tireless efforts in developing this bill. I also want to thank the subject matter committees for their contributions and recommendations and I especially want to thank the members of the Ways and Means staff for their dedicated work and the effort they put into this bill.

"Mr. President, last session the conference on the budget was one of the fastest in the history of the Legislature. Negotiations took less than one day to complete. This did not come about by accident. It came about because both the House and the Senate staff and the committee members, as well as Ways and Means staff and committee members, were well prepared and versed in matters relating to the budget. Both sides understood the complexities of the new fiscal rules relating to the budgeting that was imposed upon the Legislature by the 1978 Amendment to the State Constitution. Perhaps most important, both sides were willing to withstand the pain which is a necessary condition of the cost of fiscal restraint chartered for the state by the people's ratification of the Con Con Amendments in November of 1978.

"With this understanding and acceptance of the people's will, last session's budget conference was held in an atmosphere of trust and cooperation. And the final product, Act 214, reflected such an atmosphere. A budget bill was passed in a format which clearly expressed the Legislature's priorities regarding expenditures. The limit for spending was framed in an expenditure ceiling which the Legislature imposed upon itself and, as a result, the budget bill or Act 214 was a responsible, frugal budget with appropriations for expenditures and capital improvements set well below the levels requested by the Governor.

"I reflect on the history of last year's budget conference only to remind you of what was accomplished and what could be accomplished in a spirit of cooperation and trust, and rather than

engage in recrimination about the manner in which this year's conference took place, I want to state for the record that the Senate budget conferees were as well if not better versed and prepared in matters relating to the budget than last year, and that there were no changes in the make-up of the Senate conferees. The Senate was represented by the same conferees who participated in last year's historic conference and that the Senate was prepared to do the people's business in the same atmosphere and spirit of trust and cooperation which prevailed last year.

"Unfortunately, the House lost its outstanding leader the Honorable Jack Suwa to retirement. His absence from this year's budget conference was sorely felt. The same degree of experience, wisdom and knowledge was not available to House and Senate conferees. As a result, negotiations were difficult and at times confused.

"Despite these difficulties we have before us a bill which is a frugal and responsible budget. Mr. President, I'm pleased with this bill because it basically is a Senate document. Much of what is contained in this bill was recommended by your Senate conferees and those recommendations which were accepted were accepted because the justifications were sound and responsible and in the best interest of the people in our state.

"For example, because of the large surplus of general fund revenues, both Senate and House planned expenditures which total would exceed the self-imposed expenditure ceiling. The Senate financial plan called for extraordinary expenditures for land banking, repair and maintenance, water resources development and energy research, totalling approximately \$46 million above the expenditure ceiling, but not to exceed the \$67 million surplus for fiscal year 1979. The House, on the other hand, called for extraordinary expenditures totalling three times the amount requested by the Senate.

"I'm very happy to inform this body that the budget bill before you calls for such extraordinary expenses amounting to approximately \$64.7 million, well below the Senate's bill of \$67 million.

"In determining program expenditures, the Senate attempted to cut fat and streamline government operations without affecting the quality of level of government services. I believe this goal was accomplished in many program areas; for example, in EDN 105 the Senate's recommendation to cut \$1,275,000 was accepted, resulting in a savings in that amount to the people.

"The Senate's recommendations to buy \$2 million worth of textbooks from savings resulting from the UPW strike, rather than making an additional appropriation of \$2 million was accepted.

"In health, Health 170, the Senate's recommendation to appropriate only \$995,000 instead of the \$1,581,000 requested by the administration was accepted, resulting in a savings to the people of \$585,000.

"In SOC 204 the Senate's recommendations of reducing general assistance funding because of a decrease in program caseload resulted in a savings of \$3.3 million to the taxpayers.

"In Labor 171 the Senate's recommendation to reduce funding for unemployment compensation resulted in savings of \$2.4 million to the taxpayers.

"In Government 821 the Senate's recommendation resulted in a savings of \$120,000 for the funding of the Public Defender's program.

"With respect to grants to private organizations the Ways and Means Committee spent three days intensively going over these grant applications. As a result, over \$2.5 million was saved.

"Mr. President, Senate input has led to an operating budget which is fiscally responsible and which will serve the best interests of our people. Unfortunately, because negotiations were terminated abruptly, the major savings recommended by the Senate were not discussed and were not included in the budget. These are as follows: In SOC 230, \$3.9 million reduction for health care payments as a result of reduced caseload was not discussed nor included; in BUF 110 \$2.4 million reduction in debt service to reflect a deferral of one bond sale was not included in the budget. These recommendations, if they had been thoroughly discussed, I'm sure would have been accepted and would have resulted in savings to the taxpayers of a total of \$5.3 million.

"Mr. President, the Senate pushed very hard for a program of land banking, water resource development, restoration and preservation of historic sites. We believe that expenditures for these items justified exceeding the self-imposed expenditure ceiling. As a result, we have come up with a land banking program which will greatly accelerate the acquisition of land for parks already programmed within the Department of Land and Natural Resources' Six-Year CIP Plan, and as a result, for example, we have for Malaekahana - \$3.1 million. We have

an additional \$4 million for Makena-LaPerouse, making possible the acquisition of all four land parcels and many, many others... three historic sites, for example. We provided money for the restoration of the Russian Fort.

"We spent \$2.3 million for water resources development on the Island of Oahu and millions of dollars for the same on the neighbor islands. This is because water resource development, as you know, has become a major problem for the state.

"Included in this budget, Mr. President, is roughly \$12.7 million for what has been traditionally called 'pork.' As you know, the Senate position at the outset was no 'pork.' Unfortunately, it takes two to put a budget together and the inclusion of 'pork' in the budget is the result of a compromise and trade-off.

"I regret... I read in the newspaper the other day, some comments to the effect that the Senate should never have gone public in stating its position of no 'pork' as the Senate will now have to eat its words. These kinds of comments, Mr. President, I think reflect a lack of understanding of the meaning of the Con Con Amendments and the fiscal restraint those amendments are imposed on us.

"The Senate's position of no 'pork' this year was not arrived at in a cavalier fashion. Had Representative Suwa been the chairman of the Finance Committee, I believe that the recommendation would have been accepted. It would be very interesting two years from now for us to compare 'pork' with land banking and to report to the people what was appropriated and what in fact was built and what was acquired.

"All in all, Mr. President, with the exception of the omission of an appropriation for operating funds for the HNEI, I believe this budget is one that we can be proud of and one we can go home with great satisfaction for the people. Thank you."

Senator Campbell also rose to speak in favor of the measure as follows:

"Mr. President, I rise to speak in favor of the budget bill with some reservations.

"The chairman of the Ways and Means Committee has touched on some of the areas which I had planned to address, but it's his comprehensive covering of those items make it unnecessary for me to make reference to all of them. Mr. President, I feel that no one in the Senate, and I guess this is true of the

House too, would disagree if I were to say that this was a very difficult time for House and Senate conferees; probably, the most difficult negotiation we've had in many, many years. And while I cannot support everything that the conferees did I can, without reservation, congratulate them for their commitment and their dedication.

"Mr. President, I have some serious concern about the total spending that this budget provides for the Crime Commission. I must congratulate the chairman of Ways and Means Committee for urging more money for this agency, but the House was adamant against our position.

"The people of the state, according to a survey, have identified fighting crime as their top priority. When I look at the structure and the funding of the Crime Commission which has emerged from this Legislature I'm inclined to conclude that crime fighting is far from being our top priority.

"In another vein, related to the budget, a few days ago, Mr. President, one of our leading high schools had to be closed because of campus violence. I could name several high schools where the potentiality for this kind of violence is great.

"In the Finance Committee over on the House side is a money bill entitled, 'Tracking Troubled Students.' The purpose of that bill was to deal with troubled students before they got into trouble. The measure provided for a two-year pilot program which would cost the state a grand sum of \$1.00 for the first year. Waianae High School was to have been the first school selected for the pilot program. Because that bill lies molding in a graveyard across the hall, no action will be taken this year. No action will be taken this year of the comprehensive and coordinated nature called for by this bill, and that, in my judgment, is sad. School violence is a very serious problem and it's about time that this Legislature stopped treating it as kid stuff.

"Finally, Mr. President, let's turn our attention to the process by which the Senate and the House reached a final compromise on measures where there was disagreement.

"The House and Senate conferees meet for days, many times working around the clock, to seek an acceptable compromise. These conferences are a tug-of-war. No conference leader wants it said that he or she gave in. This is the reason, in my judgment, in many instances for legislative extensions. Nobody wants

to give in. In this kind of process the merits of issues suffer tremendously. The merit of issues before the conferees get lost in the tug-of-war.

"Mr. President, when I think that this is the process by which we arrive at the most important legislation, in most instances, which passes this Legislature I cringe, the process is, in my judgement, the best brief for a unicameral legislature I have seen or heard in many, many years.

"Now, let me close by making just one or two observations.

"The first one is, in spite of the fact that the full House and the full Senate have final approval authority, we all know that much of the most important legislation which passes both Houses is shaped and tailored by just a handful of representatives and senators. This approach, in my judgment, is hostile to the democratic legislative process.

"The second observation and it relates to the first--this handful of powerful decision-makers in the House and Senate in most instances gets locked in battle where the deciding factor in most cases is not the merits, as I mentioned earlier, not the merit of the issue at hand, but the physical endurance of the participants. Now, Mr. President, in the interest of the people of this state. This folly must come to a halt.

"I call upon you to start the ball rolling. After the close of this session, Mr. President, convene a House-Senate committee whose purpose would be to seriously consider an alternative to our present process of reaching agreement with the House, related to proposed legislation, where there is some difference of opinion. Thank you."

Senator Ajifu also rose to speak in favor of the bill as follows:

"Mr. President, I would like to speak in favor of H.B. No. 1912-80, H.D. 1, S.D. 1, C.D. 2.

"This has been a particularly difficult period of transition for our state government. We are faced with the threat to our economic stability from inflation on the one side and recession on the other. We have come to this day through a metamorphosis of philosophy toward government spending.

"Due to constitutional amendments and a stronger resolve to respond to the needs of our people, we have set in motion the kinds of restraint on government spending so greatly needed at this time.

"It was no easy task for the chairman of our Ways and Means Committee to bring into budget discussions this firm commitment to those policies expressed in the constitutional mandates.

"As a Minority member of Ways and Means and also on the budget conference committee, I saw that the conduct of committee work by our chairman was extremely responsible and fair. He is to be commended for his careful approach to fiscal management in state government.

"I saw that his committee hearings were particularly thorough, especially in the area of funding for private agencies. Almost 100 agencies were called in for a review of their budget. In so doing, we are now beginning to establish specific standards and criteria for these private agencies to receive state funding in the future.

"It was a monumental effort in a difficult situation, and the members of the conference committee should be congratulated for their diligence in continuing to work toward an agreement that is satisfactory to the people of Hawaii.

"There is little doubt that the package we have before us is the best that could be accomplished through the give-and-take compromise of both Houses of the Legislature. It should be recognized that, once again, we are reminded that only through compromise is the democratic process best served.

"Although we were not able to include all the budgetary items that we would have wanted, the Senate has taken a responsible position in trying to serve the public in a cautious and fiscally careful manner.

"I submit that we, here in the Senate, can be thankful to have the talents of Senator Cayetano among us.

"I urge that we all vote in favor of this bill.

"Thank you."

Senator George then rose to ask the chairman to yield to a question and Senator Cayetano replied in the affirmative.

Senator George then asked as follows:

"Mr. President, it's a long weekend's work but I finally got down to page 52 and I do have a question about that one. It's on page 52 beginning with line 11. It has to do with a proviso '...that no two or more members of a family or kin of the first or second degree shall be employed under contract by the

organization... ' earlier referred to, 'unless specifically permitted in writing by the director of finance or the director of the expending agency... ' I want to know if the chairman would be good enough to answer for me if it's the committee's intent to do away with nepotism by including this language?"

Senator Cayetano, at this time, asked the Chair for a short recess in order to find the proviso cited by Senator George and the Chair granted the request.

At 9:22 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 9:24 o'clock a.m.

Senator Cayetano then rose to ask Senator George to repeat her question.

Senator George asked: "Mr. President, I'm referring to page 52, beginning with line 11 of the budget... I want to know if it was the committee's intent to do away with nepotism through the language which I have just read?"

Senator Cayetano replied as follows:

"Mr. President, this proviso was suggested by the House and agreed to by the Senate and I would say that it is the committee's intent to discourage nepotism.

"I don't know if you can ever do away with it. That's the answer."

Senator George thanked Senator Cayetano then further stated and asked as follows:

"Mr. President, I would certainly agree that doing away with nepotism would be a valuable target if we can indeed accomplish it. I think nepotism is unacceptable in our public institutions and those private institutions which are supported with tax money. However, I took the trouble to look up a definition of nepotism and I decided that Webster's Third International Unabridged Dictionary was probably as good a definition as I could find.

"Nepotism is defined as 'favoritism shown to nephews and other relatives as by giving them positions because of their relationship rather than on their merits.' and this, Mr. President, is the reason I'm asking about this.

"I'm just not sure that the language doesn't criticize the mere fact of consanguinity of relationship as opposed to giving somebody a job regardless of whether or not they're qualified for it, if being related is a bar or difficulty in securing employment.

"It it's a no-no even if you're qualified, then it would have been wrong for John Burns to appoint his brother; it would have been wrong for Jack Kennedy to have appointed his brother Robert; so I'm really disturbed by the intent here.

"The other question I have is, what is the second degree of kinship? How widespread is this net? Is it grandparents, grandchildren, cousins, wife's sisters? If I may inquire of the chairman, Mr. President?"

Senator Cayetano rose to reply as follows:

"Mr. President, I believe the good Senator is reading more into the proviso than there actually is.

"If one reads the proviso, it states in part, '...provided that no two or more members of a family or kin of the first or second degree shall be employed or under contract by the organization' and this is the key part, 'unless specifically permitted in writing by the director of finance or the director of the expending agency for the appropriation;' So you see, it does not prohibit such employment by people who have this kind of relationship.

"What we're saying is that if a member of an organization wants to hire his wife, his daughter or some kin, that he let the expending agency or director of finance know and that such relationship be stated in writing. This is only for accountability purposes."

Senator George further inquired as follows:

"Mr. President, then if the chairman once again will respond, is it the committee's intent that the director of finance or the expending agency, whichever agency it happens to be, that they adopt rules and regs to govern the criteria for issuing these permits which are required?"

Senator Cayetano replied as follows:

"Mr. President, I think that would be reading too much into the intent of the committee.

"The director of finance or the director of the expending agency for the appropriation already has certain powers regarding the establishment of contractual obligations. All we're saying is that using those parameters he can set these guidelines."

Senator George then stated as follows:

"Mr. President, I think probably I should explain that as I was thinking about this I started thinking about recipients

of grants-in-aid; for example, the Symphony Society...there are a couple of married couples there and that rather bothers me.

"I think every nursing and care home or a good many of them have nieces, wives, husbands, cousins, uncles, and so on, and perhaps the question I ought to ask of the chairman again and maybe I am making too much of this or reading too much into it, but as I read it, well I don't know what it says. Is it the intent that those presently occupying these positions like the trombonist at the Symphony...that will really wipe them out; they've only got two and they're married, you know. Is it the intent that it would be grandfathered in or is this only for new hires? If the chairman would respond to that?"

Senator Cayetano replied as follows:

"Mr. President, I really think the Senator is reading a lot into this proviso than there actually is.

"Instead of the Symphony, let's just stick to a more specific organization such as Habilitat. Okay, now, that's the kind of situation that we are addressing in this proviso.

"I don't think it is the intent of the committee, for example, to ask each member of the Symphony whether he is a trombonist or plays the flute or oboe to tell the finance director whether the oboe player is related to the bassoonist or the bassonist is related to the violinist. I just don't think that's our intent."

Senator George thanked Senator Cayetano and further stated and inquired as follows:

"Mr. President, I hope the chairman can make that prevail. I hope my rather weighty opening of this can of worms isn't the one that prevails.

"It goes on, however, to an even more difficult one to understand and once again I would hope that could be explained to me and that is that the director of finance will also have to grant a permit for every increase in benefits or wages.

"Whether or not the good chairman feels that the Symphony is not involved, it is involved, and when the Symphony achieves an agreement with the Musicians' Union as to salaries, it appears to me from this language that the director of finance has to approve it.

"It says specifically, 'only upon prior approval of the director of finance' and my question of the chairman here is, if it's the committee's intent that the

director of finance establish the criteria for granting such approval--this is fairly heavy--by issuance of rules and regulations pursuant to Act 91?"

Senator Cayetano responded as follows:

"Mr. President, this provision was meant to address the situation where a person who is in a position of responsibility with a private organization receiving funds from the state will have to disclose to the director of finance or the director of the expending agency for the appropriation that that person has hired members of his family or kin of the first or second degree. And it is only meant to put some sunshine on the whole process.

"It is not meant to discourage the hiring of qualified people, whether they be related or not.

"I must admit that the Senator, I think, has put her finger on a potential ambiguity in the proviso in the second part. But, if what the Senator is trying to mean here that it was our intent, it certainly was not our intent that the director of finance shall give permits or approval to salary increases for every employee in every organization. I don't think that's our intent at all."

Senator George again thanked Senator Cayetano and then stated as follows:

"Mr. President, I am grateful to the chairman for expressing the intent of the committee and I hope it is clearly expressed in the Journal to show that the intent was not to rain on every single agency, every single person, who is involved in any way in grants-in-aid or contract with the agencies or in any way tied with strings to the government.

"I think it's important that we know this because as the language is written here it seems to me, Mr. President, that a carload of dynamite is being used to do what might have well been a rifle shot approach. If Habilitat is that indeed the target, I think it would have been clear and easier for all of us to understand if that had been done directly and through legislation, rather than legislating in a proviso in the budget.

"Thank you."

Senator Kawasaki then rose to speak in favor of the measure as follows:

"Mr. President, I rise in favor of this bill, and to clarify further the standards that we have set.

"I would suggest to the good Senator who has been the most ardent supporter

of Habilitat and, incidentally, one of only two senators who did not sign the senate resolution asking for the audit that proved so useful--the audit of the financial operations of Habilitat--I would suggest to her that she consult with the conferees in the House of Representatives who suggested this language and, make no mistake about it, in which the Senate conferees completely concurred.

"The conferees in the House had harsher language, I recall, and it was only by the suggestion on the part of the conferees from the Senate that we have some kind of language permitting, as suggested by the good Senator from the 3rd District, that perhaps in certain kinds of private organizations receiving state funds; for example, a nursing home where a couple might be very well qualified... a husband and wife... to care for some elderly people, half a dozen elderly people, put into these private homes receiving state funding. In a situation like this we should permit, with the concurrence on the part of the relevant departments or the director of budget and finance, whereby permission in writing for this kind of husband and wife situation could be permitted... nepotism to this extent. We did, however, want to discourage unlimited nepotism and this was a House suggestion in which I completely concurred.

"We want to discourage nepotism in the fashion of Habilitat where the director has his wife, his sister, his brother and his daughter, all working for the same organization, because I am not quite convinced by Mr. Morino that there are no other people very well qualified to render this kind of services.

"We put in this language because this is only consonant with the federal requirements and with any kind of private grant program receiving federal funds there is a standard set by the federal government discouraging nepotism. We feel that this is a good suggestion that should be put into our statute so that it would be very consonant with the federal requirements.

"Now, it's quite interesting that the Senator from the 3rd District brings this up. Yesterday, I received a call from Mr. Morino threatening me. He apparently took the requirement to mean that we're trying to get back at him. Mr. Morino threatened me, used abusive language, and he said that he's got contacts on the streets and if I wanted it handled on that level. Of course, he should know better, I do not get intimidated by Mr. Morino or anybody else. I informed Mr. Morino that 'the day I couldn't handle a situation like you are presenting to me, I'd resign

from this job,' and I think this is where all the information... this is the background by which some of those questions were posed to the chairman.

"The standards that we put into this budget bill are standards badly needed. I hope that all organizations would take very seriously what is intended here, that, while we permit nepotism of limited fashion where it's justified to do that with the permission of the directors of the agencies involved, we allow this, **but** we will certainly discourage nepotism in a more enlarged fashion, and certainly we want the message to be made very clear to all agencies receiving taxpayer funds that no amount of intimidating threats are going to change our posture on this. We will maintain this standard and we will make sure that the standard will be implemented."

Senator Cayetano then rose on a clarification as follows:

"Mr. President, just a further clarification of the second half of the proviso, and let me read it for the record: '... provided further that the organization shall also agree that any salary or employee benefit increase shall be granted only upon the prior approval of the director of finance or the appropriation shall be subject to a decrease by an amount equal to the amount of increase not so approved.

"Mr. President, I believe this half of the proviso was meant to deal with a problem which we discovered as we were going through the screening of grant applications. That is, that some of these organizations were coming in and asking for grants which would take care of their, basically, salary increases to their employees. Many of these organizations receive funding from more than one source. Some receive funding from state agencies such as the Department of Health or the Department of Social Services, as well as the Legislature in the form of a grant. Some receive funding from the state, the Legislature and the federal government, as well as private organizations.

"Our feeling was that, with respect to salary increases, that they be subject to the prior approval of the director of finance because we felt that the grant given by the Legislature should be used to expand the benefit in terms of program services, and not primarily to take care of fringe benefits or salary increases for the employees of those particular organizations.

"In closing my remarks on this matter, let me say that, personally, I happen to believe that Habilitat is providing a valuable service. I disagree with some of the

comments made by my good friend Senator Kawasaki, only in terms of the services provided, I do believe that there is a problem with respect to the hiring, for example, of personnel in that particular organization."

Senator Kawasaki then rose to state as follows:

"Mr. President, one additional piece of information. Contained in the standards we set is a proviso that all relevant departments will examine the reasonableness of salaries paid. This was prompted because we found great disparities in similar types of jobs, and we found, for example, of all the private agencies funded by the state government the highest salary is enjoyed by the director of Habilitat, \$46,500, which is higher than what we pay the director of the Department of Social Services and Housing with his responsibility of a \$314 million budget in the biennium and his roughly 2,000 employees. These are things that concerned us and we made certain that the standard was quite efficient in the way of doling out taxpayers funds efficiently and economically with integrity."

Senator Carroll, in rising to speak in favor of the bill asked that the chairman of Ways and Means Committee respond to a question and the chairman replied in the affirmative.

Senator Carroll inquired as follows:

"Mr. President, in the conference committee report on page 4, under transportation, it states, 'General Aviation Airport. Hawaii's congested Honolulu International Airport (HIA) remains a concern due to the heavy mix of large and light aircraft. Funds have been made available to support a general aviation airport and relieve traffic at HIA.' My question is, where in the budget have we done this?"

Senator Cayetano then replied as follows:

"Mr. President, my answer is that we have provided funding for improvements to Dillingham Field and also, we have, I believe, provided an appropriation to increase the length of one of the runways at Honolulu International Airport. I believe it's either for a left or for a right."

Senator Carroll then stated: "I'm looking at item 11, page II-7 and I do not see any additional monies for Dillingham Field. I see \$221,000; \$152,000 of which was put in last year; \$68,000 which was already in."

At 9:42 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 9:45 o'clock a.m.

At this time, Senator Cayetano responded as follows:

"Mr. President, I don't know if Senator Carroll has found the appropriate page in the budget bill, but I would like to direct his attention to pages IV-21 and IV-22. I believe the section he was looking at has been bracketed out, and the appropriation placed in another section, in the page I just mentioned.

"If the Senator will look at 7B, Oahu General Aviation Airport - Dillingham Airfield, it reads: 'Fund to develop Dillingham Airfield as the first satellite general aviation airport. Funds to be expended for runway improvements taxiways, holding pads, access roads, utilities, and administration building, hangars, security fencing, and other improvements required for general aviation operations.' The funding calls for \$3.6 million.

"Then on page IV-22, item 7E, '...funding for extension of runway 4-left at Honolulu International Airport... \$200,000."

Senator Carroll then inquired: "Then, my question is, with this in the budget is this supposed to somehow relieve the problem at Honolulu International Airport?"

Senator Cayetano replied: "Mr. President, we believe so."

Senator Carroll then asked: "May I ask, how?"

Senator Cayetano replied as follows:

"Mr. President, the building of the satellite airport at Dillingham should provide some relief for the general aviation pilots. Now, that may have to be coupled with some kind of economic incentive to move to Dillingham Airfield. We will have to deal with that at the appropriate time.

"Let me say that there may be some difference of opinion as to whether this will relieve congestion at HIA or not but let me state that that difference of opinion depends on where one is coming from.

"The argument put forth for the second general aviation airport has always been put forth in terms of safety versus agricultural land. I'm coming from the prospective of convenience to pilots versus agricultural land. In that prospective, agricultural land always wins out."

Senator Carroll then rose to speak in favor of the measure as follows:

"Mr. President, I'd like to speak for the bill, with reservations. I'd like to ask that my earlier remarks regarding Dillingham and Poamoho be incorporated by reference with respect to this particular measure, indicating that Dillingham is a totally inappropriate place for the general aviation airport for satellite use as it's intended to relieve the problems at HIA, inasmuch as it already exists, inasmuch as it is already a useable airport, and inasmuch as there is no way under current existing federal law that through the use of economic sanctions can general aviation operators be forced to move there.

"I'd also like to add that the \$200,000 extension to 4-left is probably a good idea as far as it goes, but it's simply going to add to the already congested situation at Honolulu International, perhaps create a sense of complacency among the general public and perhaps even among some pilots that something useful has been done.

"And I submit, with the red-star rating, the black-star rating, the experience that we've had, the stacks of testimony we've heard on this matter, that we are not doing a wise thing even by including this in the budget.

"I think we would have been wiser to have simply left it out and avoided the issue, which is essentially what this particular provision amounts to.

"I am extremely disappointed that this is all we've been able to do. I consider it counter-productive, but in the vein of Winston Churchill, I will never, never, never give up on this subject matter and I hope that when the election is over this year that we'll see some better decisions made on this subject.

"Thank you."

Senator Mizuguchi then rose in rebuttal of the previous speaker and stated as follows:

"Mr. President, just a few brief remarks in rebuttal of the previous speaker. As you are well aware, the naming of Dillingham Airfield as a first satellite general aviation airport has been a Senate position. We have won out in terms of designation of Dillingham; improvements of \$3.6 million have been provided. And this is just the first step in resolving some of the mix and congestion at HIA.

"We've discussed this problem for the last 19 years in the Legislature,

and before one can take a full step, one has to take half a step.

"With improvements at HIA, the extension of 4-left, we believe that there will be a separation of mix of general aviation and commercial turbo-jet activities at HIA. Hopefully, the HIA Master Plan will segregate GA activities from that of commercial aircraft activities.

"Dillingham, I believe, can accommodate 90,000 more air operations with the addition of a second runway and I believe that it's the pilots, it's Senator Carroll's friends that said that HIA is dangerous, that HIA should receive a black-star; it's the pilots that say that it's dangerous.

"If Dillingham is improved, that is an alternative... and we'll see who should move out to Dillingham... I think it's incumbent upon the pilots who said that it's dangerous at HIA.

"If the Legislature provides that facility, and I think with the passage of Senate Bill 866, which gives the Department of Transportation rule-making authority to make HIA safer, I believe that we at least can address this problem this session and I believe that we're taking the proper steps to make Honolulu International Airport safer.

"Thank you."

Senator Carroll then rose in rebuttal as follows:

"Mr. President, indeed the pilots have said this, general aviation pilots have said it, the safety committee of the Airline Pilots Association have said it, the safety committee for the air traffic controllers have said it. Anybody who is professionally knowledgeable, including many non-flyers, engineers, people who are involved in the aviation industry have all said it. It's not something that the two-hole pit special pilots are saying because they want a special little field for themselves and that seems to be the thought.

"I think the idea that there's a group of people who are trying to build up some special center for themselves is something that ought to be swiftly erased. Many of them would be just as happy to stay there, given the opportunity to do so.

"I think it's a matter of responsibility of seeing a problem and hopefully solving that problem before, instead of our Manoa rains, we have hot metal and burning bodies out of the sky on this city and then we will look at this with a totally different prospective. I just pray to

God that day doesn't come."

Senator Abercrombie then rose in rebuttal of Senator Carroll's remarks as follows:

"Mr. President, speaking in rebuttal of the last remarks. I personally resent having a situation put forward in which the Legislature is deemed to be the cause of the kind of thing that the previous speaker just alluded to.

"If we could get the pilots in this state, in general aviation, to obey their own rules, among other things, not flying over populated areas which happens continuously, in violation of the rules.

"They come out of Honolulu International Airport and they fly over Makiki and over Manoa, they fly over Punchbowl, they fly over Kakaako, continuously, month after month, year after year, despite being warned over and over again, told over and over again, threatened over and over again by the FAA, by the people in the towers that do the controlling.

"As far as I am concerned, I could care less whether any private pilot ever gets a plane up in the air again. I've had it up to here, with this kind of threats.

"Now they know that they're not supposed to fly the way they do. They can come down. They purposely buzz the areas especially after complaints are made; then the planes come and fly lower, just to show everybody they can still do as they damn well please.

"Now, as far as the commercial aviation is concerned, it's going to stay at HIA and that's why we're lengthening the runway, and they can put the mix into patterns that if they obey the rules in terms of landing and taking off, there will be a minimum of any kind of activity that could cause an accident. It's these people that take off and fly as they damn well please all over this island that cause these problems.

"And if there's going to be any kind of crash in an area like Manoa or whatever it is, I want to know what they're doing over it when they're not supposed to be flying there. They do it all the time. So they have a choice as has been put forward by the chairman of Ways and Means and the chairman of Transportation. They can put safety first and fly the way they're supposed to or they can be grounded.

"There are worst things in life than having to worry about whether some clown that has enough money to take

a plane up in the air, to screw around in the air over the island of Oahu gets to do it any time he pleases."

Senator Kuroda then added his remarks as follows:

"Mr. President, I'd like to enter into this discussion regarding light aviation.

"The speaker previous to Senator Abercrombie is one who has spoken from the position of being an experienced pilot. I rise to speak from the same position but with opposite views.

"I believe that the chairman of the Transportation Committee of the Senate has done his homework and has made every effort to try to cope with the problem that Hawaii faces at HIA. The Senator from the 6th Senatorial District, flies fast and furious jet aircraft.

"I've flown in these skies for 18 years, flying light aircraft and helicopters, and representing the people who have flown light aircraft, I am very much aware of the proposals made by the chairman of the Senate Transportation Committee. These proposals are sound.

"I've flown in and out of Dillingham Airfield. That fellow from the 6th District has flown jets from Dillingham. I've flown light aircraft and helicopters, and that particular airfield can be much better utilized and take the danger from HIA to Dillingham, not in any sense saying transfer the danger to my other constituents of the North Shore, but I think that these proposals must be seriously considered and I commend the chairman of the Transportation Committee for taking this step.

"The Senator from the 6th District alluded to certain political implications, such as, after the election there will be different attitudes regarding the position taken by certain Senators of this body. Well, additional elections will take place two years hence; at that time must the candidates for that election period again be accused of playing politics with the airways? I believe not. I believe that the Senators involved, and I'll be one of them, will stand their ground to again rebut the kind of statements made by the Senator from the 6th District.

"I believe that the chairman of the Senate Ways and Means Committee is on the right track when he responds to the accusations made by certain people on this floor.

"Thank you."

Senator Carroll then rose to express

his rebuttal as follows:

"Mr. President, I rise to make comments in rebuttal to both of the previous speakers.

"First of all, the comments are almost incredibly ignorant of what we're talking about.

"We keep talking about the private pilot going out for a joyride. The basis for the problems we have here is primarily caused by air-tour operators and the air-taxis. They provide the bulk of the operations that go on in this state.

"If it were simply a question of telling the people flying the piper-cub, the Stinson, the pit-special to go out to Dillingham, we wouldn't have a problem. And I think the biggest problem we have in this Legislature is ignorance of what general aviation is.

"For somebody to stand in here and say these pilots are not obeying the rules is ludicrous, absolutely ludicrous, when somebody's been in here for six years and should know the problems that we're talking about.

"These people that are routed out over Manoa, Makiki, etc., are routed there by the direction of the air traffic controllers. If somebody's nutty enough to be buzzing in this day and age, they certainly should be grounded and never given back their license.

"The comment that we will fight this issue, that it is not politics and so forth, speaks for itself. It's clearly political...it's nothing but. And I hope that the general public is not fooled even by the mild rhetoric that I've heard against it today. Thank you."

Senator Cayetano then rose to briefly state: "Mr. President, just one final observation. Dillingham Field is located in the 4th Senatorial District. The 4th Senatorial District is represented by myself, Senator Mizuguchi and Senator Kuroda and Senator Young."

Senator Abercrombie then added as follows:

"Mr. President, I thought I made it clear; perhaps I didn't. I'm not ignorant of the situation; I know perfectly well that there are these air-taxis and these commercial outfits that fly their planes. I don't know the names of the planes; I can draw 'em for you because I can see them so clearly.

"If it's the case in which it is not the private pilot, which it is, it's a lot of these same kinds of planes that he's

talking about and general aviation, specifically, can be a single pilot with a small plane; owns it himself, or one of these planes that goes either by air-taxi or some of the other designations that are put together. It still flies the same way.

"I don't want any more bull about Kona weather. We must have Kona weather 350 days a year the way these people fly. It's not when it's Kona weather and if that's the case, then, yes, they should be grounded...and I asked about this...and that they should be put to the test of whether they should keep their licenses and nothing happens, among other things, because the pilots in this state don't get together and insist that that be done. It's perfectly all right to get away with it, and they don't do anything about.

"So, if we have to ground these air-taxis and all the rest of it in order to accomplish it, then that's what should be done but that hasn't been done for six years while I've been in here, either.

"I might be ignorant in the sense that I can't name all the particular kinds of planes, and I suggest that if one of these accidents takes place that's been alluded to, nobody would give a particular damn what kind of plane it was, or any of those particular circumstances.

"I'm smart enough to know when I'm being fed a line of bull and one of them is that these pilots have to fly over this way because of Kona weather, whether it's for commercial purposes or whether it's for purposes of pleasure, or for both.

"My point is and will continue to be that if people want to deal with safety primarily, and I sat on the Transportation Committee when this was first brought up and I asked the question.

"I've been through the report from stem to stern and the answer that I got to the question about Dillingham was, 'Oh, it's too far,' and I heard all this stuff about safety. Well, is it going to be safe out there? 'Yes, but it's too far to drive.' So, in other words, the point is that you would rather have something more convenient whether or not it's safe, as opposed to going some place that's possibly a little inconvenient to you but would nonetheless provide for the safety measures that you've been putting forward to us on this committee as being necessary to the welfare not only of yourself but the people of the community. And that's the only answer I've ever gotten. That's the only answer that I think the chairman of Transportation has ever heard, both of them who sit

on this floor right now because the chairman of Ways and Means was the chairman of Transportation prior to becoming Ways and Means chairman.

"Now, it seems to me, again as an amateur, I only fly in those things; I only get to go up in these things where I watch... put my life in the hands of somebody I don't know anything about. Probably, we are fools to fly in the first place, as far as that's concerned, so I'm in the situation of where I have to believe what Senator Kuroda said is the case. I've heard it from other people.

"I hear a lot of talk from people who say that that's the position that's been put forward here that we're all irresponsible for doing this, but I talk to other people who say, 'but look, that's only a certain number of people that are talking that way'... a little more vocal... 'do want this airport routine for their own convenience.' You talk to some of the people that Senator Kuroda knows and have spoken with and you get a different story.

"So I imagine that just as many people who write the editorials too in this town are just as 'ignorant' as I am about this, because I don't think all of them own or fly their own airplanes either. Of course, they could, being editors of the Advertiser and the Star-Bulletin, because God knows they make enough money to own a whole fleet."

At this time, Senator Yee rose to speak against the budget bill as follows:

"Mr. President, I rise to say that I'm voting against the bill although I know the bill will pass without any question.

"I rise to speak about a particular industry that failed to receive an important appropriation this year. An industry that I am personally a part of; an industry that I'm also involved through the Western Pacific Fisheries Council which governs the 200-mile jurisdiction for the United States; an industry which the state administration and the Legislature has said they will support.

"The fishing industry is one of the most delicate and yet it has a great future for the State of Hawaii.

"Under the 200-mile fisheries jurisdiction, the Western Pacific Fisheries Council manages all the waters between Midway, the Big Island, American Samoa and Guam. You combine all these waters and it equals more than the West Coast, Gulf of Mexico and the East Coast. We have great resources here. About a month ago WestPac had a request for about 600 Japanese fishing vessels to

fish in the waters of our areas. So we do know the resource is here and the fishing industry, in order to grow, need help. It failed this year.

"The House had an appropriation for \$2.5 million; the Senate had nothing. We came close to getting something but in the wee hours it lost out.

"I'll give you some examples of my concern. You've been reading about Easy Rider II. It cost Skip Neffel and his group \$3.0 million. They had to borrow \$1.7 million and they came out with \$1.3 million of their own money, and taken together with the National Fisheries Loan program, the rate is one above prime. I don't know when Mr. Neffel got his loan, but assuming \$1.7 million at 15% interest, we're talking about an annual interest of \$225,000. That's a tough nut to crack. Yet, he has the first modern fishing boat throughout the entire United States. People like him need help.

"Another, a new person, Jim Cook, recently purchased a boat; had it made on the West Coast. It's now operating in Hawaii. It cost him almost half a million dollars, and on an 80% loan, again at 15%, he has to pay interest at \$60,000 a year. And I can go on and on because there are other commercial fishermen who want to borrow but there are no state funds available.

"And we are not throwing money away; it's an investment in the future. The borrowers are putting up their boats as equity and they risk their lives. The money is paid back to the state.

"There was a ship or a commercial boat called Santa Inez that went up to the French Frigate Shoals to fish about a month and a half ago; got caught on the reef; it was being towed back and it sunk. The insurance company paid off \$375,000. Now it will cost them over half a million dollars to replace that boat. Fortunately, no lives were lost.

"We know that the interest rate paid back on the loan is rather small, 7%, but we do it because we know that risk is involved and we want to build a fishing industry.

"I've been assured that the Legislature will be more helpful and cooperative next session, but I did want to speak in behalf of these people who want to help Hawaii build an industry and to develop revenues for the state, rather than importing all our fish products from the Mainland and elsewhere. There is a tremendous fishery resource and

if we don't take advantage of it others will."

Senator Cayetano, in response, remarked as follows:

"Mr. President, just an explanation to the previous speaker's remarks.

"Mr. President, the Senate's initial position was to provide no more funding for the loan fund. It was based on the following reasons: one, there are about four or five studies which are pending which we felt was necessary to conclude to determine the feasibility of long distance fishing. Upon conclusion of these studies we felt that we would then provide funding for the loan fund.

"The other reason was that the loan fund is supposed to be a revolving fund. There is about \$400,000 presently in the loan fund. Unfortunately, because collections in the past have not been judicious, the fund has been depleted.

"Before committing more state money to that fund we thought it would be better to make certain that the administrative process in terms of collection and these studies were completed.

"However, during the course of negotiations the Senate was willing to go up a million dollars for the loan fund and, unfortunately, the loan fund appropriation was tied in to the HNEL appropriation and both fell through the crack, if you will, during the closing hours of the negotiation.

"So, I don't think it's a question of the Legislature not making a commitment to fishing; it's a question of the Senate or Legislature taking a judicious and cautious approach in this area to make certain that the mistakes that were made in the past are not repeated."

Senator Abercrombie then rose to speak in favor of the budget bill as follows:

"Mr. President, speaking in favor of the budget, I wish to, as chairman of Higher Education, make reference to only one particular area, which is the funding reauthorization of capital improvement money for the University of Hawaii Law School.

"Now this has been accomplished whether or not the accreditation situation will remain in effect, that is to say, accreditation remaining in effect is still speculative at this point.

"I met with the accreditation committee that was here when we were on the verge, if not, just on the brink of having the accreditation taken away from the Law

School. I had spoken, as I said, with that committee and urged them in the strongest possible terms not to do that in the hopes that we could finish this business about building the school, and I mean it, not only physically but in terms of supporting the faculty and the student body at the Law School.

"But I report this to you with this reservation as I have received, in the course of our negotiations over this budget, a copy of the negative declaration of environmental impact from the University, out of the Vice President for Administration's office. I want to say at this point so that it can be made very clear, should something go wrong with the Law School, that the Legislature has done all within its power, all within its branch of government that it can do to see that the Law School proceed apace.

"If, as I believe is the case, this negative declaration with the environmental impact statement is either inadequate or inappropriate or both, and as a result there are difficulties in the construction of that Law School, I want it made clear that this was flagged out by the Legislature by your committee ahead of time, and that the responsibility lies with the University of Hawaii as it had all through this whole sorry situation where the Law School is concerned.

"I would suggest that it might be useful at the University of Hawaii that they do a little bit of rethinking as to whether the location that they have chosen for the Law School right now is in fact the most appropriate one...not theoretically...I know what the theory is. But I also know that the present location had to have a change order of half a million dollars because the foundations were cracking, buckling at the parking structure in the quarry. There is now a proposal to build a two-story building on top of that structure.

"Now, it may be that the change order that was put forward and executed some years ago when the parking structure was built is sufficient to hold the weight of the new building. I, however, feel that the environmental impact study that has been given to me does not reflect in any way, shape, or form any consideration as to whether that change order is sufficient to hold the weight. If it does not hold the weight and I think you know, Mr. President, that the quarry is notorious for its shifting ground, and we've not even completed the drainage system in the quarry. As a matter of fact, the drainage system CIP appropriation rates higher than that of the Law School.

"Therefore, if we find a situation in which the school is built on that parking structure without adequate measures having

been taken prior to the construction to see whether or not the present structure can support the new building and whether the ground underneath the present structure is sufficiently firm to hold the building, we might find ourselves in a situation in which an absolutely horrendous expense might be involved to try and either shore it up or we might find a situation like we have with the Business Administration building where we find a structure that has been put up by public expense having to be closed.

"Now, I say this in deadly seriousness...in deadly earnestness...I hope that we do not find a situation in which some bureaucratic maneuver is going on up at the University so that the goodwill and good faith not only of this Legislature, but of the people of this state and the graduates and students and faculty of the Law School will find that with all that taken into account that we lose the Law School due to incompetence.

"I hope the message goes up to the Vice President for Administration at the University that submitting an environmental impact statement which does not take into account the fact that you had a structure which failed previously is not something that is acceptable.

"Thank you."

At this time, Senator Yim rose to speak against the budget bill as follows:

"Mr. President, I rise to speak against the budget document before us.

"Mr. President, I am disturbed that major vital programs seriously affecting the future of our state have been lost because of very questionable priorities, or perhaps misplaced loyalties, among some on the conference committee discussing this budget document. Some issues, overwhelming in their significance to the people of Hawaii, transcend our day-to-day politics, and we, the people's representatives, are obligated to recognize these issues and respond accordingly.

"It is not news to anyone here that we are 92% vulnerable to an increasingly expensive and uncertain petroleum market. Skyrocketing prices at the gas pumps and recent large additions to our electric bills for 'fuel oil adjustment' dramatize our problem. This year alone we in Hawaii will pay over one billion dollars to import oil. And a much greater oil crisis is surely before us with doubling or tripling prices by 1990 yet only a small fraction of 1% of the state's annual oil cost, \$1.2 million was included in the Senate budget bill for urgently needed operating funds to the University of Hawaii Natural Energy Institute (HNEI)

for renewable energy research, development, and demonstration. I am shocked that in this legislative session, this essential appropriation has been deleted.

"The needed funding for HNEI core programs for OTEC, wind, geothermal, solar, and biomass energies is dead. Hence, these programs will have to struggle on limited funds, will forfeit eligibility for millions of dollars of possible federal matching funds, and will be slowed perhaps by years in their developmental timetables. And for each year's delay in finding alternative sources of energy the people in this state will continue to pay over a billion dollars each year to the OPEC nations and to the oil companies.

"Let's take a look at HNEI's record. HNEI's record the past two years has been impressive. Major projects and programs are now or soon will be a reality, thanks to HNEI. A few of these where HNEI played a vital role either as the lead agency or as a catalyst, coordinator or in a key support role include the following:

"The Electric Vehicle Demonstration at the University of Hawaii and its related demonstration project at the Hawaiian Telephone Company;

"The Kauai Wilcox Hospital Hospital Photovoltaic (PV) Demonstration will provide both electrical and thermal energy directly from the sun;

"The first in the world Residential Rooftop Installation of PV Cells, that will provide the needed energy for a single family living in that unit, is scheduled to be installed this year;

"The acceleration of Wind Energy Conversion as a reality in Hawaii, where just a year ago, leaders of our utility industry were saying that the use of wind energy was years off in the future, yet today, thanks in part to HNEI's wind energy application network (WEAN) program, the following have come to a reality:

"A 40 KW windmill is operating at Kahua Ranch on the Big Island;

"A 10 KW machine has been installed on Molokai;

"A 200 KW wind machine generator will soon be on line at Kahuku;

"Six 500 KW vertical axis wind machines have been ordered for installation in Hawaii later this year by a private wind farm developer;

"Four 40 KW windmills are scheduled to be installed on Molokai.

"In brief, in the past year, Hawaii has become established as the leader in the nation's wind energy conversion program, as over 20 wind systems will be on line this year, and several wind farms are being planned (one to provide 80 megawatts of energy by the mid-80's that will provide about 10% of Oahu's electrical energy requirements).

"Geothermal energy will soon be providing 3.5 megawatts of electricity for the people of Hawaii, and an additional 25-megawatt project is now scheduled to get underway.

"The Molokai Electrical Energy Self-Sufficiency Program initiated by HNEI and the County of Maui just a year ago has made significant progress and could be accomplished in the next three to four years.

"Of course we all know HNEI's role in OTEC.

"All of these and many more efforts have been initiated, nurtured or received key support by HNEI. . . which operates on an annual budget of a little over \$200,000.

"However, inspite of this remarkable record, these vital energy RD&D programs cannot move forward at the needed pace if we are to protect Hawaii from the pending energy crisis without greater financial support!

"The funds that have been deleted from the Senate passed budget bill would have enabled the following programs to be undertaken:

"Wind Energy Conversion (\$200,000)

"Provide \$100,000 for the Core Wind Energy Program for minimum staffing and equipment to provide information for wind machine siting and to establish a testing, evaluation, applications and monitoring program for installed windmills.

"Provide \$50,000 for wind-electric utility interfacing RD&D programs as this is the greatest concern of utilities when it comes to wind.

"Provide \$50,000 for basic wind characteristics and RD&D in such important areas of forecasting winds for up to 24 hours.

"OTEC Core Program Support (\$200,000) for needed staffing and funds to secure federal and other program grants and contracts to carry on basic RD&D that must be completed if OTEC will achieve its potential as a major contributor to Hawaii's future energy needs.

"Biomass Core Program Support (\$100,000) needed to expand biomass' already important contribution to Hawaii's energy supply, plus \$200,000 for the next step in developing the very promising giant haole koa tree farm program, an actual tree farm demonstration.

"Geothermal energy program needs continued assessment (\$100,000) to identify where drilling would be most promising and for applied engineering RD&D (\$100,000) at the successful Puna Well site.

"Small Scale Technology Program (\$100,000) is a new program strongly supported by many groups in Hawaii to assist desirable renewable energy projects by individuals and small businesses or farms and ranches.

"The loss of these funds is a serious setback to Hawaii's energy forward momentum. The lead time we have to make the transition to our own renewable energy resources is getting shorter.

"Yet, your Legislature is refusing to provide the funds to HNEI in this year of surplus. In the opinion of many, HNEI has helped develop the best State Renewable Energy Program in the country, as evidenced by the U.S. Department of Energy's selection of HNEI to organize the December 1980 First Renewable Energy Conference in the country.

"Time is running out.

"In closing, Mr. President, we should do much more than what we are now doing."

Senator Cayetano then rose to state as follows:

"Mr. President, I just would like to make some remarks to qualify the negotiations on this very important item.

"Mr. President, I don't think during the negotiations on the appropriations for HNEI, which was tied to the negotiations for the appropriations and positions for PED 120 there was ever a difference in opinion between the House and the Senate with respect to the importance of energy to our state.

"This particular item was negotiated for much of the six days that we extended the session. However, when all things were said what it boiled down to was a philosophical difference between the House and the Senate.

"The House was willing to provide the funds to HNEI providing that the

Department of Planning and Economic Development would be designated as the expending agency. As explained to your conferees, the House position was that all energy programs should be administered by the Energy Resources Coordinator.

"The Senate took the position which we believed had been resolved by both the House and the Senate last year... that the University should be the expending agency for HNEI because HNEI is concerned primarily with research and operated out of the University budget.

"That difference, Mr. President, is what caused the appropriation to fall through and not be included in this budget. It is unfortunate but it was a philosophical difference which just could not be resolved through trade-off, through negotiations, and through the lengthy talks that we had.

"This Legislature will have to make up its mind once and for all which agency should be the expending agency so that we can get on with the business of providing for the development of energy or alternative sources of energy for this state and for our people."

Senator Yim rose to respond as follows:

"Mr. President, what we just heard is a clear example of small, petty politics.

"That a major issue fell through the cracks because of that kind of difference between the House and the Senate makes no sense.

"The same kind of concern as was just stated by the chairman of Ways and Means did not apply as to that part of the energy packet that has to do with hydroelectric power on Molokai. That project is in the budget before us now and the expending agency is the Department of Land and Natural Resources not DPED per se.

"In addition to that the OTEC funding in the budget before us, at least originally, was in the Marine Affairs Coordinator's Office, not in HNEI, originally not in DPED, but because of another bill putting the Marine Affairs Coordinator's Office for administrative purposes to DPED. That wasn't even considered as to whether that too should be not MAC but should be under the Energy Coordinator's Office under DPED. That was not even discussed in the conference.

"So, this illustrates again what Senator Campbell indicated earlier, the need to review the whole conference process where one or two member of the 76 in the legislative body can destroy a major

program for the state. This must not be permitted again.

"If these issues, the fishing vessel loan and the funding for HNEI were before the members of the House and the Senate for vote today I would venture a guess, except for one or two, all 76 legislators would be voting in favor.

"So, Mr. President, I would like to repeat what Senator Campbell said earlier, next session we must have a change, one way or the other."

Senator Chong then rose in support of Senator Yim's remarks as follows:

"Mr. President, I'd like to support Senator T.C. Yim's remarks with regard to the important energy program and very briefly point out that it has been my pleasure as chairman of the Public Utilities Committee to have worked with him. It was really an honor and a pleasure to have had this opportunity.

"Perhaps there is no other legislator in the State of Hawaii, who knows so much about the energy program in Hawaii and who has conscientiously and selflessly put so many long hours into this program.

"I would like to point out that, in addition to what he just said, the House unfortunately killed practically unilaterally, in spite of the perceptive key arguments of Senator Yim who was the conference chairman, a major bill which would have tremendously assisted the sugar industry and the people of Hawaii by providing economic incentives to convert and enlarge upon existing industrial plants to produce electricity.

"Fortunately for us, I think the wind energy and some of the geothermal and hydro-energy experimental programs will move ahead because of major federal laws which are now in effect.

"I think Senator Yim should be commended for the long and arduous hours he has put into pulling together a major legislative package. I hope next year that this honorable body and the body across the hall will see fit to address themselves more adequately to our question of 90% fossil fuel dependence."

At this time, Senator O'Connor rose to speak in favor of the measure as follows:

"Briefly, Mr. President, I'm voting in favor of this bill; however, I do have some reservations.

"A major piece of legislation passed by this body this year was the Juvenile Master Plan. In the original draft of that bill, it contained necessary funding

for several of the situations that are continued by that plan. The most important is the Youth Correctional Facility at Koolau.

"The Youth Correctional Facility at Koolau today is a disgrace. It's been allowed to run down; some of the cottages are almost uninhabitable; others that could be inhabited have their roofs caved in and they are just in terrible shape.

"Unfortunately, when that measure left the Senate the money for some of those necessary things was taken out and it was intended to be placed in the budget. As the budget emerges, the money is not contained in it. However, there are appropriations in the budget which, if used in appropriate fashion, can initiate the work at Koolau. In addition, there is the proviso for \$25 million for repair and maintenance of state facilities which is allowed through the director of finance with the approval of the Governor.

"I would hope that there will be other members of this body that will join me in urging the Governor and the director of finance to utilize some of that money at Koolau so that we can get that place off the ground."

Senator Cayetano then rose to add his remarks regarding HNEI as follows:

"Mr. President, I just would like to add to my previous remarks regarding the negotiations on HNEI.

"Mr. President, your Senate conferees, Majority and Minority, defended the Senate position until the last. We conferred with the chairman of the Energy Committee, discussed the House position with him, and the recommendation to us was to stick with the Senate position and we did, with the result that the appropriation is not included in the budget.

"I just want to make that clear for the record."

The motion was put by the Chair and carried, and Conf. Com. Rep. No. 99-80 was adopted and H.B. No. 1912-80, H.D. 1, S.D. 1, C.D. 2, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR THE FISCAL BIENNium JULY 1, 1979 TO JUNE 30, 1981", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 20. Noes, 4 (Anderson, Hara, Yee and Yim). Excused, 1 (Cobb).

MATTERS DEFERRED
FROM APRIL 25, 1980

FINAL READING

Conference Committee Report No. 32-80 (H.B. No. 2723-80, H.D. 2, S.D. 2, C.D. 1):

On motion by Senator Cayetano, seconded by Senator Abercrombie and carried, Conf. Com. Rep. No. 32-80 was adopted and H.B. No. 2723-80, H.D. 2, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HOUSING AUTHORITY", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Cobb).

Conference Committee Report No. 67-80 (H.B. No. 2029-80, H.D. 2, S.D. 2, C.D. 1):

On motion by Senator Cayetano, seconded by Senator Yamasaki and carried, Conf. Com. Rep. No. 67-80 was adopted and H.B. No. 2029-80, H.D. 2, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HOUSING AUTHORITY", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Cobb).

Conference Committee Report No. 87-80 (H.B. No. 2720-80, S.D. 2, C.D. 1):

Senator Cayetano moved that Conf. Com. Rep. No. 87-80 be received and placed on file, seconded by Senator Kawasaki and carried.

Senator Cayetano then moved that H.B. No. 2720-80, S.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Kawasaki.

At this time, Senator Kawasaki rose to speak in favor of the bill as follows:

"Mr. President, just a brief reminder to the members of this body that, consonant with the Senate's fiscally conservative but responsible position, had we gone along with the administration's proposal of settling out-of-court for \$3.5 million, this particular litigation, as it was reflected in the House bill, it would have caused the taxpayers an additional million dollars.

"The Senate position, hard and fast as it was, ultimately saved the taxpayers a whole million dollars.

"I speak in favor of this bill."

Senator Anderson then rose to remark as follows:

"Very briefly, Mr. President. The

Senate's position was \$2.0 million, not \$2.5 million. It was the conference committee that emerged with \$2.5 million. After sitting in and hearing the discussion from the attorney handling this case for the state with the Attorney General, I happen to believe that the state was terribly at fault. I think it's damn disgraceful that we can hold out on a citizen who has to hire an attorney at today's prices until he's damn near broke."

Senator Abercrombie rose to speak against the measure as follows:

"Mr. President, I speak against this bill for reasons stated previously. I think that the explanation that I received, perhaps it was... all depends on how you hear it, I'm willing to concede that, but that seems to me that there was a case to be made that the individual involved here was not paying attention to what should be done either.

"I personally believe that this case should go to court and that to the extent that someone is broke... they're sure as hell not broke now; they've got \$2.5 million now."

Senator Carpenter also rose to speak against the measure as follows:

"Mr. President, just a few comments in rising to speak against this bill.

"I recognize that the conference committee changed the amount from \$2.0 million to \$2.5 million, and I believe that, as previously stated before on this bill, the State of Hawaii is taking the easy way out, and that this nuisance value of \$2.5 million is really not a fair value.

"I think that this is really the tip of the iceberg of what may have been in existence in terms of state administration, may continue to be in existence in terms of failure of the state administration to address a very serious problem.

"I think I can anticipate that we're going to have additional problems with the failure of the University (Business) building, and, perhaps, many others along the line, unless we start to address these things more seriously. These problems are going to continue perhaps even to a greater degree than this one was anticipated to have cost."

Senator O'Connor then rose to speak in favor of the measure as follows:

"Mr. President, I rise to speak briefly in favor of this bill.

"Having carefully reviewed this piece of litigation, both with the attorney handling it, with the Attorney General, and with

the attorney representing Mark Construction Company, it was apparent that there was a hard core amount of approximately \$1.6 million in fairly liquid damages which were occasioned by the state, in this instance, doing many, many different things. It's too complicated to even talk about it in such a brief time. However, the \$1.6 million seem to be almost without argument.

"The balance of this settlement, the \$2.5 million, represents a compromise of a variety of other claims, all of which totalled something in the neighborhood of \$11 to \$12 million. In toto, it would seem that this claim, based upon the facts and evidence which were available to the attorneys and also actually represented in court over the initial six-week period of trial, warranted a settlement in the neighborhood of \$2.5 million.

"I was one of those, two years ago, that took the hard position that this matter should be tried and I only took that position because, at that time, they were also talking about \$3.5 million. But something in this neighborhood where the \$1.6 million seem hard and fast and the balance is to settle claims, which certainly have proof going in both directions, seems equitable and fair under the circumstances."

Senator Carroll then rose to state: "Mr. President, I'd like the remarks of Senator Carpenter incorporated by reference adopted as my own."

The motion was put by the Chair and carried, and H.B. No. 2720-80, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PAYMENT OF SETTLEMENT BETWEEN THE STATE OF HAWAII AND MARK CONSTRUCTION, INC.", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 20. Noes, 4 (Abercrombie, Carpenter, Carroll and Chong). Excused, 1 (Cobb).

THIRD READING

Standing Committee Report No. 679-80 (S.B. No. 1829-80, S.D. 2):

By unanimous consent, Stand. Com. Rep. No. 679-80 and S.B. No. 1829-80, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII BUSINESS CORPORATION ACT", were recommitted jointly to the Committee on Judiciary and the Committee on Ways and Means.

Standing Committee Report No. 695-80 (S.B.No. 1828-80, S.D. 2):

By unanimous consent, Stand. Com.

Rep. No. 695-80 and S.B. No. 1828-80, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII NONPROFIT CORPORATION ACT", were recommitted to the Committee on Judiciary.

Standing Committee Report No. 1095-80 (H.B. No. 1162, H.D. 1):

On motion by Senator Cayetano, seconded by Senator Kawasaki and carried, Stand. Com. Rep. No. 1095-80 was adopted and H.B. No. 1162, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH", having been read throughout, passed Third Reading by not less than two-thirds vote of all the members to which the Senate is entitled, on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Cobb).

FINAL READING

Conference Committee Report No. 90-80 (H.B. No. 18, H.D. 1, S.D. 2, C.D. 1):

On motion by Senator Cayetano, seconded by Senator Kawasaki and carried, Conf. Com. Rep. No. 90-80 was adopted and H.B. No. 18, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO A COUNCIL ON REVENUES", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Cobb).

Conference Committee Report No. 91-80 (H.B. No. 1864-80, H.D. 1, S.D. 2, C.D. 1):

On motion by Senator Cayetano, seconded by Senator Kawasaki and carried, Conf. Com. Rep. No. 91-80 was adopted and H.B. No. 1864-80, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE RELIEF OF CERTAIN PERSONS' CLAIMS AGAINST THE STATE AND PROVIDING APPROPRIATIONS THEREFOR", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Cobb).

Conference Committee Report No. 92-80 (H.B. No. 1865-80, H.D. 1, S.D. 2, C.D. 1):

Senator Cayetano moved that Conf. Com. Rep. No. 92-80 be received and placed on file, seconded by Senator Kawasaki and carried.

Senator Cayetano then moved that

H.B. No. 1865-80, H.D. 1, S.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Kawasaki.

At this time, Senator Abercrombie rose to state as follows:

"Mr. President, I speak in favor of this bill with only one regret, the part of it that's going to fund the office that's going to be occupied by Judge Wakatsuki.

"I think the actions of the Speaker in the last two weeks have brought forth, unfortunately all too well, the reservations that I and others had as to how he conducts himself in these last few days.

"I think that it's certainly my hope...I guess by my remarks and my attitude, if I happen to be in court some day before Judge Wakatsuki...I suppose I'll be able to ask for a change due to conflict of interest...I just think it's unfortunate that anybody else has to appear in front of him."

The motion was put by the Chair and carried, and H.B. No. 1865-80, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY BUDGET", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Cobb).

Conference Committee Report No. 93-80 (H.B. No. 2773-80, H.D. 1, S.D. 1, C.D. 1):

On motion by Senator Cayetano, seconded by Senator Kawasaki and carried, Conf. Com. Rep. No. 93-80 was adopted and H.B. No. 2773-80, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO BONDS", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Cobb).

Conference Committee Report No. 94-80 (S.B. No. 2795-80, S.D. 1, H.D. 1, C.D. 1):

On motion by Senator Cayetano, seconded by Senator Kawasaki and carried, Conf. Com. Rep. No. 94-80 was adopted and S.B. No. 2795-80, S.D. 1, H., D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE BUDGETARY PROCESS", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused,

1 (Cobb).

Conference Committee Report No. 96-80 (H.B. No. 1772-80, H.D. 2, S.D. 1, C.D. 1):

On motion by Senator Cayetano, seconded by Senator Abercrombie and carried, Conf. Com. Rep. No. 96-80 was adopted and H.B. No. 1772-80, H.D. 2, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE PROGRAM FOR THE UNEMPLOYED", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Cobb).

Conference Committee Report No. 97-80 (H.B. No. 1853-80, S.D. 3, C.D. 1):

Senator Cayetano moved that Conf. Com. Rep. No. 97-80 be received and placed on file, seconded by Senator Abercrombie and carried.

Senator Cayetano then moved that H.B. No. 1853-80, S.D. 3, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Abercrombie.

At this time, Senator Ajifu rose to speak against the measure as follows:

"Mr. President, I rise to speak against H.B. No. 1853-80, S.D. 3, C.D. 1.

"I should preface my remark by first stating that I am not against OHA. I am opposed to H.B. No. 1853, S.D. 3, C.D. 1, because of the method of funding for this office. I believe we, as legislators, are relinquishing our responsibilities by providing appropriation in this manner. We should appropriate funds for OHA like any other agency and review the appropriations and program as we have done with all other agencies and branches in our government.

"I believe, to provide a fixed percentage in the statute would be very inadvisable. If we believe in this concept of funding, then we should calculate the percentages for each department and agency and provide the appropriation by percentages from general fund revenue and, maybe, eliminate the whole budgetary process.

"Again, Mr. President, I am not opposed to OHA, but, I am opposed to placing statutorily a percentage of revenue from the public land trust funds as provided in H.B. 1853-80, S.D. 3, C.D. 1.

"Thank you."

Senator Kawasaki then briefly spoke

against the measure as follows:

"Mr. President, consonant with my concern about the constitutionality of these bills and their propositions, I will vote against this bill."

Senator Abercrombie then rose in support of the measure as follows:

"Mr. President, I will vote for this bill.

"I want to explain for the record why I put 'WR.' There are two reasons; one, as I indicated to the people I discussed this bill with, I have become convinced that the bill as it is, is of doubtful constitutionality. For that reason, I supported the position that was adopted in the Senate other than that which appears in the bill right now. I did that because I wanted to see it succeed.

"In the course of events, in discussions, and this leads to the second reason... this bill was taken from being considered on a separate basis and placed inside a package, not at the behest of the Senate but at the insistence of the House, and, very unfortunately, I don't understand exactly yet how it managed to work itself around but some of the people who were concerned with the passage of this bill somehow got the idea that it was the Senate that had put this bill into this so-called package that was put together and was in fact holding this bill, as it was put to me last weekend, 'hostage' not only to the budget but to the rest of the bills in this so-called package. This is simply not true, and I put 'WR' again because of the accusations that were made to me and the manner in which they were made to me... as Senator Kawasaki spoke earlier about being threatened.

"I can assure you, Mr. President, and assure anyone who is of a like mind, to the person or persons that were speaking to me the other night, under no circumstances will this particular Senator be intimidated by anyone in respect of a bill and so I vote for this bill, not on the basis of being threatened that I had to vote for it or else, and I vote for this bill not on the basis that I believe the arguments against its constitutionality are specious, but on the grounds that this is the only bill that we have that can fund this office and maintain the agreements that were arrived at in the course of the negotiations over not only the budget, but the various and sundry bills associated with the ultimate passage of legislation this session.

"I regret very much that the bill is before us in this manner. I fear that for those who are interested in seeing this office move forward that they have won a Pyrrhic victory, that this is merely

a skirmish in a very large battle.

"I regret to say, although I would be delighted to say otherwise, I regret to say that I expect that the moment this passes into statute, there will be a suit and that the business of the Office of Hawaiian Affairs is, as a result, going to be tied up in court for God-knows how many years.

"If that does happen, all I can say is that some of the people who were most adamant in seeking the passage of this bill have been instrumental in seeing that the activities, and the programs, and the people for whom the Office of Hawaiian Affairs is to act, will be in a position where they will not be able to do the kinds of things that they have been instructed to do by the Constitution and that the good faith and goodwill of a great number of people will be in jeopardy."

Senator Chong also rose in support of the measure and stated as follows:

"Very briefly, Mr. President, I will also be voting for this bill.

"I just would like the record to show that I concur with the comments of the previous speaker. Also, with regard to the OHA bill, I was in the unfortunate position of having received a threatening phone call the last day of the session. I'm voting for the bill, but not because of that call."

Senator O'Connor then rose to speak in favor of the measure as follows:

"Mr. President, I rise to speak in favor of this bill.

"The bill is a compromise; it was arrived at in conference committee. The language of the bill reflects the fact that it is a compromise. However, I'd like to point out some technical matters, hopefully, which for the record might resolve litigation in the future.

"The first section of this bill talks in terms of 20% of all funds derived from the public land trust being expended by the Office of Hawaiian Affairs, as defined in Section 10-2, for the purposes of this chapter. That 20% of funds comes from the monies from land which are reflected in Section 5(f) of the Admissions Act for the State of Hawaii.

"It does not change the Admissions Act; it cannot change the Admissions Act. Anyone reading this section must read it in connection with Section 5(f) of the Admissions Act which is plain; the monies involved here can only be

expended for the benefit of native Hawaiians.

"Native Hawaiians is defined as those 50% or more of Hawaiian blood.

"The second section of this Act provides the sum of \$100,000 for the establishment and operation of the Office of Hawaiian Affairs and operations which pertain to Section 10-3(2) of the Hawaii Revised Statutes. Section 10-3(2) has to do with Hawaiians who are not native Hawaiians; therefore, who are those less than 50%.

"This appropriation, together with the other appropriation of a \$125,000 of last year when this original OHA bill was passed, should certainly suffice for most of the operations of this office for the first six months of its existence.

"The bill passed last year, which is Chapter 10 of the Hawaii Revised Statutes, provides in part, '...the board, OHA, shall annually submit a proposed budget for the office to the Legislature; the office shall be subject, annually, to government audit.'

"It is plain that OHA, once it gets elected this November, will then have to, during the next session of the Legislature, submit a budget for its on-going program. There's nothing in the law that says the percentage established in Section 1 of this bill cannot be changed at some time in the future or changed from year to year, if necessary. However, all of these things must be taken into consideration when these funds are utilized when the program pursues and, if OHA is to be successful, there has to be a terribly careful accounting of these funds in their utilization in the future.

"I think we all hope that this Office of Hawaiian Affairs works, is beneficial to Hawaiians and to this state, and if it does, we shall all be very thankful. We hope though that the funding shall be taken care of as indicated."

Senator Carpenter then rose to speak in favor of the measure as follows:

"Mr. President, just a short comment.

"I rise to speak in favor of this bill.

"I would just like to hope that if the amount of money or the funding source and the percentage derivation comes under attack, that it comes under attack and litigation as early as possible so that it can be sorted out for as not to inhibit the operation of the Board of Trustees for the Office of Hawaiian Affairs.

"I would also like to hope that in the election yet to come, that the Board of

Trustees not be inhibited in their processing of the budget, and one of the things I would hope the members of the Legislature would bear in mind is that the numbers that they might come up with to speak to the programs that they would carry for the next several years would have to be developed over a very short period of time and that the members of the Legislature would take into consideration their various requests for the amounts of money, within the parameters of time constraints of November 4th to the budget submission to the Legislature of January 15th.

"With that, I hope, Mr. President, all will vote aye on this measure as I believe it is an opportunity certainly not only to the Hawaiians to do their thing, but all the people of the State of Hawaii to show a certain amount of faith in the Hawaiian community to do that very thing.

"Thank you."

Senator Anderson also rose to speak for the measure as follows:

"Mr. President, I rise to speak in favor of this measure.

"I believe that if you vote against this bill you are against OHA, Mr. President. I think the Hawaiians are entitled to win a few skirmishes, if not the war, at this time.

"I happen to believe, Mr. President, that if it were not for the package concept that the House was adamant to, this bill in fact would not be here on our desks today.

"If the chairman of Ways and Means, and I don't speak of Senator Cayetano but the one next year and the year after, and the year after, wants to review this budget he needs but put a bill in changing the 20% to 12, to 19, to 8, to 7, to 5, thus, of course, forcing that particular commission before the body and, in the process, evaluating the budget.

"I believe the Legislature every year has an opportunity to review, justify and make sure that in fact the office is working toward the goals that the people ratified in the Constitutional Convention.

"I would also like to say that the members, the proponents supporting OHA, Mr. President, have been receptive and they have been here for two and a half or three weeks looking for and willing to participate and accept a compromise language, if in fact that language could be found between the House and the

Senate. It was not that they demanded this or nothing.

"You've got to remember that we've got a bank of attorneys around here... by the dozens... and they have volunteers. They were receptive to language; they were receptive to help; and they wanted a bill that they could operate and prove their worth. I don't think that's unreasonable, but because of the Senate's position of not considering this, and you recall I had to ask you several times whether or not you had adjourned these conferees because of rumors?

"Because the House persisted and it did get packaged, it is here on our desks today.

"I think the office will work. I think the Legislature in recommending changes or evaluating their budget will have that opportunity in the years to come and should.

"I urge passage of this bill."

Senator Cayetano then rose to remark as follows:

"Mr. President, just to put this bill in its proper perspective.

"The negotiations between the House and the Senate conferees had reached an impasse on this bill. The existing law, as I understand it, was the product of compromise last session between the House and the Senate, and the feeling on the Senate side was to amend the bill this year would not be the judicious thing to do; that we should wait until next year when they come in for their funding and then deal with that matter accordingly.

"But, notwithstanding my desire to end the negotiations on the bill itself, when this matter was packaged, as a matter of fact, we submitted many proposals. Senator O'Connor worked on some of those proposals and much time was spent on the proposals exchanged between the House and the Senate. We also spoke to people, the proponents of the OHA bill who are not legislators, who came down to lobby, and it seemed that in the case of a few of those persons, at least, we convinced them that the Senate's position was a reasonable one.

"The House took a more hard position and, as a result, this matter was packaged with the pensioners bonus, the supplemental CIP, SCET, and some of those other bills."

The motion was put by the Chair and carried, and H.B. No. 1853-80, S.D. 3, C.D. 1, entitled: "A BILL FOR AN

ACT RELATING TO THE OFFICE OF HAWAIIAN AFFAIRS", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 2 (Ajifu and Kawasaki).
Excused, 1 (Cobb).

Conference Committee Report No. 98-80 (H.B. No. 2035-80, H.D. 2, S.D. 2, C.D. 1):

Senator Cayetano moved that Conf. Com. Rep. No. 98-80 be adopted and placed on file, seconded by Senator Toyofuku and carried.

Senator Cayetano then moved that H.B. No. 2035-80, H.D. 1, S.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Toyofuku.

At this time, Senator Anderson rose to remark as follows:

"Mr. President, very briefly for the record. I happened to hear a newscaster this morning who referred to our State Capitol as the square building on Beretania Street and I've gotta believe, Mr. President, we've got some of the most ill-informed, unadvised reporters in this building at times.

"The way this bill was reported by that newscaster this morning, Mr. President, the director of HGEA by some shenanigans over the weekend in which these bills were clocked... that means they came to agreement last week Friday... some shenanigans over the weekend... bending arms and compromises and God knows what... for that and that reason only this bill is before us. I think this is very irresponsible reporting... but I guess it's very popular.

"The gentleman who does it, of course, can make a mystery of you and I going to the bathroom and we might be on separate floors.

"I think legislators and members of the press have the responsibility of making sure that they don't exploit the news and quote out of context to get the people riled up in this community. I think the people are already anti-government and anti-politicians and justly so in many instances, but when they create and manufacture reasons to make us the bad guys, I think that's very bad.

"This bill before us is part of the compromise package. It is another one that is controversial; it is one that I think should pass. The pensioners are entitled to have it passed."

Senator Abercrombie added his remarks

and stated: "Mr. President, I'd like to agree with the previous speaker and indicate that all the shenanigans by Mr. Trask in this bill took place before last weekend, not over the weekend."

Senator Cayetano then rose to state as follows:

"Mr. President, let me say that negotiations on this bill were concluded when select conferees from representatives of the House and the Senate met. At that time, only people who were entitled to be there were there. I didn't see any other person, including the executive director of HGEA.

"I agree with Senator Anderson. I heard that report myself. It's highly inaccurate.

"This matter should have been resolved last week because, as you may recall, Mr. President, the Senate's final offer was 4, 2, 1, and the final resolution of this bill is 4½, 2½, and 1. Unfortunately, that final offer was not conveyed or communicated to the members of the Finance Committee until we were passed the deadline for decking; consequently, we had an extension."

"If it wasn't for the Speaker of the House we may never have resolved the negotiations on this bill. Mr. President, it was only after he came down and spoke to you and me and other conferees that we resumed the negotiations and we reached a compromise which I think is satisfactory to everyone, including the pensioners."

Senator Abercrombie then rose to add his remarks as follows:

"Mr. President, just in relation... a last remark.

"It may be that the Speaker of the House helped resolve this pension bonus issue. At the end of that is because the Speaker of the House helped get us into the trouble in the first place. It was only incumbent upon the Speaker that he get us out of the situation. If he hadn't spent so much time trying to please Mr. Trask we wouldn't have had our situation develop that way."

Senator Anderson then responded as follows:

"Let me respond for a minute, Mr. President. I think it's important enough to discuss for a minute.

"I find it hard to accept terms like a senator calling somebody a mobster. That's his personal feeling and of course he's entitled to it.

"David Trask, heaven knows, has had his battles with Andy Anderson, but on this particular bill had some of the senators talked to the pensioners themselves, as they lobbied, the policy that they themselves had drafted, I think Mr. Trask had no alternative but to support the policy of the pensioners.

"The pensioners supported the original bill. I think their policy was all or nothing; you take care of all of us or you take care of none of us...and that's fair. I think that's what legislators themselves, individually, say, 'Come to the Legislature; lobby; put in your pieces of legislation; come and testify in the democratic process.'

"I don't think Mr. Trask had the authority or the power to accept the first Senate version of \$2.0 million dollars...one shot. I don't think Mr. Trask had the authority or power to accept any compromise thereupon offered until the pensioners themselves so advised him. I think he represented the pensioners as he has to as any lobbyist or chairman of any group has to.

"Yes, he's rather hard, he's rather abrasive at times and he grates on you when you happen to disagree with him but I think the pensioners themselves, the board of directors so to speak, they were calling the shots. They wanted assistance and this is what they asked for.

"They weren't asking for a one-shot deal where you give them \$50 a month and when January rolls around it's taken away from them. They were asking for a cost-of-living escalation so they can afford a loaf of bread, a gallon of gas, take care of the wife and kids next year, and those were reasonable. Mr. Trask, representing them, brought their message to the Capitol and hammered it away. If we happen to disagree with the way he does it, so be it, but I think the message that he brought to us from the pensioners was one that was heard."

At this time, the Chair stated as follows:

"Before proceeding with any discussion I think it only appropriate that the Chair remind every member of the Senate that any further discussion should be pertinent to the measure before us. Any mention of individuals outside of the merits or demerits of the bill will not be accepted at this time.

"I would like at this time to ask that if anyone has any comments to make with reference to the merits of the bill, the pensioners's bill, that he speak up now."

Senator Abercrombie then rose to

state: "Mr. President, I rise on a point of personal privilege."

The Chair then asked: "Would you like to state your point of personal privilege?"

Senator Abercrombie replied: "Yes, the previous speaker mentioned comments that I had made in the press concerning Mr. Trask which had no bearing on any of the statements that I had made previously on this floor concerning this bill, and as a result of that I would like to speak to those remarks as being inappropriate to the discussion of this bill."

The Chair replied as follows:

"I quite agree with you Senator Abercrombie, but I would like to request that if there's a discussion of individuals in connection with any measure pending before this body that it be taken up as a point of personal privilege at the end of the agenda where we take up announcements.

"If that meets with your approval we should do that."

Senator Abercrombie answered: "Yes, I'll do that. I think it only appropriate we take up mobsters at the end."

The motion was put by the Chair and carried, and H.B. No. 2035-80, H.D. 2, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PENSIONERS BONUS", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Cobb).

THIRD READING

House Bill No. 1361, H.D. 3:

On motion by Senator Cayetano, seconded by Senator Kawasaki and carried, H.B. No. 1361, H.D. 3, entitled: "A BILL FOR AN ACT RELATING TO EXCISE TAX CREDITS", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Cobb).

House Bill No. 2552-80:

Senator Cayetano moved that House No. 2552-80, having been read throughout, pass Third Reading, seconded by Senator Kawasaki.

At this time, Senator Kawasaki rose to speak in support of the measure as follows:

"Mr. President, while this proposition

was initially a House proposition, I'm delighted to vote for it considering the fact that I think consumers did not fare too well in this session.

"In considering the other side of the coin where big corporations got their revenue bond legislation that's going to save them millions of dollars, consumers on the other hand having to pay higher interest rates on loans and what not... for this reason, I think this one piece of legislation at least gives us some feeling that we've done something for the ordinary non-government employee taxpayer."

Senator Cayetano then rose to remark as follows:

"Mr. President, just some brief remarks with respect to this bill as well as the one before.

"The increase in the personal exemption as provided in House Bill 2552 is not exclusively a House position in that it was contained in two bills which the Senate sent over to the House and which died in the House. We're talking about the bills relating to tax reform.

"I hope that in the future, as we see the kind of surpluses that a very progressive or regressive tax structure is generating because of inflation, that we deal with the question of tax reform in the very, very near future."

The motion was put by the Chair and H.B. No. 2552-80, entitled: "A BILL FOR AN ACT RELATING TO EXEMPTIONS", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Cobb).

FINAL READING

Senate Bill No. 2531-80, H.D. 1:

On motion by Senator Cayetano, seconded by Senator Kawasaki, S.B. No. 2531-80, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Cobb).

HOUSE COMMUNICATIONS

The following communications from the House (Hse. Com. Nos. 785 to 799) were read by the Clerk and were disposed of as follows:

A communication from the House (Hse.

Com. No. 785), informing the Senate that the amendments proposed by the Senate to House Bill No. 1606, H.D. 2, were agreed to by the House; and H.B. No. 1606, H.D. 2, S.D. 1, passed Final Reading in the House of Representatives on April 28, 1980, was placed on file.

A communication from the House (Hse. Com. No. 786), informing the Senate that the amendments proposed by the Senate to House Bill No. 1610, H.D. 1, were agreed to by the House; and H.B. No. 1610, H.D. 1, S.D. 1, passed Final Reading in the House of Representatives on April 28, 1980, was placed on file.

A communication from the House (Hse. Com. No. 787), informing the Senate that the amendments proposed by the Senate to House Bill No. 1762-80 were agreed to by the House; and H.B. No. 1762-80, S.D. 2, passed Final Reading in the House of Representatives on April 28, 1980, was placed on file.

A communication from the House (Hse. Com. No. 788), informing the Senate that the report of the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate to House Bill No. 1853-80 was adopted by the House; and H.B. No. 1853-80, S.D. 3, C.D. 1, passed Final Reading in the House of Representatives on April 28, 1980, was placed on file.

A communication from the House (Hse. Com. No. 789), informing the Senate that the report of the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate to House Bill No. 1912-80, H.D. 1, was adopted by the House; and H.B. No. 1912-80, H.D. 1, S.D. 1, C.D. 2, passed Final Reading in the House of Representatives on April 28, 1980, was placed on file.

A communication from the House (Hse. Com. No. 790), informing the Senate that the House had reconsidered its action taken on April 3, 1980 in disagreeing to the amendments made by the Senate to House Bill No. 2167-80, H.D. 1, was placed on file.

A communication from the House (Hse. Com. No. 791), informing the Senate that the amendments proposed by the Senate to House Bill No. 2167-80, H.D. 1, were agreed to by the House; and H.B. No. 2167-80, H.D. 1, S.D. 1, passed Final Reading in the House of Representatives on April 28, 1980, was placed on file.

A communication from the House (Hse. Com. No. 792), informing the Senate that the report of the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate

to House Bill No. 2720-80 was adopted by the House; and H.B. No. 2720-80, S.D. 2, C.D. 1, passed Final Reading in the House of Representatives on April 28, 1980, was placed on file.

A communication from the House (Hse. Com. No. 793), informing the Senate that the report of the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate to House Bill No. 1865-80, H.D. 1, was adopted by the House; and H.B. No. 1865-80, H.D. 1, S.D. 2, C.D. 1, passed Final Reading in the House of Representatives on April 28, 1980, was placed on file.

A communication from the House (Hse. Com. No. 794), informing the Senate that the report of the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate to House Bill No. 1864-80, H.D. 1, was adopted by the House; and H.B. No. 1864-80, H.D. 1, S.D. 2, C.D. 1, passed Final Reading in the House of Representatives on April 28, 1980, was placed on file.

A communication from the House (Hse. Com. No. 795), informing the Senate that the report of the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House to Senate Bill No. 2795-80, S.D. 1, was adopted by the House; and S.B. No. 2795-80, S.D. 1, H.D. 1, C.D. 1, passed Final Reading in the House of Representatives on April 28, 1980, was placed on file.

A communication from the House (Hse. Com. No. 796), informing the Senate that the report of the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate to House Bill No. 1772-80, H.D. 2, was adopted by the House; and H.B. No. 1772-80, H.D. 2, S.D. 1, C.D. 1, passed Final Reading in the House of Representatives on April 28, 1980, was placed on file.

A communication from the House (Hse. Com. No. 797), informing the Senate that the report of the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate to House Bill No. 2035-80, H.D. 2, was adopted by the House; and H.B. No. 2035-80, H.D. 2, S.D. 2, C.D. 1, passed Final Reading in the House of Representatives on April 28, 1980, was placed on file.

A communication from the House (Hse. Com. No. 798), informing the Senate that the amendments proposed by the Senate to House Bill No. 2193-80, H.D. 1, were agreed to by the House; and H.B. No. 2193-80, H.D. 1, S.D. 2, passed Final Reading in the House of Representatives on April 28, 1980, was placed on file.

A communication from the House (Hse. Com. No. 799), returning Senate Bill No. 1906-80, S.D. 2, which passed Third Reading in the House of Representatives on April 18, 1980, was placed on file.

At 11:20 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 11:22 o'clock a.m.

At this time, Senator Abercrombie rose on a point of personal privilege as follows:

"Mr. President, I know everyone is anxious to leave so I think I'll rest on my laurels.

"On the point of personal privilege I raised earlier, I don't care to go into it. Why waste time on somebody like that.

"I do have another point of personal privilege I would like to raise and this is with the Hawaii Newspaper Agency. It just happens to be the last day of the Legislature but I think it's typical of the kind of hypocrisy that these people indulge in.

"I have here yesterday's newspaper, the HNA publication, and this is an ad from Liberty House, and it's an ad for a cosmetic line called 'Opium.' On the surface it might seem amusing, but I think this has to do... I'm sorry the chairman of the Judiciary isn't here.

"As you know, Mr. President, I've voted consistently, despite at times seeming almost a bit foolish doing so, voting in the negative on various bills in respect of sentencing procedures and so on because they contained, at least in part, offenses having to do with drugs. And the reason for that, as I stated many times, is that I feel that we are in a situation in society where we are actually encouraging the use of these drugs by our young people and that they are not in the same category as some of the more terroristic crimes and this is exactly the kind of thing that I'm talking about.

"If there's money to be made, you can take a half page ad in the first section of the newspaper and the HNA prints it for the money without batting an eye.

"You've experienced the hypnotic fragrance of opium, now abandon yourself to the pleasures of opium.' This is what's being printed in the paper. Everyone knows that heroin is a derivative of opium. And it just seems to me that this is the kind of hypocrisy... pornography

ads...I've gone into it before in the past. The ads for the pornographic films are in the same particular category.

"The HNA is a money machine. They don't particularly care whether they put out a good newspaper or not. The people who are connected with the newspaper care much about putting out a good newspaper. People who work for the papers do...but the owners do not.

"This is a medium for advertising; it's a medium for line inches; it's a medium for seeing that Gannett has its profitability factor the way it wants to have it, and I don't think the owners involved care one wit whether an ad appears in the paper.

"So my point is that until this society of ours, the community of ours, comes to grips with what it really seriously intends in respect of the abuse of drugs in all forms and until we come to a point where we seriously come to grips with the society and encourage the altering of one's consciousness, the alteration of one's capacity to judge right from wrong and what is good for oneself, and until we come to grips with the kind of situation that allows us to put profit, this kind of pandering for profit before good sense, I think that we're going to continue to have drug problems, drug related problems. I think we're going to continue to have problems in schools, some of them connected up with the kind of violence that Senator Campbell referred to earlier that will be drug related. Until we do that we're going to see exactly this kind of thing continue, and all the passages of all the bills in the world are not going to alter that.

"I think that any publication which can knowingly publish for profit the advertising of a product which has as its base the appeal of the drug induced nature of opium and not recognize what it was doing and contributing to the drug problem in this state is not acting with innocence but acting out of callous disregard and in favor of its own profit picture."

Senator Carroll also rose on a point of personal privilege as follows:

"Mr. President, I also rise on a point of personal privilege.

"The spokesperson for Common Cause has condemned the Legislature, I guess as a whole and the Senate perhaps in particular, for conducting secret meetings during the conference committee process. I do not know first hand if the accusation is true. I certainly hope that it is not.

"I hope that if it is true that what

appeared to be secret meetings was in fact something explainably different; however, if they were secret meetings, then I join in the condemnation of the members of the Senate and the House who engaged in those practices.

"I'm going to contact them personally to find out what sort of evidence they think they have and take appropriate steps to insure that it doesn't happen again, and I would urge that each member of this body who feels similarly, especially yourself, Mr. President, do the same thing.

"Thank you."

At this time, the President addressed the members of the Senate as follows:

"Members of the Senate:

"In a short while, this 1980 Legislative Session will pass into history.

"It has been a long and arduous session, especially during the last few days of the extension. While it is unfortunate that we had to have this extension, I personally feel that the extra days were well spent in resolving conflicts between the Senate and House where strong policy and philosophical differences existed. The legislative process involves hard choices on difficult and complex issues. It is not necessarily an easy or fast process. I do want to thank you all for your hard work, patience and, most of all, for your understanding.

"Looking back over this 1980 Session, I believe we have established a creditable record of accomplishments.

"With respect to the budget and related bills, we have put together a package which is fiscally responsible, the contents of which have been thoroughly scrutinized and which is in response to the needs of the state. Coming out with this package was hard but the results have proven worthwhile. Funds have been provided for land banking, for the accelerated repair and maintenance of state facilities, for water resources development which hopefully will help to alleviate the critical water problem existing now on Oahu, for the development of the Aloha Tower Complex, for a general aviation airport, and for the support of the Hawaii Visitors Bureau.

"We were able to work out compromises with the House on legislation dealing with the funding for the Office of Hawaiian Affairs - as mandated by the 1978 Constitutional Convention - as well as for a bonus to pensioners to help out our older governmental retirees who are being hard hit by the impact of inflation. These measures had generated major differences between

the Senate and House but we were able to overcome these differences successfully.

"Our housing package includes increased funding for rental housing projects which will help alleviate the shortage of rental units in the state. We have broadened the scope of the Hula Mae Program and provided additional funding to help moderate income families purchase their own homes. We have passed legislation to assure that the owner-occupants --rather than investors-- get an opportunity to purchase at least half of the units of new condominium projects.

"We have established the statutory framework for the regulation of the time-sharing industry. It is our intent to continue to monitor the industry and follow-up with additional legislation in the future if this is to be found necessary.

"Addressing the problem of inflation, we have passed legislation to raise the state's statutory usury limit. This will enable Hawaii to remain competitive with other states in attracting investment capital, especially for mortgages for prospective home buyers, and also permit our financial institutions - banks, savings and loan associations, credit unions, industrial loan companies to continue to operate on a viable and competitive basis. This should help maintain the stability of Hawaii's economic foundation.

"Responding to the public concern about our rising crime rate, we have strengthened our criminal laws which should be of significant help in the areas of enforcement and prosecution. We have developed and passed a comprehensive Juvenile Justice Master Plan to address the problem of the young offenders. We have extended the life of the Hawaii Crime Commission and have clarified its functions and powers. I believe our efforts this session in addressing the problem of crime is one of our most significant achievements.

"We have passed an updated and revised version of the Hawaii Rules of Evidence. This is a landmark piece of legislation which should help greatly in improving our legal system.

"This session's record is for all to share, it is a job we can all take satisfaction in.

"All in all, I believe we have done our job. We have developed a full package of meaningful legislation. We have hammered out a comprehensive budget bill to meet the fiscal needs of the state for the coming year.

"I have only two regrets this session. One is that we were unable to get House concurrence for funds for our struggling

fishing industry. With Hawaii's mid-ocean location near some outstanding fishing grounds, this is an area of economic potential that we are not fully realizing. The other is our failure to convince the House of the need for additional support for energy research and development. Energy self-sufficiency should be among our highest priorities. Gasoline and electricity costs are expected to double in the not-too-distant future. The unstable international situation in the Middle East portends a possible cut-off of our nation's oil supply. Given this situation, it is extremely short-sighted not to proceed expeditiously on developing Hawaii's indigenous energy resources. Hopefully, we will be able to address these concerns next year during the 1981 Session.

"Having served as your president for the past two sessions, let me take this opportunity to thank all the members of this honorable body, the leadership of both the Majority and Minority, the committee chairmen and all the individual members. Over the past two sessions, we have worked hard together and, at times, we have had our differences on the issues. However, all in all, the last two sessions have been creative ones. Together, we have produced meaningful legislation - legislation benefiting the people of Hawaii.

"My mahalo to each and every one of the members of this honorable body. It has been for me an honor and privilege to serve as your president. I look forward to working with you again in the 1981 Session.

"To those of you who will be out seeking reelection this year, my very best wishes. You have served your constituents well and I wish you good luck in your endeavors.

"Mahalo Nui Loa and thank you again!"

Senator Yee then rose to respond to the President's comments as follows:

"Mr. President, in response to your comments, I want to say, on behalf of the Republicans, we're very grateful for the past two years...they were trying times...I know it hasn't been easy for you. We have here a Senate of individuals... little teamwork...there were many little factions that went along so no matter who presided as president it was a difficult task. I don't see much change next year either...but one thing, I'd like to commend all the senators here for giving the Republicans adequate opportunity to speak freely, for allowing them input in committee hearings and for the many Republican measures that were passed for the first time this year where most measures were discussed on merit rather than on party labels. We're grateful for this."

Senator Kuroda then rose to remark as follows:

"Mr. President, I'm sure I speak on behalf of the hold-over senators... I'm one of the 11 who has the good fortune of coming back for the next two sessions. We wish all of you who must run for reelection all the success and we sincerely mean it when we say 'Please come back.'

"There is talk that one of the senators may run for some other office and if he does choose to do that we wish him good luck. Thank you."

Senator Anderson then added his remarks as follows:

"Mr. President, I've been here for the last two hours putting notes in my remembrances to be a little bit stronger in my farewell to you. Senator Yee kind of deflated this balloon here.

"While we do appreciate the pluses on your running of the Senate, Mr. President, for the last two years, we are grateful for the kokua and the positions that were different than the previous two years.

"But a little bit more on the harder side, Mr. President, some of us plan to take this election and continue it on to the discussions. Taking credit for a fiscally responsible budget, like it was something other than what we've done for the past 17 years... if this one is so different I could dig into the Journal and find... and listening to closing remarks by various chairmen for 17 years where the budget was fiscally responsible... what else can we say when we vote on the budget.

"I think more appropriate is Senator Yim's closing remarks, and these of course are remarks that I've been involved in the last couple of weeks and the trio that I call the triumvirate and the barbs we've been giving each other in the press.

"While I can play politics either way... a full participant or an advocate... I really prefer the full participant. I think the legislative body as it stands here... that if it does come back next year needs some reshuffling, and I'm not speaking about posts, positions or titles.

"I would hope that as legislators, individually, that we've all benefited from one another; that we've all grown a little; one has learned from the other; that even an old dog like myself... I've learned from the new.

"I think the antagonistic ending that we ended with was not necessary and

I've said this consistently. I think there is enough talent in this room to move the state forward for many, many years... and the talent that will be coming after the next election.

"While we stand here the newspapers are giving us some sort of score card... report card on the many major issues.

"On the airport, I heard a while back... there was a protectionism on the question of the airport. It seemed that the airport was Senator Carroll's project and issue and nobody else's in this state.

"Mr. President, I have before me your Opening Day remarks where you spoke of... you were hoping and wishing to accomplish eight different points. As president of the Senate who has control of the Majority members, you talked about airports yourself, you talked about mass transit, you talked about tourism. And out of the eight, Mr. President, you got one. That's more than some of us got.

"Really, what I am saying, Mr. President, I think the Senate, once we convene and all the nonsense of organizing is put to rest, that somehow even on a bi-partisan way we put together a package... a package that represents the needs and the wishes of the people of this state and that we go forward together.

"Sure there are going to be personalities; sure there are going to be differences of approach; sure there are going to be differences on the way the final package will be out but I think we can begin to build the confidence of the public if they can see... no matter what you or I say, if it's in their direction... the direction of assistance and help in resolving the issues... they are going to feel important.

"The Hawaiians this year got involved for the first time because of OHA and they came to ask us about the process. There's some deep resentment in the Hawaiian community, those that are close to this project, with this body in particular, and that's unfortunate because I don't think any one senator here really wanted to kill that bill; it was a form of it. But because of tiredness, the lateness of the hours, the packaging, the haggling, that bill almost died.

"The pensioners bonus... 11,500 members plus their families, 25 or 35,000 people... it's really unfortunate that those people had to take ads in newspapers against individual senators or individual representatives and to have to come down here and almost beg for some kind of assistance. They can't understand, Mr. President, while we have a \$165 million anticipated surplus give or take why they didn't

get their rebate; why they didn't get the tax reform package from the Senate... they almost didn't get their bonus.

"If we continue this kind of a process, the same thing that happened to California can happen here. You can't have the people's money in the state treasury when they're starving out there and they can't meet their obligations and their bills. They can't understand that, Mr. President.

"I would hope, and I repeat it again, that next year if you are at that podium, before you put together your presentation, that you have some bouncing dialogue with the Minority and the Majority on goals and directions so that when you speak from that podium, Mr. President, you don't speak for Senator Wong but you speak on behalf of the Senate so that if and when a conference does merge with the House we're one body, rather than all independents, hoping in fact on some issues the House would win over the Senate because our bills were there and not here.

"I hope that if you return you take heed to some of the self-imposed timetables, the question of 'pork'... whether or not they got the message that 'pork' is going to be phased-out or should be phased-out. This should all be done on a more businesslike manner and discussed early in the session so people can adjust and not promise their constituency in the 60 days hence, only to find that somebody says no 'pork.'

"These kinds of policy decisions, Mr. President, should be made by the leadership in this body in conjunction with the one across the hall and then move forward to resolve some of these things.

"We're again going to meet in the campaign trail, I assure you. Everybody, good luck!

"In closing, we extend our thanks to the staffs of the various committees and the people in the printshop who I'm sure had to put up with an awful lot."

The Chair then responded as follows:

"Just one response to the distinguished Minority Floor Leader.

"On a long journey, the most important step is the first one. This body has taken a first step to try to address the idea of fiscal responsibility. Although the outcome may not be in keeping with all of our ideas, I believe that the Senate, and I'm proud to say that I am a member and president of the Senate, has taken

that first giant step.

"And, hopefully, when the individuals return to this very distinguished body next year that we will continue on and take the next second giant step.

"For me a victory or a defeat on the number of measures that I suggested earlier in the session is immaterial. These were just some of the concerns that I and other senators had. I felt these must be said to provide a direction, a plan, a course of action.

"I hope that when I appear here in the Senate next year that the members will feel free to support a second giant step in line with what I consider to be the challenge of the 80's. If all of us are not aware of it, it's that the general public will have a great deal to say as to how a legislative body operates. The days of controlled politics, machine politics, have gone and are gone forever. May they rest in peace.

"The challenges of the 80's will be before everyone of us who are on the campaign trail to explain our actions here. I am confident that after each individual seeking reelection takes his story to the constituency that he will be back here in the Senate next year.

"With that thought in mind, again, I would like to wish all of you a successful political campaign, whether you come from one side of the hall or the other. What makes for democracy is the highest degree of participation. I am certain that the Minority will, in its efforts next year, become much more vocal in their opposition as they should be, representing as they do the Minority position in the Senate. I expect it and I welcome it.

"To all of you, Aloha and have a good afternoon."

SENATE RESOLUTION

A resolution (S.R. No. 386), entitled: "SENATE RESOLUTION INFORMING THE HOUSE AND GOVERNOR THAT THE SENATE IS READY TO ADJOURN SINE DIE", was jointly offered by Senators Mizuguchi and Anderson and was read by the Clerk.

On motion by Senator Mizuguchi, seconded by Senator Anderson and carried, S.R. No. 386 was adopted.

In accordance therewith, the President appointed Senators Mizuguchi, Kuroda and Yee to a Special Committee to inform the Governor and the House of Representatives that the Senate stands ready to adjourn Sine Die.

At 11:50 o'clock a.m., the Senate

stood in recess subject to the call of the Chair.

The Senate reconvened at 11:55 o'clock a.m.

Senator Mizuguchi, for the Special Committee, reported verbally that he has informed the Governor and the House of Representatives that the Senate is ready to adjourn Sine Die.

The President then discharged the Special Committee with thanks.

ADJOURNMENT

Senator Mizuguchi moved that the Senate of the Tenth Legislature of the State of Hawaii, Regular Session of 1980, adjourn Sine Die, seconded by Senator Anderson and carried.

At 12:00 o'clock noon, the President rapped his gavel and declared the Senate of the Tenth Legislature of the State of Hawaii, Regular Session of 1980, adjourned Sine Die.