

FOURTH DAY

Tuesday, January 22, 1991

The Senate of the Sixteenth Legislature of the State of Hawaii, Regular Session of 1991, convened at 9:38 o'clock a.m. with the Vice President in the Chair.

The Divine Blessing was invoked by Senator Stan Koki, after which the Roll was called showing all Senators present.

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

MESSAGES FROM THE GOVERNOR

The following messages from the Governor (Gov. Msg. Nos. 54 and 55) were read by the Clerk and were disposed of as follows:

Gov. Msg. No. 54, dated January 16, 1991, transmitting the "State of Hawaii Program Memoranda," was placed on file.

Gov. Msg. No. 55, submitting for consideration and confirmation to the Circuit Court of the First Circuit, the nomination of Virginia Lea Crandall for Judge, in accordance with the provisions of Article VI, Section 3, of the Hawaii State Constitution, for a term of ten years, was referred to the Committee on Executive Appointments.

DEPARTMENTAL COMMUNICATIONS

The following communications (Dept. Com. Nos. 16 and 17) were read by the Clerk and were placed on file:

Dept. Com. No. 16, from the Office of the Lieutenant Governor dated January 16, 1991, transmitting a report in response to Act 174 (1990), "Making an Appropriation for a Totally Electronic Voting System," prepared by the Temporary Advisory Committee on Electronic Voting Systems.

Dept. Com. No. 17, from the Honolulu Community College dated January 17, 1991, transmitting a "Feasibility Study of an International Flight Training Center in Hawaii," prepared by Arthur D. Little, Inc.

HOUSE COMMUNICATION

Hse. Com. No. 2, transmitting H.C.R. No. 2, which was adopted by the House of Representatives on January 18, 1991, was read by the Clerk and was placed on file.

By unanimous consent, H.C.R. No. 2, entitled: "HOUSE CONCURRENT RESOLUTION DECLARING HAWAII'S UNWAVERING SUPPORT FOR THE MEN AND WOMEN OF THE UNITED STATES ARMED FORCES AND THEIR FAMILIES DURING THE CONFLICT IN THE PERSIAN GULF," was referred to the Committee on Employment and Public Institutions.

SENATE CONCURRENT RESOLUTION

The following concurrent resolution (S.C.R. No. 1) was read by the Clerk and was referred to committee:

Senate
Concurrent
Resolution

No. 1 "SENATE CONCURRENT RESOLUTION REQUESTING THE GOVERNOR TO SEEK TO

ESTABLISH A SISTER-STATE RELATIONSHIP WITH THE STATE OF POHNPEI, FEDERATED STATES OF MICRONESIA."

Offered by: Senators Tungpalan, Blair, Hagino, Ikeda, Kobayashi, A., Kobayashi, B., Koki, Matsuura, Mizuguchi, Reed, Yamasaki.

Referred to: Committee on Transportation and Intergovernmental Relations

INTRODUCTION OF SENATE BILLS

On motion by Senator Solomon, seconded by Senator Reed and carried, the following bills passed First Reading by title, and were placed on the calendar for further consideration on Wednesday, January 23, 1991:

Senate Bill

No. 83 "A BILL FOR AN ACT RELATING TO SMALL CLAIMS."

Introduced by: Senators Cobb, Blair, Hagino, Ikeda, Matsuura, Nakasato.

No. 84 "A BILL FOR AN ACT RELATING TO POWER OF ATTORNEY."

Introduced by: Senators Cobb, Chang, Hagino, Ikeda, Levin, Matsuura.

No. 85 "A BILL FOR AN ACT RELATING TO LOYALTY OATHS."

Introduced by: Senators Cobb, Chang, Hagino, Levin, Nakasato, Yamasaki.

No. 86 "A BILL FOR AN ACT RELATING TO PROXIES."

Introduced by: Senators Cobb, Hagino, Ikeda, Matsuura, Nakasato, Yamasaki.

No. 87 "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE INSURANCE."

Introduced by: Senators Cobb, Holt, Iwase, Kobayashi, A., Matsuura, Nakasato.

No. 88 "A BILL FOR AN ACT RELATING TO PICKUP TRUCK SAFETY."

Introduced by: Senators Cobb, Blair, Holt, Ikeda, Iwase, Kobayashi, A., Matsuura.

No. 89 "A BILL FOR AN ACT RELATING TO LANDOWNERS LIABILITY."

Introduced by: Senators Matsuura, Kobayashi, A.

No. 90 "A BILL FOR AN ACT RELATING TO LIABILITY OF POLICE OFFICERS."

Introduced by: Senators Matsuura, Kobayashi, A.

No. 91 "A BILL FOR AN ACT ESTABLISHING A TELEVISION PRODUCTION LOAN PROGRAM AND REVOLVING FUND."

Introduced by: Senators Matsuura, Kobayashi, A.

No. 92 "A BILL FOR AN ACT RELATING TO THE GOVERNOR'S APPLIED RESEARCH COORDINATING COMMITTEE FOR OCEAN AND EARTH SCIENCE TECHNOLOGY."

Introduced by: Senators Matsuura, Aki.

No. 93 "A BILL FOR AN ACT RELATING TO TAXES."

Introduced by: Senators Matsuura, Kobayashi, A.

No. 94 "A BILL FOR AN ACT RELATING TO INCOME TAXATION."

Introduced by: Senators Matsuura, Kobayashi, A.

No. 95 "A BILL FOR AN ACT AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS AND MAKING AN APPROPRIATION TO THE HAWAII STATE COMPENSATION MUTUAL INSURANCE FUND."

Introduced by: Senators Matsuura, Yamasaki.

No. 96 "A BILL FOR AN ACT RELATING TO WATER SAFETY."

Introduced by: Senators Matsuura, Chang.

No. 97 "A BILL FOR AN ACT RELATING TO TRAFFIC VIOLATIONS."

Introduced by: Senators Matsuura, Kobayashi, A.

No. 98 "A BILL FOR AN ACT RELATING TO CONDOMINIUMS."

Introduced by: Senators Matsuura, Kobayashi, A.

No. 99 "A BILL FOR AN ACT RELATING TO FUEL TAX."

Introduced by: Senators Matsuura, Aki.

No. 100 "A BILL FOR AN ACT RELATING TO ALTERNATIVE DISPUTE RESOLUTION."

Introduced by: Senators Matsuura, Blair.

No. 101 "A BILL FOR AN ACT RELATING TO LAND USE."

Introduced by: Senators Matsuura, Holt, Kobayashi, A., Yamasaki, Aki.

No. 102 "A BILL FOR AN ACT RELATING TO REAL PROPERTY."

Introduced by: Senator Matsuura.

No. 103 "A BILL FOR AN ACT RELATING TO GENERAL EXCISE TAX."

Introduced by: Senators Matsuura, Iwase.

No. 104 "A BILL FOR AN ACT PROPOSING AMENDMENTS TO ARTICLES II, III, AND XVII OF THE CONSTITUTION OF THE STATE OF HAWAII TO PROVIDE FOR THE INDIRECT INITIATIVE PROCESS."

Introduced by: Senators Matsuura, Kobayashi, A.

No. 105 "A BILL FOR AN ACT RELATING TO ALTERNATIVE DISPUTE RESOLUTION."

Introduced by: Senators Matsuura, Chang.

No. 106 "A BILL FOR AN ACT RELATING TO JUDGES."

Introduced by: Senators Matsuura, Kobayashi, A.

No. 107 "A BILL FOR AN ACT RELATING TO GEOTHERMAL ENERGY."

Introduced by: Senators Matsuura, Aki.

No. 108 "A BILL FOR AN ACT RELATING TO ENVIRONMENTAL PROTECTION."

Introduced by: Senators Matsuura, Chang.

No. 109 "A BILL FOR AN ACT RELATING TO GOVERNMENT MOTOR VEHICLES."

Introduced by: Senators Matsuura, Iwase.

No. 110 "A BILL FOR AN ACT RELATING TO GENERAL EXCISE TAX."

Introduced by: Senators Matsuura, Iwase.

No. 111 "A BILL FOR AN ACT RELATING TO INCOME TAX CREDITS."

Introduced by: Senators Matsuura, Iwase.

No. 112 "A BILL FOR AN ACT RELATING TO INCOME TAXATION."

Introduced by: Senators Matsuura, Iwase.

No. 113 "A BILL FOR AN ACT RELATING TO THE CHARACTERIZATION OF NON-CIGUATERA MARINE TOXIN IN REEF FISH AND ALGAE."

Introduced by: Senators Matsuura, Kobayashi, A.

No. 114 "A BILL FOR AN ACT RELATING TO CONTRACTS."

Introduced by: Senators Matsuura, Blair.

No. 115 "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE HAWAII UNDERSEA RESEARCH LABORATORY."

Introduced by: Senators Matsuura, Kobayashi, A.

No. 116 "A BILL FOR AN ACT RELATING TO DRIVING."

Introduced by: Senators Matsuura, Kobayashi, A.

No. 117 "A BILL FOR AN ACT RELATING TO FIREARMS REGISTRATION."

Introduced by: Senators Matsuura, Tungpalan.

No. 118 "A BILL FOR AN ACT RELATING TO FELONY DRUG CONVICTIONS."

Introduced by: Senators Matsuura, Tungpalan.

No. 119 "A BILL FOR AN ACT RELATING TO THE CONDOMINIUM BILL OF RIGHTS."

Introduced by: Senators Cobb, Hagino, Holt, Ikeda, Kobayashi, A., Matsuura, Nakasato.

No. 120 "A BILL FOR AN ACT RELATING TO EDUCATION."

Introduced by: Senators Cobb, Aki, McCartney, Mizuguchi, Nakasato, Tungpalan.

No. 121 "A BILL FOR AN ACT RELATING TO FAMILY COURTS."

Introduced by: Senators Blair, Levin, Iwase, Reed.

No. 122 "A BILL FOR AN ACT RELATING TO PRIVATE ATTORNEY GENERAL ACTIONS."

Introduced by: Senators Blair, Reed.

No. 123 "A BILL FOR AN ACT RELATING TO VENUE."

Introduced by: Senators Blair, Reed.

No. 124 "A BILL FOR AN ACT RELATING TO PUBLIC DEFENDERS."

Introduced by: Senators Blair, Iwase.

No. 125 "A BILL FOR AN ACT RELATING TO DISTRICT AND CIRCUIT COURT COSTS AND FEES."

Introduced by: Senator Blair.

No. 126 "A BILL FOR AN ACT RELATING TO OBSTRUCTION OF INGRESS OR EGRESS."

Introduced by: Senator Blair.

No. 127 "A BILL FOR AN ACT RELATING TO ADOPTION."

Introduced by: Senator Blair.

No. 128 "A BILL FOR AN ACT RELATING TO THE JUDICIARY."

Introduced by: Senators Blair, Iwase, Reed.

No. 129 "A BILL FOR AN ACT RELATING TO THE STATUS OF CONVICTED PERSONS."

Introduced by: Senator Blair.

No. 130 "A BILL FOR AN ACT RELATING TO PROSTITUTION."

Introduced by: Senators Blair, Iwase, Reed.

No. 131 "A BILL FOR AN ACT RELATING TO PORNOGRAPHY."

Introduced by: Senators Blair, Iwase, Reed.

No. 132 "A BILL FOR AN ACT RELATING TO AD DAMNUM CLAUSE."

Introduced by: Senator Blair.

No. 133 "A BILL FOR AN ACT RELATING TO THE PENAL CODE."

Introduced by: Senators Blair, Iwase, Reed.

No. 134 "A BILL FOR AN ACT RELATING TO PUBLIC HEALTH AND MORALS."

Introduced by: Senators Blair, Iwase, Reed.

No. 135 "A BILL FOR AN ACT RELATING TO WRITS OF NE EXEAT."

Introduced by: Senator Blair.

No. 136 "A BILL FOR AN ACT RELATING TO MEDICAL TREATMENT."

Introduced by: Senator Blair.

No. 137 "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE REPAIRS."

Introduced by: Senator Blair.

No. 138 "A BILL FOR AN ACT RELATING TO DANGEROUS INSTRUMENTS."

Introduced by: Senators Blair, Iwase.

No. 139 "A BILL FOR AN ACT RELATING TO FAMILY COURT."

Introduced by: Senators Blair, Reed.

No. 140 "A BILL FOR AN ACT RELATING TO CHILD ABUSE."

Introduced by: Senators Blair, Reed.

No. 141 "A BILL FOR AN ACT PROPOSING AMENDMENTS TO ARTICLES II, III, AND XVII OF THE CONSTITUTION OF THE STATE OF HAWAII TO PROVIDE FOR THE INDIRECT INITIATIVE PROCESS."

Introduced by: Senators Blair, McMurdo, McCartney, Reed.

No. 142 "A BILL FOR AN ACT RELATING TO MOPEDS."

Introduced by: Senator Blair.

No. 143 "A BILL FOR AN ACT RELATING TO STANDARDS OF CONDUCT."

Introduced by: Senators Blair, Reed.

No. 144 "A BILL FOR AN ACT RELATING TO ELECTIONS."

Introduced by: Senators Blair, Reed.

No. 145 "A BILL FOR AN ACT RELATING TO ELECTIONS."

Introduced by: Senator Blair.

No. 146 "A BILL FOR AN ACT RELATING TO NEGOTIABLE INSTRUMENTS."

Introduced by: Senators Blair, Iwase, Reed.

No. 147 "A BILL FOR AN ACT RELATING TO AN INTRAFAMILY SEXUAL ASSAULT PROGRAM."

Introduced by: Senators Blair, Iwase, Reed.

No. 148 "A BILL FOR AN ACT RELATING TO TRAFFIC OFFENSES."

Introduced by: Senators Blair, Iwase, Reed.

No. 149 "A BILL FOR AN ACT RELATING TO THE ADMINISTRATIVE PROCEDURE ACT."

Introduced by: Senator Blair.

ORDER OF THE DAY

REFERRAL OF SENATE BILLS

The President made the following committee assignments of bills introduced on Friday, January 18, 1991:

Senate Bill	Referred to:	No. 29	Committee on Health and Human Services, then to the Committee on Ways and Means
No. 9	Committee on Agriculture and Environmental Protection, then to the Committee on Ways and Means	No. 30	Committee on Transportation and Intergovernmental Relations
No. 10	Committee on Culture, Arts and Historic Preservation, then to the Committee on Ways and Means	No. 31	Committee on Housing and Hawaiian Programs
No. 11	Committee on Judiciary	No. 32	Committee on Tourism and Recreation, then to the Committee on Ways and Means
No. 12	Committee on Culture, Arts and Historic Preservation, then to the Committee on Ways and Means	No. 33	Committee on Tourism and Recreation, then to the Committee on Ways and Means
No. 13	Committee on Consumer Protection and Business Regulation	No. 34	Committee on Judiciary
No. 14	Committee on Transportation and Intergovernmental Relations, then to the Committee on Ways and Means	No. 35	Committee on Housing and Hawaiian Programs, then to the Committee on Ways and Means
No. 15	Committee on Housing and Hawaiian Programs	No. 36	Committee on Education, then to the Committee on Ways and Means
No. 16	Committee on Education, then to the Committee on Ways and Means	No. 37	Committee on Transportation and Intergovernmental Relations, then to the Committee on Judiciary
No. 17	Committee on Planning, Land and Water Use Management	No. 38	Committee on Consumer Protection and Business Regulation, then to the Committee on Judiciary
No. 18	Committee on Tourism and Recreation	No. 39	Committee on Judiciary, then to the Committee on Ways and Means
No. 19	Committee on Housing and Hawaiian Programs	No. 40	Committee on Education
No. 20	Committee on Housing and Hawaiian Programs, then to the Committee on Ways and Means	No. 41	Committee on Consumer Protection and Business Regulation
No. 21	Committee on Planning, Land and Water Use Management	No. 42	Committee on Judiciary
No. 22	Committee on Science, Technology and Economic Development, then to the Committee on Ways and Means	No. 43	Committee on Employment and Public Institutions, then to the Committee on Judiciary
No. 23	Committee on Consumer Protection and Business Regulation, then to the Committee on Judiciary	No. 44	Committee on Judiciary
No. 24	Committee on Employment and Public Institutions	No. 45	Committee on Transportation and Intergovernmental Relations
No. 25	Committee on Transportation and Intergovernmental Relations	No. 46	Committee on Judiciary
No. 26	Committee on Judiciary, then to the Committee on Ways and Means	No. 47	Committee on Agriculture and Environmental Protection, then to the Committee on Ways and Means
No. 27	Committee on Transportation and Intergovernmental Relations	No. 48	Committee on Ways and Means
No. 28	Committee on Ways and Means	No. 49	Committee on Employment and Public Institutions
		No. 50	Committee on Transportation and Intergovernmental Relations, then to the Committee on Ways and Means
		No. 51	Committee on Judiciary
		No. 52	Committee on Science, Technology and Economic Development
		No. 53	Jointly to the Committee on Transportation and Intergovernmental Relations and the Committee on Agriculture and Environmental Protection, and then to the Committee on Ways and Means
		No. 54	Committee on Judiciary

No. 55 Committee on Education, then to the Committee on Employment and Public Institutions

No. 56 Committee on Education, then to the Committee on Transportation and Intergovernmental Relations

No. 57 Committee on Employment and Public Institutions

No. 58 Committee on Employment and Public Institutions

No. 59 Committee on Employment and Public Institutions

No. 60 Committee on Employment and Public Institutions

No. 61 Committee on Health and Human Services, then to the Committee on Ways and Means

No. 62 Committee on Transportation and Intergovernmental Relations

No. 63 Committee on Judiciary

No. 64 Committee on Judiciary

No. 65 Committee on Judiciary

No. 66 Committee on Judiciary

No. 67 Committee on Judiciary

No. 68 Committee on Employment and Public Institutions

No. 69 Committee on Employment and Public Institutions

No. 70 Committee on Employment and Public Institutions

No. 71 Committee on Employment and Public Institutions

No. 72 Committee on Consumer Protection and Business Regulation

No. 73 Committee on Consumer Protection and Business Regulation

No. 74 Committee on Employment and Public Institutions

No. 75 Committee on Education, then to the Committee on Ways and Means

No. 76 Committee on Education, then to the Committee on Ways and Means

No. 77 Committee on Education, then to the Committee on Ways and Means

No. 78 Committee on Education, then to the Committee on Ways and Means

No. 79 Committee on Education, then to the Committee on Ways and Means

No. 80 Committee on Tourism and Recreation, then to the Committee on Ways and Means

No. 81 Committee on Education, then to the Committee on Ways and Means

No. 82 Committee on Education, then to the Committee on Ways and Means

At 9:44 o'clock a.m., on motion by Senator Solomon, seconded by Senator Reed and carried, the Senate stood in recess subject to the call of the Chair to meet in Joint Session with the House of Representatives, in accordance with H.C.R. No. 1, to receive the Governor's state of the state address.

JOINT SESSION

The Joint Session of the Senate and the House of Representatives was called to order at 10:00 o'clock a.m. by the Honorable Daniel Kihano, Speaker of the House of Representatives.

The Divine Blessing was invoked by Munawwar Ali Khan (Moslem).

At this time, the Speaker welcomed and introduced the following distinguished guests to the members of the Sixteenth Legislature:

The Right Honorable Ratu Sir Kamisese Mara, Prime Minister of Fiji;

The Honorable Geoffrey Henry, Prime Minister of the Cook Islands;

The Honorable Baron Vaea, Acting Prime Minister of Tonga;

The Honorable Peter Coleman, Governor of American Samoa;

Lieutenant Governor Benjamin J. Cayetano;

The Honorable Herman T.F. Lum, Chief Justice, Supreme Court of Hawaii, and Mrs. Lum;

Mayor Frank F. Fasi;

Mayor Lorraine Inouye;

Mrs. JoAnn Kihano;

Mrs. Lynne Waihee, the First Lady of the State of Hawaii, who was presented a floral lei by Representative Apo;

Lieutenant General Claude M. Kicklighter, Commanding General, U.S. Army Pacific;

Lieutenant General Jack B. Farris Jr., Deputy Commander in Chief, U.S. Pacific Fleet;

Rear Admiral William A. Earner, Commander, Naval Surface Group, MIDPAC;

Rear Admiral William C. Donnell, District Commander, Fourteenth Coast Guard District; and

The Honorable Masaji Takahashi, Dean of the Consular Corps.

The Chair then appointed Senators Hagino, Aki and George, and Representatives Apo, Taniguchi and Anderson to escort the Honorable John David Waihee, Governor of the State of Hawaii, to the rostrum.

Senator Ann Kobayashi and Representative Rosalyn Baker presented Governor Waihee with a maile-ilima lei on behalf of the Senate and House of Representatives.

The Speaker then presented to the members of the Sixteenth Legislature and guests, the Honorable John D. Waihee.

The Governor addressed the Joint Session as follows:

"President Wong, Speaker Kihano, members of the Sixteenth Legislature, honored guests, ladies and gentlemen:

"Today, as we gather, our hearts are heavy, our country at war. Over 8,300 Hawaii-based military men and women are serving with thousands of our fellow Americans in the Middle East. It is right that we honor their sacrifice with a moment of silence. Let us bow our heads, and, in our ways, give a silent prayer for their safe return.

"Thank you.

"Four years ago I stood before you for the first time and declared our intention to be an activist state government, creating an economic and social environment right for our Pacific community entering the 21st century.

"Thereafter, we opened the doors and the minds of government to new partnerships and new approaches. As a result, the people of Hawaii have many new gains: universal access to health care insurance; the A+ afterschool program; a school superfund and the beginnings of school reform; a university system rated in the country's top ten in educational quality for the dollar; a comprehensive state housing program; tax reform recently referred to in the Wall Street Journal as 'dropping far faster than any state's'; land-banking and the best state endangered species propagation facility in America.

"We've worked hard at getting ahead.

"Today, I want to talk to you about staying ahead.

"We face heavy odds: federal deficits, a national recession, war, the threat of terrorism, energy instability, and military use of commercial aircraft. Any one of these conditions, while alarming, we would have managed as a tough task. Together, they may be the greatest threat to our economy in our state's history.

"The Federal Government faces a staggering 3.2 trillion-dollar national debt. To place that in context, on a per capita basis, Hawaii residents pay more for interest -- just interest -- on the national debt than they do in Hawaii state personal income tax.

"To avoid deeper debt, the Federal Government is increasing taxes, cutting services and mandating the states to do more with less federal help. The reality is that with problems as deep and wide as homelessness and pollution, Washington has no coherent domestic policy. In effect, they are passing us the buck, without giving us a buck to do it.

"We also face a national recession, the first in eight years. It has ravaged certain sections of this country. Some states, and we are one, have avoided its harsh grasp, but none will avoid its impacts.

"We are a world at war and with war comes increased stress on already burdened economic conditions. Despite the best of intentions, the national deficit will obviously increase. The instability of oil prices and supply has exacerbated the national recession, increased the cost of living and the price of travel. The military deployment of civilian aircraft affects all domestic carriers. The growing anxiety over international terrorism is affecting all

destinations, as consumers become increasingly concerned about security.

"As a result, Hawaii's tourism industry is suffering. Hotel occupancies are down, advance bookings have fallen off, and for the first time, group tours are cancelling. Fortunately, the eastbound travel market, especially from Japan, continues to be strong. Nonetheless, if present trends continue, we face even more severe consequences, including the possibility of employee layoffs.

"Furthermore, since tourism is our primary industry, the economic impact of the slowdown is already being felt in other sectors of our economy.

"The question we now face is how we respond to this set of challenges.

"Do we sit back and take what comes? Do we passively lower our goals as a society? Or do we take stock, take action and stay ahead?

"I propose we stay ahead. We do it with: (1) security to protect our people; (2) economic action to offset downturns and promote recovery; and (3) fiscal fitness so that we meet our people's needs with the resources that we have.

"To begin with, we must remember that we are all in this together. Nothing comes before the welfare and safety of our people. Nothing.

"Security measures are in place to protect the public. I will not apologize for inconveniences at airports or anywhere else. That's all part of tightening up.

"We are monitoring the flow of consumer goods to Hawaii. There is no shortage or anticipated shortage of any essential. Indeed, I would like to report an oversupply, not undersupply, of rice by our major supplier, California. You see one of their biggest customers, Iraq, hasn't placed any orders for a while. Folks, there is simply no reason to hoard anything.

"The flow of fuel to Hawaii remains steady and we are assured a solid 90-day supply. We wisely activated our emergency energy plan months ago, and although I hope never to implement its higher level actions, we are ready. I have instructed the State Energy Office to hold a news conference in the near future to update the public on the emergency energy plan.

"On the subject of military deployment of civilian aircraft, we will continue to monitor effects.

"Whatever transpires, prior actions we've taken to increase and diversify air service readies us for this situation. In the last four years we have increased the number of international carriers to Hawaii from 19 to 25. We are participating in air rights negotiations involving 13 different countries which have already given us 448,000 new seats from international cities in 1990 and 851,000 in 1991. No one will cut off our highways in the sky.

"Incidentally, while we are discussing the topic of our people's security, I believe that it is time to stop the proliferation of military-style assault weapons in our society. Before a tragedy occurs, I urge you to support the crimefighters' coalition on this matter.

"We must pursue measures that offset the downward turn of our economy and work toward Hawaii's economic recovery. The success of our state's economy is

fundamental to the success of everything we want to achieve as a society. We must build from our strengths:

- From an economy that over the last four years grew at an average rate which was 89% faster than the nation's.
- From the power of small businesses, where Hawaii ranked third in growth in the nation in 1989.
- From a very healthy job growth rate, 66% higher than the nation's from 1986 to 1989.
- From a 1990 unemployment rate that was the second lowest in the country.

"Yesterday's challenge was to improve our business climate. Today's challenge is to sustain a balanced economy. I call it staying ahead.

"The most basic need of our recovery strategy is to move quickly to revitalize our travel industry.

"Thus, I have already approved a 1.4 million-dollar four-week radio, direct mail and print media promotion campaign targeted toward our base market on the West Coast where we believe the quickest response is possible. The campaign will be equally funded by state and private industry and implemented as soon as prudently possible given our nation's wartime sensitivities.

"In addition, I will ask you for a special appropriation to fund major promotions in our big markets immediately when the war ends.

"While these countermeasures are absolutely vital to our present economic well-being, they are supplemental to our existing strategy of developing new markets. We must continue these efforts to ensure the long term vitality of our travel industry.

"Important to our tourism plant is the development of a Waikiki convention center. There is no better time than right now to review this project. If the present site is inappropriate for the center as legislated, we should consider expanding the site, making the center smaller or moving it. If the Aloha Motors site will meet our industry's needs, then so be it. In any event, it is time we make this project work or forget about it.

"Staying ahead means helping business stimulate business. It does not mean sending dollars out of our economy to be held in a trust fund in Washington, which is exactly what we are doing with the unemployment insurance tax. The Department of Labor tells me that our unemployment insurance fund is so strong right now it can sustain 12% unemployment for two solid years.

"This session I will again submit to you a proposal to reduce unemployment insurance costs and provide a job training fund. Let's keep our monies at home to stimulate our economy and benefit our businesses, especially small businesses, and workers.

"As we enter the final decade of this century, Hawaii must realize fully its potential as a center of Pacific trade, finance and commerce. Many sectors of our economy are ready to enter the exciting and challenging export market. To help Hawaii business work in the global marketplace, we are developing an international business center with data base services on trade which will be available to Hawaii businesses in the next few months.

"Our Office of International Relations will provide the leadership to ensure that 'thinking globally, acting locally'

is more than a slogan. The time has come to define international activities on our own terms.

"One bright spot in our present economic outlook is the construction industry. Staying ahead means priming its economic pump. By doing this we achieve the dual objectives of keeping people working and catching up on our much needed public infrastructure.

"For example, I have asked the Department of Education and the Department of Accounting and General Services to implement a year-round program for the construction and repair and maintenance of schools.

"Our housing program will continue at full speed, not only to meet the shelter needs of our people but also to stimulate construction.

"The improvement of our transportation facilities also must continue. Unfortunately, the Highway Revenue Task Force reports that in the last several years, costs have outpaced revenues, creating a need for more income for the highway fund.

"I will submit the recommendation of the task force to you for your consideration. I ask you to review this situation and consider whether an increase in the fuel tax is warranted.

"Energy is a concern for all of us. Today, it is no less basic to our survival than water.

"Recognizing this, we have initiated the approaches of integrated resource planning and demand-side management. We must consider all costs, including environmental and social, of each energy option. Through demand-side management, energy efficiency will be considered an energy option. It is well past time to reward conservation.

"In addition, we must continue our support of research and development of alternate energy resources. Geothermal energy remains an important option.

"On the policy level, we need to debate and decide whether alternate energy prices should be fixed to the price of oil. Is preservation of the environment and the reduction of reliance on oil worth the possible higher costs? For example, are we willing to guarantee our sugar growers a fixed price for energy production, regardless of the price of oil?

"Action is necessary at all levels.

"Staying ahead means staying fiscally fit as a state. During the last few years, with huge budget surpluses, maintaining fiscal fitness was an enviable task. Today, given our current economic condition, we are clearly in for diet and exercise.

"Last October, when the world seemed a lot simpler, the Hawaii State Council on Revenues estimated that state tax revenues would increase by 8.5% this fiscal year, 11% next fiscal year and 6.8% the following year. These revenue estimates, while healthy when compared to the rest of the country, were modest compared to the revenue increases we received in the recent past.

"Accordingly, we submitted a budget to you on December 27th that scaled down spending and proposed moderate increases for priority programs. What it cut most of all were spending expectations.

"Well, two weeks ago, prior to the outbreak of the war, the council revised downward the October revenue estimates. Based largely on the greater than anticipated

impact the national recession was having on our travel industry, the council indicated that tax revenues would be approximately 150 million dollars less for the biennium than predicted.

"Will even that conservative projection hold? Given our current state of economic flux, your leadership and I have our doubts, and thus, have taken the extraordinary action of asking the council to reconvene tomorrow and review their current estimates.

"Upon receipt of the revenue estimates, we will do the following:

1. Develop a new financial plan for the upcoming biennium. We have agreed with your legislative leadership to jointly develop this financial plan so that we may have common parameters in the preparation of the state budget.
2. Institute additional administrative spending guidelines for this fiscal year. We already have in place spending restrictions to promote efficiency and savings. These will be enhanced to create additional savings for this fiscal year; and
3. Submit for your consideration revisions to the state budget proposal that is presently before you.

"Our objective remains the development of a state budget that is disciplined yet focused on the priority needs of our state. To do this, we must be willing to reallocate existing resources from lower priority programs to higher priority ones. We must choose our goals and shape government to achieve them, not create government and then wendge in our goals.

"Indeed, what better time than now to take a totally fresh look at how government can do better with the tasks it has at hand. We need to ask the question: Can we fundamentally shift the ways in which we approach and handle the jobs of state government in order to minimize the resources required. Thus, I have instructed the Department of Commerce and Consumer Affairs Director, Robbie Alm, to develop a 'Mini Hoover Commission' to oversee this important reassessment.

"In the days ahead you and I will have to make some tough choices as we pursue our people's agenda. Yet the choices we make today will make the difference tomorrow. These are some of the priorities I see:

"Education. You and I have made historic appropriations to public education -- a 54% increase in the last four years. We reached agreement on a competitive four-year teachers' contract, created the nation's first school facility superfund and made real progress in school repair.

"More than money, two years ago we called for a revolution in public education. Today we are in the middle of that revolution, and the rallying cry is ownership and results. The struggle will end when the schools are controlled by the people who use them, and our students are reaching the high standards we set for them.

"But have our actions and allocation of resources really supported the cry for ownership and results? I propose this course for public education.

"For ownership, we must begin by increasing flexibility. I propose taking the approximately 70 million

dollars a year now budgeted for a collection of some 40 programs which have been placed on the school system top-down over the years, and turning it over in lump sum to the Board of Education. No mandates, no strings, no sacred cows. Just allocate it towards reform and educational progress. New schools mean new schools of thought.

"In addition, we must make school/community-based management a success. We should increase incentive funding for SCMB schools. We need working, successful models in the community. When we have the quality, the quantity will follow. As was originally intended, special needs schools should be incorporated into SCMB and provided the widest array of services possible.

"We must test delivery systems for early childhood education, with the priority being for special needs school communities. Possible approaches include enhancing Head Start and expanding the open doors program.

"For results, I call for the creation of a Commission for Performance Goals. The commission would finally and firmly set the performance standards of achievement expected of all students. Curriculum can't be planned or resources prioritized without clear goals in place.

"Finally, as I said earlier with government as a whole, we must rethink the issue of governance in education. What we have structured for today was established for yesterday. As a result, public education does more hoop-jumping than any other unit of state government. As any significant change requires a constitutional amendment to be ratified by the voters, I call upon you to initiate hearings this session on all governance options. Let's air all the issues, finalize a proposal by next session, and put it before the voters in 1992.

"All of us took pride this fall when Money magazine found the University of Hawaii to be one of the top ten values nationally in public higher education. Its developing biotechnology program was cited by U.S. News and World Report as one of the four best in the nation, and its foreign language program was the first of three nationally to be designated as a national resource center for foreign language training.

"These achievements highlight the standing of our university system. We must continue to support and strengthen our statewide campuses and enhance our university's leadership role.

"We need your continued support of our comprehensive housing plan for both affordable ownership and rental housing. To leverage the contribution of the private sector, our package for home ownership includes a 400 million-dollar Hula Mae bond authorization.

"To stimulate rental housing, I am proposing 23 million dollars for elderly, special needs and low income projects; 8.5 million dollars for a new affordable project in Kakaako; 100 million dollars for rental housing bonds and 11 million dollars in rental assistance funds.

"Urban core rental housing is at the top of the state's priority list. We currently have over 900 such units under development. But it will take state, county and private sector partnerships to really do the job. We will submit to you this session a report identifying vacant or underutilized state lands which could be used for rental projects by government, or by the private sector working together with government. The state and city (I'm very pleased to have the Mayor here today) have already joined together in planning for a project at the Pawa Police Station site where at least 1,000 units could be built. That is the wave of the future.

"We must also view and act upon leasehold condominium conversion as an affordable housing issue. In an incredibly tight housing market, we want people who live in condominiums to enjoy the security of shelter. This may require unique solutions, and the guiding principle will be fairness to all involved. This will not be an easy task, but we cannot let that deter us. Lt. Governor Ben Cayetano has been working for many months on this issue, and we will be presenting our proposal to you in the days ahead.

"Homelessness is a national disgrace. In Hawaii there are perhaps 3,000 homeless families. Today, thanks to the state, counties and Homeless Concerns Advisory Committee, we house 250 families in ten facilities and have outreach services for another 500.

"Working with these groups, we have come up with a 12 million-dollar proposal for the homeless, as a catalyst for a public-private emergency housing program to shelter 500 more families in temporary villages on Oahu.

"These actions alone are not enough, when speculation has driven the cost of housing beyond so many peoples' reach. I will again propose an anti-speculation tax for your consideration. In addition, I propose that we work jointly with the counties and the private sector to seek ways to put investor-held condominiums, which are now vacant, back into the rental market.

"Ten thousand people have gotten health care coverage since Hawaii became the first state to offer universal health insurance. One of them is Mrs. Edith Gifford of Waiānae, who wrote and told us that her husband passed away and she had no medical benefits. With her new coverage she said, (and I quote) 'I will be able to sleep better knowing that I have a doctor or hospital to go to.'

"Mrs. Gifford, we will all sleep better knowing that.

"Despite our efforts, we see a health care crisis looming in the nation. To help avoid it here, we have created a blue ribbon committee, bringing together all sectors to improve the quality of our services in a more cost effective manner.

"I call for your special attention in the area of our state community hospitals. Our goal has always been to assure quality medical services statewide, especially in the otherwise underserved rural areas of our state; and for the most part, our state community hospitals have accomplished that result.

"Also, our community hospital system at one time achieved a good degree of economic self-sufficiency. However, in the recent past and for the foreseeable future, with the rising cost of medical care, our community hospitals will require additional subsidies. Furthermore, it is questionable whether our current system of managing hospitals is appropriate for these high-tech times. Therefore, I propose that this session we go beyond the concept of autonomy and explore new management models using the private sector as a resource to run our community hospitals. Likewise, we should continue to support the development of public/private joint ventures like the North Kohala Community Hospital.

"The key word in health care is prevention. We need to fight teen pregnancy, drug abuse, infant mortality and Aids. These are not merely goals of state government; they are goals of society.

"Among the forgotten people of this country are the mentally ill. In difficult economic times, their voice may be lost. As we rebuild this state's mental health system, I

call for your support of budgetary action which significantly strengthens treatment at the Hawaii State Hospital and community mental health centers statewide. I ask you to join me in July, as we open the doors of not merely a new building but a new day for mental health in Hawaii.

"As human services at the state level expand, so has the use of non-profit agencies to deliver these services. Like you, I've seen much of the good work first-hand. However with rapid growth has come concern for duplication and overlap. I call for a very careful review of the purchase of service process this legislative session, to ensure the system avoids duplication, cuts costs and enhances delivery of service.

"Last year, with your support we settled the longstanding disagreement over revenues due the Office of Hawaiian Affairs from the ceded land trust. This year I have submitted to you an action plan pursuant to Act 395, Session Laws of Hawaii 1988, to further address controversies under the Hawaiian Home Lands Trust, and the Public Land Trust.

"It calls for action to remedy historic controversies, basic to the fulfillment of the current and future obligations under both trusts. It sets in motion a process involving the people most affected by the trusts, as well as the leaders of this state. It notes clearly our collective responsibility to pursue action in federal arenas as well.

"The primary asset of the Hawaiian Homes Program is its land trust. Accordingly, I have directed the attorney general, the Department of Land and Natural Resources, the Office of State Planning, and Hawaiian Home Lands to immediately convene a task force to accelerate the process of clearing title and compensating the trust for illegal or improper withdrawals, transfers, takings or uses. This is not a task force to study the issue. There are over 13,000 acres of land claims. The assignment is to resolve these claims in creative ways to make the trust both whole and stronger.

"For past controversies involving individual beneficiaries, I propose a Board of Individual Claims Resolution. The board will provide a means for beneficiaries to bring past claims before a neutral body, without the costs and time delays associated with the judicial process.

"Even as we take these steps, there is much more to consider. The time has come to confront the issues of self-determination and governance as they affect the Hawaiian Home Land and Public Land Trusts. Should there be an elected Hawaiian Home Lands Commission? Should the two trusts be combined? Should there be a starting over, with a new sovereign entity created to represent the Hawaiian people, and administer both trusts?

"I ask you to consider these issues. Our vision of making things right means making things whole. The 21st century must have a place for Hawaiians and non-Hawaiians alike.

"This year we will take further strides to apply the old adage 'waste not, want not' to our lives. At a time when county landfills are overflowing, we propose statewide technical assistance for county recycling programs. Furthermore, we will propose a bill to transform state government itself from a huge waste generator to a recycling leader.

"For those times when systems break down and because the Coast Guard will no longer handle land-based spills, we propose beefing up our state Oil and Hazardous Waste

Emergency Response Team. I am also pleased to announce that this year we will break ground on construction of our own public health and environmental lab. Now when parents fear that their children have contracted leptospirosis from a swim in a stream, we will be able to test right here, not in Atlanta, Georgia. It could be a matter of life or death.

"In my 1990 state of the state address, I articulated the community's call to save the Heeia Wetlands. Today, I (join with Senator McCartney, Representative Tom and others to) happily announce that an agreement has been reached which will allow the Heeia Wetlands to remain undeveloped forever. We have saved Heeia.

"I also announce action to designate Mount Olomana a significant geological feature and unique site, to qualify it for protected subzone status within our conservation district, standing as a pristine symbol of the Windward side.

"I report to you that we have saved the ancient Hawaiian burial ground at Honokahua on Maui and are in the process of acquiring 5.5 additional acres at Makena Beach to add to the state park.

"On Kauai, we have acquired Brennecke Beach and given it to the county as a permanent public park.

"On the Big Island, we are creating a seven-mile coastal wilderness park through a series of actions including the condemnation and acquisition of Mahaiula and other purchases and exchanges.

"At my last 'Capitol for a Day,' the North Kohala community asked me to work with them to keep their coastline in open space. In December, my family and I visited this unique area. Today, I ask you to join the Kohala community (Senator Solomon) and me in saving as much of the North Kohala coastline as possible.

"And at long last and proudly, the sun is rising on the return of Kahoolawe (to the people of Hawaii).

"These are important actions. But more than going parcel by parcel, we must look at our conservation lands as one irreplaceable resource. So, I have instructed the Office of State Planning to identify valuable lands statewide to add to our conservation district, and the Department of Land and Natural Resources, with support from you, to strengthen the protection and management of these lands.

"The re-creation of our future is more important today than it was a scant year ago. Former Secretary of State George Schultz said: 'Start with the recognition that something profound has happened. This is a new epoch, that doesn't mean everything is different -- but it means all the important things are different.' The world, futurists have asserted, is entering an age of paradox.

"And that was before the war.

"More than anything else, the war has brought into sharp focus the questions we have about our future. Our future as an island state and as a people in a world that is profoundly different. We are caught up in the emotion of the day, and forget how well prepared we are for these tumultuous times.

"We are used to paradox. We call it diversity. Neither east nor west, part of America -- yet still an island people looking inward and outward at the same time. Pacific people carving out an international identity, and stubbornly guarding our values, traditions and quality of life.

"The world is swirling around us; events touching each of our lives. Nevertheless, we have a choice, the means and the will, to step boldly to re-create our future in the ways that we want it to be when this war ends. And this war will end.

"In these troubled times, when civilization shakes, it is the best time to put our beliefs to work. Our success depends on how swiftly we act, how boldly and creatively we venture, how far we reach out to each other.

"Let there be no mistake. This is our calling. There is great work to be done.

"Thank you."

Senate President Wong then rose and stated:

"Thank you, Governor Waihee, for your very frank and sobering remarks.

"You have pointed out the dilemma facing all of us state policymakers very clearly and very sharply. We appreciate your candor.

"The worldwide economic recession which has been spreading across the Mainland has finally reached Hawaii's shores. That, compounded by the devastating economic impact of the Middle East War, has severely affected our economic well-being.

"Recent world events remind us again of the interdependence of all humanity, and of how events on the opposite side of the world can have a profound impact on us here in Hawaii.

"With projected state revenues going down, we in the Legislature are going to be confronted with some very difficult choices. We will have to cut back on some very worthy programs because of the shortfall of funds. We hope to be able to work together closely with you and your administration in making the critical decisions, which will hopefully be wise, efficacious and compassionate.

"I must confess that it is not always easy to focus on our local fiscal problems at a time when men and women are confronting the perils of war. Our thoughts go out especially to those military personnel from Hawaii who are deployed in the Middle East - and to their families here at home who are anxiously awaiting their return. Our prayers are with them.

"In the meanwhile, we must carry on. For those of us in the Legislature, we have our work cut out for us. In addition to addressing our budgetary concerns, you have pointed out a number of areas where we need to pay special attention - education, the environment, economic recovery and growth, housing, health and human services. We stand prepared to work with you on dealing with these issues. On a personal note, I applaud your strong words against assault weapons. Let us do our best. Let us rise to the challenges before us.

"There being no further business, I hereby declare this joint session of the Hawaii State Legislature adjourned."

At 10:54 o'clock a.m., President Wong declared the Joint Session adjourned.

ADJOURNMENT

At 10:58 o'clock a.m., on motion by Senator Solomon, seconded by Senator Reed and carried, the Senate adjourned until 11:30 o'clock a.m., Wednesday, January 23, 1991.