

**APPENDIX
STANDING COMMITTEE REPORTS**

SCRep. 1-70 Printing and Revisions

Informing the House that **House Resolution Nos. 1 to 4** and **House Concurrent Resolution Nos. 1 and 2** have been printed and distributed.

Signed by all members of the Committee.

SCRep. 2-70 Printing and Revisions

Informing the House that **House Resolution No. 5** have been printed and distributed.

Signed by all members of the Committee.

SCRep. 3-70 Printing and Revisions

Informing the House that **House Bill Nos. 1260-70 to 1357-70**, **House Resolution Nos. 6 to 21**, and **House Concurrent Resolution Nos. 3 to 10** have been printed and distributed.

Signed by all members of the Committee.

SCRep. 4-70 Printing and Revisions

Informing the House that **House Bill Nos. 1358-70 to 1458-70** and **House Resolution Nos. 22 to 28** have been printed and distributed.

Signed by all members of the Committee except Representative Poepoe.

SCRep. 5-70 Printing and Revisions

Informing the House that **House Bill Nos. 1459-70 to 1501-70**, **House Resolution Nos. 29 to 31** and **House Concurrent Resolution Nos. 11 and 12** have been printed and distributed.

Signed by all members of the Committee except Representative Poepoe.

SCRep. 6-70 Printing and Revisions

Informing the House that **House Bill Nos. 1502-70 to 1527-70**, **House Resolution Nos. 32 to 35** and **Standing Committee Report No. 7-70** have been printed and distributed.

Signed by all members of the Committee.

SCRep. 7-70 Finance on **H. B. No. 1262-70**

The purpose of this bill is to appropriate money for defraying the pre-session, interim session and other expenses of the Regular Session of 1970 of the Fifth State Legislature of the State of Hawaii, up to and including January 19, 1971; for the payment of expenses of any committee or committees established by either the Senate or the House of Representatives, respectively; for the payment of expenses of the office of the ombudsman; and for the payment of the expenses of the office of the legislative auditor.

Upon consideration of the bill, your Committee has amended **H. B. No. 1262-70** as hereinafter set forth.

The Committee has provided for an appropriation of \$769,184 for the expenses of the Senate and an appropriation of \$995,000 for the expenses of the House of Representatives.

The sum of \$176,300 has been provided for defraying the expense of the office of the ombudsman. The personnel position count has been removed to afford the ombudsman greater flexibility to meet the growing demand for the services of his office. Under Act 2, Session Laws of Hawaii 1969, a position ceiling of four persons was imposed on the office.

The ombudsman has testified that the ceiling has prohibited the attainment of certain objectives, such as extending adequate service to the neighbor islands, provision of sufficient time to do the necessary legal

and other research that may be required for each complex complaint, investigating cases that may arise out of news stories, and conducting inspection trips. Your Committee has therefore amended Act 2 to delete the position ceiling and thereby permit the ombudsman within his budgetary limits to begin recruiting personnel upon the passage of this Act.

The sum of \$614,262 has been provided for defraying the expenses of the office of the legislative auditor. This sum includes \$65,000 to enable the legislative auditor to engage a consulting firm to conduct an in-depth operational survey of the Act 97 hospitals for the purpose of designing a management planning and control system and to report its findings to the Legislature twenty days prior to the convening of the Regular Session of 1971.

Your Committee on Finance is in accord with the intent and purposes of H. B. No. 1262-70 as amended herein and recommends its passage on second reading in the form attached hereto as H. B. No. 1262-70, H. D. 1, and that it be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 8-70 Printing and Revisions

Informing the House that House Bill Nos. 1528-70 to 1537-70 and House Concurrent Resolution Nos. 13 to 15 have been printed and distributed.

Signed by all members of the Committee except Representative Poepoe.

SCRep. 9-70 Printing and Revisions

Informing the House that House Bill Nos. 1538-70 to 1545-70 and House Resolution No. 36 have been printed and distributed.

Signed by all members of the Committee except Representative Poepoe.

SCRep. 10-70 Printing and Revisions

Informing the House that House Bill Nos. 1546-70 to 1561-70, House Resolution Nos.

37 to 39, House Concurrent Resolution Nos. 16 and 17 and Standing Committee Report No. 11-70 have been printed and distributed.

Signed by all members of the Committee except Representative Oshiro.

SCRep. 11-70 Economic Development on H. C. R. No. 15

The purpose of this Concurrent Resolution is to request the Governor, the Mayor of Kauai, and various other state and county governmental agencies to use their influence and good offices to assist the Kilauea Sugar Company and its employees in whatever way possible to adjust to the termination of sugar operations on the Island of Kauai.

Your Committee finds that sugar operations on Kilauea Sugar Company have become increasingly unprofitable during recent years and that the company will thus be forced to terminate sugar operations during 1971. Your Committee further finds that cessation of sugar operations will be a severe blow to the economy of Kauai and to the employees of Kilauea Sugar Company.

The company will seek other profitable operations on Kauai including macadamia nut production. Further, it will conduct a study of the suitability of converting the lands in question to other agricultural crops or resort or homesite development.

The active and vigorous assistance of the Governor, the Mayor of Kauai and other concerned governmental agencies will greatly facilitate the efforts of the company and its employees to adjust to changed economic conditions.

H. C. R. No. 15 has been amended in the following manner:

1. On line 4 of the title, after the words "Hawaii College of Tropical Agriculture," add the words, "And Other State and County Agencies."

2. On line 6 of paragraph 6, after the words "Hawaii College of Tropical

Agriculture," add the words, "And Other State and County government agencies."

Your Committee is in accord with the intent and purposes of **H. C. R. No. 15** as amended herein, and recommends its adoption in the form attached hereto as **H. C. R. No. 15, H. D. 1.**

Signed by all members of the Committee except Representative Oda.

SCRep. 12-70 Printing and Revisions

Informing the House that **House Bill Nos. 1562-70 to 1592-70, House Resolution Nos. 40 to 54 and House Concurrent Resolution Nos. 18 to 21** have been printed and distributed.

Signed by all members of the Committee.

SCRep. 13-70 Printing and Revisions

Informing the House that **House Bill Nos. 1593-70 to 1629-70, House Resolution Nos. 55 to 64 and House Concurrent Resolution Nos. 22 to 24** have been printed and distributed.

Signed by all members of the Committee except Representative Oshiro.

SCRep. 14-70 Printing and Revisions

Informing the House that **House Bill Nos. 1630-70 to 1637-70, House Resolution Nos. 65 to 68 and House Concurrent Resolution Nos. 25 and 26** have been printed and distributed.

Signed by all members of the Committee except Representative Pule.

SCRep. 15-70 Printing and Revisions

Informing the House that **House Bill Nos. 1638-70 to 1654-70, House Resolution Nos. 69 to 75 and House Concurrent Resolution Nos. 27 to 31** have been printed and distributed.

Signed by all members of the Committee except Representative Lee.

SCRep. 16-70 Printing and Revisions

Informing the House that **House Bill Nos. 1655-70 to 1671-70, House Resolution Nos. 76 to 80 and House Concurrent Resolution No. 32** have been printed and distributed.

Signed by all members of the Committee except Representative Lee.

SCRep. 17-70 Printing and Revisions

Informing the House that **House Bill Nos. 1672-70 to 1676-70, House Resolution Nos. 81 and 82 and House Concurrent Resolution No. 33** have been printed and distributed.

Signed by all members of the Committee except Representatives Oshiro and Lee.

SCRep. 18-70 Printing and Revisions

Informing the House that **House Bill Nos. 1677-70 to 1683-70 and House Resolution No. 83** have been printed and distributed.

Signed by all members of the Committee except Representatives Oshiro and Lee.

SCRep. 19-70 Printing and Revisions

Informing the House that **House Bill Nos. 1684-70 to 1708-70, House Resolution Nos. 84 to 91 and House Concurrent Resolution Nos. 34 to 37** have been printed and distributed.

Signed by all members of the Committee except Representative Lee.

SCRep. 20-70 Printing and Revisions

Informing the House that **House Bill Nos. 1709-70 to 1718-70 and House Resolution Nos. 92 to 96** have been printed and distributed.

Signed by all members of the Committee except Representative Lee.

SCRep. 21-70 Printing and Revisions

Informing the House that **House Bill Nos. 1719-70 to 1731-70, House Resolution Nos. 97 to 100, House Concurrent Resolution Nos. 38 to 40 and Conference Committee**

Report No. 1 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 22-70 Printing and Revisions

Informing the House that **House Bill Nos. 1732-70 to 1744-70, House Resolution Nos. 101 to 106, House Concurrent Resolution Nos. 41 to 43 and Conference Committee Report No. 2** have been printed and distributed.

Signed by all members of the Committee except Representative Pule.

SCRep. 23-70 Printing and Revisions

Informing the House that **House Bill Nos. 1745-70 to 1758-70, House Resolution Nos. 107 and 108 and Conference Committee Report No. 3** have been printed and distributed.

Signed by all members of the Committee except Representative Pule.

SCRep. 24-70 Printing and Revisions

Informing the House that **House Bill Nos. 1759-70 to 1788-70 and House Resolution Nos. 109 to 114** have been printed and distributed.

Signed by all members of the Committee.

SCRep. 25-70 Printing and Revisions

Informing the House that **House Bill Nos. 1789-70 to 1818-70, House Resolution Nos. 115 to 118 and Standing Committee Report No. 26-70** have been printed and distributed.

Signed by all members of the Committee.

SCRep. 26-70 (Majority) Public Health, Youth and General Welfare on **H. B. No. 1774-70**

The purpose of this bill is to prohibit the intentional termination of a pregnancy

involving a **viable fetus** unless such termination is justifiable as set forth in the bill and to provide penalties for the violation thereof.

This bill complements **H. B. No. 61, H. D. 1, S. D. 2, C. D. 3**, entitled "A BILL FOR AN ACT RELATING TO ABORTION AND AMENDING CHAPTER 768, HAWAII REVISED STATUTES", which dealt with the intentional termination of a pregnancy involving a **non-viable fetus**. **H. B. No. 61**, as amended, provides that the "termination of a pregnancy of a viable fetus is not included" in that bill. Inasmuch as Sections 768-6 and 768-7, Hawaii Revised Statutes, (present abortion laws) were being repealed by **H. B. No. 61**, as amended, there was concern as to whether or not the termination of a pregnancy involving a viable fetus would be covered by the statutes. Some have construed the exclusion of the termination of a pregnancy involving a viable fetus from **H. B. No. 61**, as amended, to mean that the termination of a pregnancy involving a viable fetus did not come within the protection of, and thus not allowed under, that bill so that the penalties of that bill would apply to such termination. Others feel that the explanation in the **Conference Committee Report No. 3** covering **H. B. No. 61**, as amended, that the exclusion was stated "in order to allow the medical profession the legal protection it is entitled to in such cases" implies that the medical practices act, Chapter 453, Hawaii Revised Statutes, was intended to govern such cases so as to preclude a person from the practice of medicine (termination of pregnancy involving a viable fetus) without a license but not to preclude a licensed physician from the practice of medicine in terminating a pregnancy involving a viable fetus when lawfully justified to do so.

However that may be, because of the concern expressed as to the uncertainty of the matter, and because your Committee seeks to avoid the initiation of litigation in test of the matter, your Committee finds that it would be safer and more helpful if the matter of intentional termination involving a pregnancy of a viable fetus were expressly set forth.

H. B. No. 1774-70, in its present form, prohibits the intentional termination of a pregnancy involving a viable fetus except for the purpose of saving the life of the woman. It also makes the violation of such prohibition a felony. However, **H. B. No. 61**, as amended, repeals Section 768-7, Hawaii Revised Statutes, which permits abortions only in the singular instance when lawfully justified for the purpose of saving the life of the woman. While **H. B. No. 1774-70** appears to be a seeming revival of what is sought to be repealed by **H. B. No. 61**, as amended, your Committee finds that such a revival is necessary to the extent that it shall expressly preclude the intentional termination of a pregnancy involving a viable fetus except for the purpose of saving the life of the woman. Your Committee believes that this is not inconsistent with the intendment of **H. B. No. 61**, as amended, because nothing in **H. B. No. 61**, as amended, indicates that the matter of intentional termination of a pregnancy involving a viable fetus was to be unregulated by the statutes.

Your Committee has amended **H. B. No. 1774-70** by providing that any intentional termination of a pregnancy involving a viable fetus which is performed for the purpose of saving the life of the woman shall be performed by a licensed physician or surgeon or by a licensed osteopathic physician and surgeon in a hospital licensed by the department of health or operated by the federal government or any agency thereof. Minor non-substantive changes have also been made in the title and body of the bill for the purpose of clarity.

Your Committee is in accord with the intent and purpose of **H. B. No. 1774-70**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 1774-70, H. D. 1**, and that it be placed thereafter on the calendar for third reading.

Signed by all members of the Committee except Representatives Devereux and Kimura. Representative Baptiste did not concur.

SCRep. 27-70 Printing and Revisions

Informing the House that **House Bill Nos.**

1819-70 to 1833-70, House Resolution Nos. 119 to 122 and Standing Committee Report Nos. 28-70 to 30-70 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 28-70 Labor and Employment Problems on **H. R. No. 66**

The purpose of this resolution is to commend the Governor and the state departments of defense and labor and industrial relations for their efforts in attempting to secure employment for members and employees of the Hawaii National Guard who may become unemployed as a result of the deactivation of the 298th Artillery Group on March 31, 1970, and to urge the Governor and said departments to continue such efforts until all persons directly affected by the deactivation have been placed in employment. The resolution further suggests the use of funds appropriated under Act 251, Session Laws of Hawaii 1969, for the training of such persons.

Your Committee is in accord with the intent and purpose of the resolution but is of the opinion that the resolution should be amended to include the state department of personnel services among the state agencies being commended and urged to continue their efforts to secure employment for members and employees of the 298th Artillery Group. Your Committee has accordingly amended the title and the body of the resolution.

Your Committee is in accord with the intent and purpose of **H. R. No. 66** as amended herein, and recommends its adoption in the form attached hereto as **H. R. No. 66, H. D. 1**.

Signed by all members of the Committee except Representative Lee.

SCRep. 29-70 Public Institutions and Social Services on **H. B. No. 1444-70**

The purpose of **H. B. No. 1444-70** is to amend Section 346-15, Hawaii Revised Statutes, to delete the provision thereof

which prohibits the expenditure of amounts in excess of \$100 for the burial of an indigent. The bill would allow the State to bear the cost of burial of an indigent even when the cost exceeds \$100.

Your Committee finds that in recent years the cost of funeral services and interment has increased proportionately with the cost of living. The \$100 limitation imposed by Sec. 346-15, Hawaii Revised Statutes, is an unreasonable and inadequate amount to cover burial costs.

Under this bill, the estimated costs of the funeral payments program of the Department of Social Services will be included in the annual budget of the Department and will therefore be controlled by legislative appropriation.

Your Committee is in accord with the intent and purpose of **H. B. No. 1444-70** and recommends its referral to your Committee on Finance.

Signed by all members of the Committee except Representative Devereux.

SCRep. 30-70 Education on H. B. No. 1668-70

The purpose of this bill is to provide the sum of \$968,225.65 to purchase, manufacture, produce, and distribute the instructional materials and equipment, as well as to provide the in-service training and supervision necessary, to implement the first phase of the installation of the Hawaii English Program, grades K-3, in 160 elementary schools throughout the State. The plan calls for the introduction and use of at least one set of said materials in each elementary school.

The English Language Project is a curriculum development project funded jointly under Title III of the Elementary and Secondary Act of 1965 (P.L. 89-10), and the State General Fund. The project, started in 1965, has developed and field-tested a language arts curriculum package and associated teacher materials for grades K-3. It is this curriculum package that will be used in the public schools on a limited basis if this measure is approved.

The Board of Education on January 8, 1970 recommended the implementation of the Hawaii English Program in grades K-3 in the coming school year.

The Department of Education presented four possible alternatives for the implementation of the project, and recommended the selection of alternative 4. The recommended alternative was selected because this would result in the curriculum package reaching the greatest number of students, approximately 9,600 or roughly 16 per cent of the present K-3 enrollment. The total estimated cost per pupil will amount to \$100.86. Your Committee approves the selection of alternative 4.

The recommended alternative will enable the department to install the Hawaii English project curriculum package in at least one "3 on 2" class at each elementary school throughout the State.

Funds are also provided for workshops to train classroom teachers, as well as resource teachers to supervise and oversee the installation of the proposed package.

The early passage of this measure is especially urgent at this time due to the need to encumber funds prior to March, 1970 to allow the department to contract for the production of the required materials in order that such materials would be available at the beginning of the 1970-71 school year.

The bill, therefore, provides for the sum of \$766,147.65 to be appropriated immediately upon enactment of this measure. Of this sum of \$766,147.65, \$336,134.00 represents the cost of materials to be produced, and \$430,013.65, the cost of materials and equipment to be purchased.

Your Committee is in accord with the intent and purpose of **H. B. No. 1668-70** as amended herein, and recommends its passage on second reading, in the form attached hereto as **H. B. No. 1668-70, H. D. 1**, and recommends its referral to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 31-70 Printing and Revisions

Informing the House that **House Bill Nos. 1834-70 to 1844-70, House Resolution Nos. 123 to 130 and Standing Committee Report Nos. 32-70 to 35-70** have been printed and distributed.

Signed by all members of the Committee.

SCRep. 32-70 Public Institutions and Social Services on **H. B. No. 1556-70**

The purpose of this bill is to make an appropriation of \$45,000 for the Foster Grandparents Program.

Your Committee finds that the Foster Grandparents Program has been achieving its objective to give employment and income to low income older people and to enhance the development of retarded children. The grandparents and children have together participated in an mutually beneficial relationship at the Waimano Training School and Hospital. The sum appropriated by **H. B. No. 1556-70** is necessary for the continuation of this worthwhile program.

Your Committee is in accord with the intent and purpose of **H. B. 1556-70** and recommends its referral to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 33-70 Hawaiian Homes on **H. B. No. 1652-70**

The purpose of this bill is to appropriate certain sums for capital improvement projects on Hawaiian Home Lands on the Island of Oahu. The sums appropriated will be expended by the Department of Hawaiian Home Lands for the purpose of this Act.

Your Committee is in accord with the intent and purpose of **H. B. No. 1652-70** and recommends its referral to the Committee on Finance.

Signed by all members of the Commit-

tee.

SCRep. 34-70 Hawaiian Homes on **H. B. No. 1653-70**

The purpose of this bill is to appropriate certain sums for capital improvement projects on Hawaiian Home Lands on the Island of Maui. The sums appropriated will be expended by the Department of Hawaiian Home Lands for the purpose of this Act.

Your Committee is in accord with the intent and purpose of **H. B. No. 1653-70** and recommends its referral to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 35-70 Hawaiian Homes on **H. B. No. 1654-70**

The purpose of this bill is to appropriate certain sums for capital improvement projects on Hawaiian Home Lands on the Island of Hawaii. The sums appropriated will be expended by the Department of Hawaiian Home Lands for the purpose of this Act.

Your Committee is in accord with the intent and purpose of **H. B. No. 1654-70** and recommends its referral to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 36-70 Printing and Revisions

Informing the House that **House Bill Nos. 1845-70 to 1861-70, House Resolution No. 131, Standing Committee Report Nos. 37-70 to 39-70 and Special Committee Report Nos. 2 to 8** have been printed and distributed.

Signed by all members of the Committee.

SCRep. 37-70 Agriculture on **H. C. R. No. 11**

The purpose of this resolution is to request the promulgation of Federal

administrative policies, rules or legislation to increase federal milk subsidy under the National School Lunch Program and the Special Milk Program of the United States Department of Agriculture from 4 cents per one-half pint of fresh milk to 5½ cents per one-half pint of fresh milk.

Your Committee finds that it is the declared policy of Congress to safeguard the health and well-being of our Nation's children and to encourage the domestic consumption of nutritious agricultural commodities. In line with this policy, the Federal government assists the States through grants-in-aid and other means, in providing an adequate supply of foods as well as facilities for the establishment, maintenance and operation of nonprofit school-lunch programs.

The National School Lunch Program and the Special Milk Program are two ongoing projects whereby the United States Department of Agriculture provides cash reimbursement to States and local educational agencies which support participating public and nonprofit private schools of high school grade or under, settlement houses, homes for children, and summer camps. This Federal assistance enables educational agencies to lower the price of milk to children and, in areas of severe need, can cover the entire cost of the milk served.

Mr. Stanley Doucette, School Lunch Services Director of the Department of Education testified before the Committee that a half-pint of milk in Minnesota cost 4.8 cents while the same half-pint cost 9.8 cents in Hawaii. Since Federal reimbursement in both States is 4 cents, the charge to a child is one (1) cent in Minnesota and six (6) cents in Hawaii. Your Committee is of the opinion that the high price of milk to Hawaii's children has had a significant downward effect on sales under both the School Lunch and Special Milk Programs. It should be noted that in spite of an increased school enrollment, the daily consumption of milk in the Special Milk Program dropped from 1,708 gallons during the 1966-1967 school year to 986 gallons the following year; and daily milk consumption under the two Programs declined from 8,371 gallons during the 1966-1967 school

year to 7,847 gallons in 1968-1969.

Thus, while Hawaii has been receiving a reimbursement of 4 cents per one-half pint under both the National School Lunch Program and the Special Milk Program, it is evident that the system of a single rate reimbursement is not fully accomplishing the objectives of the two programs in Hawaii. Children in Hawaii are being denied milk for nutritional needs under the Federal lunch and milk programs because of the high price.

After a full consideration of the Concurrent Resolution, your Committee feels that certain amendments are in order for clarification and emphasis. The substance of the amendments contained in **H. C. R. 11, H. D. 1** are as follows:

1. A clarification of the fact that Federal milk subsidy for Hawaii is applicable to both the National School Lunch Program and the Special Milk Program.
2. A redirection of emphasis from the Special Milk Program to the National School Lunch Program where the issue is clearly and correctly focused on the declared policy of Congress to safeguard the health and well-being of our Nation's children and to encourage consumption of our domestic nutritious agricultural commodities.
3. Requesting an increase of federal milk subsidy from 4 cents per half-pint to 6 cents per half-pint. The receipt of 6 cents per half-pint will allow local children to purchase milk for 4 cents per half-pint thereby increasing consumption and better meeting the objectives of the two Programs.

Your Committee on Agriculture is in accord with the intent and purpose of **H. C. R. 11**, as amended herein, and recommends its referral to the Committee on Education in the form attached hereto as **H. C. R. 11, H. D. 1** for further consideration.

Signed by all members of the Committee except Representatives Takitani and Oda.

SCRep. 38-70 Agriculture on H. C. R. No. 30

Hawaiian investors in general and Hawaiian farmers in particular are currently faced with a critical shortage of capital. The Federal Intermediate Credit Bank and the Berkeley Bank for Cooperatives are two institutions not doing business in Hawaii. It is believed that the establishment of these two banks may ease the serious credit gap currently in existence. This resolution has therefore two purposes. First, it adds legislative support to the petitions of farmers encouraging the Bank for Cooperatives and Federal Intermediate Bank to lend money in Hawaii. Second, it calls for State agencies, the Department of Agriculture and the College of Tropical Agriculture in particular, to assist representatives of the Banks in their investigation of financial opportunities in Hawaii.

Your Committee feels that the nonavailability of capital is a seriously limiting factor to the development and growth of Hawaiian diversified agriculture. The critical nature of the credit deficit was illustrated by the estimated 1967 credit gap of \$11.2 million. In addition, the per cent of total agricultural loans represented by commercial credit has decreased from 43.6 per cent to 31.3 per cent over the five-year period since 1964. Based on these facts, your Committee feels that legislative action and support is warranted.

A second reason for action at this date is one of appropriate 'timing'. Mr. George Anderson and Mr. B. H. Schulte, Presidents of the Federal Intermediate Bank of Berkeley and the Berkeley Bank for Cooperatives, respectively, on their recent visit to Hawaii, were reported to be optimistic about the possibility of operating in Hawaii. It was further reported that as a result of their preliminary investigation, a two-man team will be sent to Hawaii not later than April of 1970 to continue the bank feasibility study. If their report is positive, the chance is good that an Intermediate Bank will be established by the end of 1970. Thus legislative concurrence at this date, which can be submitted to the two investigators, would be helpful in lending support to the petitions of

farmers and cooperatives and would demonstrate State concern and desire to assist local farmers.

Finally, your Committee noted that all witnesses were in accord with this resolution. For example, Harry Okabe reported that the Farm Bureau supported the resolution as did Clinton Ching, Attorney for the 50th State Cooperative, because of its potential benefit to the farmers who are most seriously affected by the tight money situation. Billy Tokuda, Legislative Coordinator of the Farm Bureau spoke on the enthusiastic response of Kona farmers who drove 100 miles to Hilo to attend a meeting concerning the establishment of the two banks on the Island of Hawaii. Peairs Wilson, Dean of the College of Tropical Agriculture, testified on the willingness of the College to assist both banks in their educational efforts; and Richard Morimoto of the State Farm Loan Division emphasized how these two agriculture Banks could relieve the State of its heavy farm credit burden.

Data and testimonies clearly indicate the need for the establishment of the Bank for Cooperatives and the Federal Intermediate Bank of Hawaii, and the value of legislative support. For these reasons, your Committee on Agriculture is in accord with the intent and purpose of H. C. R. 30 and recommends its referral to the Committee on Higher Education for further consideration.

Signed by all members of the Committee.

SCRep. 39-70 Agriculture on H. R. No. 59

Pursuant to the State Master Plan for Vocational Education published in February, 1968, the Hawaii Young Farmers Program was administratively transferred from the high school Vocational Agriculture Program to the Adult Education Branch. Members of the Young Farmers Association at their annual Statewide conference held in Wailuku, Maui in November, 1969, unanimously voted to request the Department of Education to reinstate the Young Farmers Program to the Agricultural Education Services Office

at the high school level.

The purpose of this resolution is to request the Committee on Education of the House of Representatives to examine the appropriate administrative placement of the Hawaii Young Farmers Program.

On August 30, 1967, the Hawaii Young Farmers Association, through a letter, appealed to the Chairman of the Board of Education requesting their program remain as part of the Agricultural Education Services. A reply at that time indicated that no move would be made without the benefit of a comprehensive study. Subsequently, in February of 1968, a study was made, entitled **A State Master Plan for Vocational Education**, which recommended an exploration of "the possibility of sponsorship of the Young Farmers Program by the Cooperative Agriculture Extension Service at the University of Hawaii." Based on this recommendation, the Department of Education, on July 31, 1969 administratively transferred the Young Farmers Program from the high school vocational agriculture program to the Adult Education Branch. In reviewing these findings and subsequent testimonies, your Committee noted that it is the consensus opinion that the Young Farmers organization is more closely aligned to the Future Farmers Association, a high school program, than any other organization. Your Committee also feels that all parties affected were not provided with sufficient opportunities to express their opinion on the subject.

Based on these facts, your Committee feels that an examination of the appropriate placement of the Hawaii Young Farmers Association is valuable and warranted at this time.

Your Committee on Agriculture is in accord with the intent and purpose of **H. R. 59** and recommends its referral to the Committee on Education for further consideration.

Signed by all members of the Committee.

SCRep. 40-70 Printing and Revisions

Informing the House that **House Bill Nos. 1862-70 to 1874-70, House Resolution Nos. 132 and 133 and House Concurrent Resolution Nos. 44 and 45** have been printed and distributed.

Signed by all members of the Committee.

SCRep. 41-70 Printing and Revisions

Informing the House that **House Bill Nos. 1875-70 to 1888-70, House Resolution Nos. 134 and 135 and Standing Committee Report Nos. 42-70 to 44-70** have been printed and distributed.

Signed by all members of the Committee.

SCRep. 42-70 Economic Development on H. B. No. 1376-70

The purpose of this bill is to appropriate out of the general revenues of the State the sum of \$500,000 to be deposited in the Hawaii fisheries new vessel construction loan revolving fund.

The Hawaii Fisheries New Vessel Construction Loan Program was established in 1965 to enhance and assist the development of commercial fishing by providing financial assistance for the construction of new vessels in order to expand fishing activity into areas of greater resources. The funds previously available (\$150,000) have been completely committed for the construction and outfitting of the long line fishing vessel Kilauea. The fishing success of that vessel has interested others in building similar vessels utilizing loans granted by the State. The present depleted state of the loan fund does not make possible the granting of additional loans.

Your Committee finds that an appropriation of \$500,000 for this loan program will greatly benefit the fishing industry within the State.

Your Committee is in accord with the intent and purposes of **H. B. 1376-70** and recommends its referral to your Committee.

tee on Finance.

Signed by all members of the Committee.

SCRep. 43-70 Economic Development on H. B. No. 1517-70

The purpose of **H. B. 1517-70** is to appropriate the sum of \$50,000 for a study of existing and possible tax incentives, subsidies, and other economic incentives to improve environmental quality.

Your Committee finds that the improvement of the quality of our environment will require the private sector to make many adjustments such as purchasing new equipment, installing pollution control devices, modifying vehicles, and other capital investments. The State should encourage such private action through public economic incentives at the earliest practicable time. This bill provides necessary funds for a study to determine what public economic incentives are now available and what new incentives should be instituted through appropriate legislative action in order to improve the quality of the environment within our State.

Your Committee is in accord with the purpose and intent of **H. B. 1517-70** and recommends that it pass second reading and that it be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 44-70 Housing and Consumer Protection on H. R. No. 20

The purpose of this House Resolution is to request the Motor Vehicle Industry Licensing Board created by Act 263, Session Laws of Hawaii 1969 to conduct a comprehensive study on new car warranties available to residents of Hawaii. The study is to include analysis of legal issues involved and recommendations for legislation which will enable automobile owners to avail themselves of meaningful protection under the warranties. The resolution requests the Board to report its conclusions and recommendations to the

Sixth Legislature twenty days prior to the convening of the Regular Session of 1971.

Your Committee finds that the Federal Trade Commission has reported that many new cars are delivered to the buyer in poor condition; that workmanship in warranty repair is frequently shoddy; and that the exclusions, limitations and conditions in the warranties are not made clear to the buyer.

Your Committee further finds that the public, Federal and State governments are increasingly concerned with highway safety, the high cost of automobile insurance, and the poor workmanship found in many elements of the automobile industry. New car warranties and their terms play a significant role in these areas of concern. It is in the public interest that the Legislature be fully advised as to the impact of new car warranties in the areas of highway safety, consumer protection against unfair methods of competition and unfair and deceptive practices in trade and commerce, the increasing cost of liability insurance and of automobile repair services.

The Motor Vehicle Industry Licensing Board created by Act 263, Session Laws of Hawaii 1969, is empowered to prevent frauds, impositions and other abuses against residents of Hawaii. Your Committee finds that it is desirable and necessary that the Legislature be advised as to the impact of new car warranties in the above-enumerated areas of concern, and that it have for its early consideration recommended legislation concerning new car warranties.

Your Committee is in accord with the intent and purpose of **H. R. No. 20** and recommends that it be referred to your Committee on Finance.

Signed by all members of the Committee except Representatives R. Wong and Oda.

SCRep. 45-70 Printing and Revisions

Informing the House that **House Bill Nos. 1889-70 to 1906-70, House Resolution Nos. 136 to 145, House Concurrent Resolution Nos. 46 to 51 and Standing Committee**

Report Nos. 46-70 to 50-70 have been printed and distributed.

Signed by all members of the Committee except Representatives Oshiro and Poepoe.

SCRep. 46-70 Public Institutions and Social Services on **H. B. No. 1379-70**

The purpose of **H. B. No. 1379-70** is to amend provisions of the Hawaii Revised Statutes relating to ages of dependent children eligible for public assistance so that such provisions will conform with Federal law.

The 1965 amendments to the public assistance title of the Social Security Act provided assistance for needy children between the ages of 18-21 who are regularly attending high school, enrolled in an organized program of vocational or technical training, or enrolled in a college or university. The existing Hawaii law makes no provision for such children. **H. B. No. 1379-70** will make it possible for such dependent children to take advantage of educational and training opportunities and will allow the State to claim additional Federal matching funds for their assistance.

The amendment will encourage and enable needy children in their formative years to take advantage of educational opportunities and thus improve their preparation for self-support. Additional assistance will enable children of this age group to continue in school. Children with potential will be helped to return to school or to take advantage of further educational opportunities.

Your Committee has converted the form of the bill in compliance with House Rule 24(2).

Your Committee is in accord with the purpose and intent of **H. B. No. 1379-70**, as amended herein, and recommends that it pass second reading and that it be referred to your Committee on Finance as **H. B. No. 1379-70, H. D. 1.**

Signed by all members of the Committee

except Representative Devereux.

SCRep. 47-70 Housing and Consumer Protection on **H. B. No. 1366-70**

The purpose of this bill is to make the operation of an endless chain scheme an unfair method of competition and an unfair or deceptive act or practice within the meaning of the state monopoly statute. In this bill, an endless chain scheme is defined as any scheme for the disposal or distribution of property whereby a participant pays a valuable consideration for the chance to receive compensation for introducing one or more additional persons into participation in the scheme, or for the chance to receive compensation when a person introduced by the participant introduces a new participant.

Your Committee finds that endless chain schemes, by their very nature, are so structured as to make it more and more unlikely as the endless chain develops for later participants to obtain the valuable consideration for introducing new participants which is promised by the promoters of these schemes. This inherent inequality and bias in favor of early participants, coupled with promotional techniques which tend to mislead as to the opportunity to make money, make it necessary and desirable to provide some protection for the consumer who is likely to be injured by this scheme.

Your Committee further finds that such schemes are inherently unfair and should be regulated by means of the anti-monopoly laws.

Your Committee has converted the form of this bill in compliance with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 1366-70**, as amended herein, and recommends that it be referred to your Committee on Judiciary as **H. B. No. 1366-70, H. D. 1.**

Signed by all members of the Committee.

SCRep. 48-70 Housing and Consumer Protection on **H. B. No. 1645-70**

The purpose of this bill is to amend Section 431-643, Hawaii Revised Statutes, to include the so-called "tie-in" practices of insurance companies as an act of boycott, coercion and intimidation prohibited by the insurance law. This bill makes it illegal for insurers to enter into any agreement on the condition or understanding that a policy will not be issued or renewed unless the prospective insured contracts for another class or an additional policy of the same class of insurance with the same insurer.

Your Committee finds that in recent years there have been numerous complaints received from the insurance-buying public concerning the practice of various insurers of requiring the applicant for insurance to purchase other insurance in order to secure the particular coverage he seeks. The majority of such complaints involve automobile liability insurance. However, the practice has also been encountered in other types of insurance. Your Committee finds that this tie-in practice is contrary to the public interest, regardless of the type of insurance involved.

Your Committee has amended **H. B. No. 1645-70** by adding the words "or renewed" after the word "issued" on line 13 of page 3, since complaints have been received as to both original issuance and refusal to renew. This reference to renewal will remove any possible ambiguity as to the scope of the applicability of the prohibition.

Your Committee has converted the form of the bill in compliance with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 1645-70** as amended herein, and recommends that it pass second reading in the form attached hereto as **H. B. No. 1645-70, H. D. 1**, and that it be referred to your Committee on Judiciary.

Signed by all members of the Committee except Representatives R. Wong and Oda.

SCRep. 49-70 Housing and Consumer Pro-

tection on **H. B. No. 1411-70**

The purpose of this bill is to amend Chapter 292, Hawaii Revised Statutes, which was enacted as Act 279, Session Laws of Hawaii, 1969, to clarify that Act and conform its testing requirements with those of the Federal Highway Safety Act of 1966, to eliminate hardships placed on certain segments of the public and the automotive industry and to provide an interim period for the acquisition of necessary testing equipment and the establishment of testing stations.

Section 1 of the bill modifies Chapter 292 in the following ways:

Section 292-1 as amended restates the purpose of Chapter 292 as assuring the accuracy of the odometer-speedometer system installed in certain passenger cars.

Section 292-2 as amended restates the findings and intent of the legislature to recognize the cooperation of the automotive industry in implementing legislative concern for the consumer of passenger cars and its desire to eliminate over-registration of passenger car odometers by installing mileage measuring devices which meet the accuracy requirements of the National Bureau of Standards.

Section 292-3 as amended substitutes the phrase "system-error" for "error" in recognition of the fact that the legislative intent is not merely to assure the accuracy of the odometer instrument itself, but also the entire system.

Section 292-4 as amended provides for certification of system accuracy in relation to a statute mile, and allocates responsibility for original certification to the manufacturer, while allowing the manufacturer to delegate the endorsement function to his authorized agent.

Section 292-5 as amended provides for the verification by the director of weights and measures of the certificate and the system accuracy by random sampling procedures, but does not pre-

clude one hundred percent inspection if the director deems it warranted.

Section 292-6 is new, and empowers the director to establish sub-stations for verification and establishes an equitable fee system so designed that large volume dealers bear their fair share of verification costs. The addition of this section will simplify verification procedures on the neighbor islands.

Section 292-7 is renumbered and provides for the assessment of a verification fee against each passenger car sold, resold or offered for sale, for certifying the accuracy of the passenger car mileage measuring system.

Section 292-8 is renumbered and allows the director to issue a replacement or substitute certificate of accuracy after verification, when necessary to consummate transfer of title to a passenger car.

Section 292-9 is renumbered and requires record-keeping by the director for a ten-year period.

Section 292-10 is renumbered and provides penalties for knowingly, willfully or intentionally falsifying a certificate.

Section 292-11 is new and provides that the director shall promulgate rules and regulations pursuant to the Hawaii Administrative Procedure Act to implement and enforce the Chapter.

Section 292-12 is new and empowers the director to enforce the chapter and delegate his powers and duties when he deems it necessary for effective enforcement of the Chapter.

Your Committee heard testimony from the Director of the Department of Agriculture and from various segments of the trucking industry in Hawaii. Your Committee finds that Chapter 292 as presently written appears to apply to all classes of motor vehicles. The main area of concern of the 1969 Legislature was inaccuracies in passenger car odometers. Representatives of the trucking industry pointed out

that trucks and other non-passenger vehicles are custom-designed and often contain transmissions and rear ends with multiple drive ratios which make it extremely difficult and expensive to provide a mileage measuring system which meets the accuracy requirements of Chapter 292. It was also pointed out that no test procedure or equipment has yet been devised to accurately measure the system error in large trucks, earth-moving equipment, utility vehicles, etc. This bill will clarify the scope of Chapter 292 and limits its application to passenger cars.

Section 2 of the bill provides for immunity from prosecution for any violation of Act 279, Session Laws of Hawaii, 1969. Act 279 was made applicable to all vehicles of model year 1969 or later, but its implementation was virtually impossible because of the length of time necessary to procure testing equipment. Also, the number of passenger cars involved prohibited driving the cars over a two-mile measured course to determine compliance. Therefore, your Committee finds that prosecutions for violations of Act 279 would be unwarranted and undesirable.

Section 3 of this bill provides that, except for Section 2 of this bill, the bill becomes effective on January 1, 1971, and applies to passenger cars of model year 1972 and after. This will provide time for the acquisition of adequate testing equipment to implement the provisions of the bill.

Your Committee has converted the form of this bill in compliance with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 1411-70**, as amended herein, and recommends that it pass second reading and that it be referred to your Committee on Judiciary as **H. B. No. 1411-70, H. D. 1**.

Signed by all members of the Committee except Representatives R. Wong and Oda.

SCRep. 50-70 Higher Education on H. B. No. 897

In reviewing last year the matter of es-

establishing a law school in the University of Hawaii System, your Committee was hesitant to recommend the addition of a major program into a University System without first determining what kind of university we want to achieve. This year, however, with the new President of the University providing a definite direction and specific guidelines for University development, this Committee believes that it is now worthwhile to consider the creation of a school of law in the University of Hawaii System.

Your Committee has heard from numerous persons who have studied in depth the need for a law school at the University of Hawaii. All persons testifying have urged that preparations for a law school begin without further delay. Your Committee has reviewed the presentations of these witnesses as well as the evidence presented by them and has concluded that there is a demonstrated and substantial need for a law school in Hawaii and that preparations for the establishment of a law school should begin as soon as possible. More specifically, your Committee finds as follows:

I. Justification. Rapid growth in population along with a sharply rising demand for legal services in Hawaii as well as throughout the country has created a need for new lawyers that cannot be filled by existing law schools. It is estimated that over the next few years, this country will need 4,000 new lawyers annually to handle the increased volume of legal work, plus an additional 6,000 to 8,000 attorneys annually to replace those lawyers who leave the profession. The pressure on law school enrollments has already caused a vastly higher standard of admissions in most schools and the consequent rejection of many qualified applicants. This has particular significance for the potential law student from Hawaii. As the numbers disparity between potential law students and available vacancies in law schools increases, the criteria of giving first preference for admissions to their own residents will be invoked more stringently by the public institutions on the mainland. We face, then, a three pronged dilemma: an increasing need for lawyers in Hawaii,

which already has a great shortage in this profession; a situation where the number of vacancies in law schools is not increasing with the demand for them; and a probability that Hawaii students will find it increasingly more difficult to be admitted to public law schools on the mainland because states are giving priority to their own residents.

Advantages from having a law school in Hawaii will accrue to the State as well as to the students. From a community standpoint, practicing lawyers and judges can benefit from having continuing educational programs available to them locally, helping them to keep abreast of latest methods and developments in the various aspects of the law. Additionally, a local law school can serve the State by providing impartial analysis and continuing critical evaluation of court decisions and legal practices of the Bar in this State. Such analysis and evaluation, which are essential to a healthy legal and judicial climate, can best come from sources independent of the Judiciary and the Bar Association.

II. Type of Law School. There was no question among those who testified before this Committee that Hawaii has the resources presently available to begin and maintain a first-class law school. There was, however, an apparent difference of opinion as to what kind of law school we should create. The University Administration, the Associated Students of the University of Hawaii, and others cited their desire to have an innovative school of law, while the Hawaii Bar Association advocated the creation of a traditional school. It is the opinion of this Committee, however, after carefully reviewing the testimony presented, that this apparent difference of opinion was in fact a problem of semantics rather than a conflict of concepts. Those who advocated traditionalism stressed the traditional curriculum, while those who favored innovation were concerned with making the law school problem oriented, and more relevant to our society. This Committee found merit in both approaches, and did not find them to be incompatible. In fact, the idea of having a law school which not only employs traditional teaching methods and curriculum,

but which also focuses on problems of particular relevance to the Community, seems to be a highly desirable goal to this Committee.

It should be noted that of those graduating from law school each year, only about 50% go into the practice of law. We must look upon our law school, therefore, as a training ground for leadership as well as for lawyers. This Committee therefore recommends the creation of a law school which is oriented not only toward the traditional task of educating lawyers, but one which is also deeply involved in the study and resolution of Hawaii's urban and social problems. The law school should develop programs which will emphasize Hawaii's unique geographical and ethnic characteristics and Hawaii's potential role of leadership in the Pacific Basin. The law school should permit and encourage field study and clinical work by students with public agencies (including the Legislature and the City Council) which are involved in dealing with Hawaii's social problems, and thus, bringing to such agencies the knowledge and enthusiasm of the students and giving to the students an understanding and appreciation of the problems of government and of the people of our state.

III. Recommendations. After careful consideration and analysis of the testimony and written material presented to this Committee, it appears evident that the creation of a law school at the University of Hawaii could provide benefits to the State well in excess of the monetary expenditure required. This Committee therefore recommends the appropriation of \$50,000 from General Fund Revenues to be expended by the University of Hawaii for the purpose of conducting an in-depth study for the creation of a law school within the University System, including an evaluation of the type of law school that would best suit the needs of the State, the development of an academic plan for a law school including a plan for integrating such a school into the University System, and an evaluation of the academic plan by legal educators and administrators and other experts in the field of academic planning. It is the further recommendation of this Committee that pursuant to the studies,

planning, and analysis prescribed above, the University of Hawaii reflect the implementation of its recommendations in its Budget Presentation for the next fiscal year.

IV. Amendments to H. B. 897. Section 1 of this bill has been amended to reflect the philosophy and objectives of this Committee. Section 2 has been amended, to provide for an appropriation of \$50,000, as requested by the University of Hawaii, in lieu of the \$23,650 requested in the original bill. Section 2 has been further amended to delete the date for establishing the law school, which was previously stated in 1969-1970, to conform with the recommendations of this Committee.

Your Committee is in accord with the intent and purpose of **H. B. 897**, as amended herein, and recommends its passage on second reading, and its referral to the House Committee on Finance in the form attached hereto as **H. B. No. 897, H. D. 1.**

Signed by all members of the Committee.

SCRep. 51-70 Finance on H. B. No. 1260-70

The purpose of this bill is to provide sufficient funds for the operating requirements of the State of Hawaii for the fiscal year 1970-71.

Your Committee reviewed and considered the Governor's Revenue Projection Committee's revenue estimates for the fiscal year 1970-71 and has found such estimates to be reasonable and acceptable. Briefly, the revenue estimates assume a continuously expanding economy for our State but at a lesser rate of expansion than that experienced during the past fiscal year.

Presented below are the Governor's Revenue projection Committee's revenue estimates for the fiscal year 1970-71:

**REVENUE ESTIMATES FOR
FISCAL YEAR 1970-71**

Resources	General Fund	Special and Other Funds	Total
Tax Revenues	\$358,400,000	\$ 32,447,000	\$390,847,000
Appropriated Receipts	85,524,897	52,394,594	137,919,491
Departmental Earnings	37,116,847	18,557,301	55,674,148
Cafeteria and Storehouse Sales	—	10,554,445	10,554,445
Utilities and Other Enterprises	657,000	25,888,000	26,545,000
Rentals and Sales of Public Lands	3,025,000	6,165,212	9,190,212
Other Funds	—	11,598,929	11,598,929
Subtotal Current Revenues	484,723,744	157,605,481	642,329,225
Surplus at beginning	834,907	84,135,722	84,970,629
Total Resources	485,558,651	241,741,203	727,299,854

In preparing the operating budget, your Committee is aware that the future economic picture is not clear. Tourism, our leading source of income in Hawaii, has begun to level off. The level of activity in the construction industry remains uncertain for the latter half of the next fiscal year in view of an anticipated slowdown in hotel construction and the continuation of the tight money market. Further, the present national administration's fiscal policy of reducing federal expenditures will have a significant effect on Hawaii's federal funded programs.

Your Committee, in recommending the budget herein, has attempted to balance the program needs of the people of Hawaii with the projected revenues of our State for the next fiscal year. Therefore, your Committee has striven to attain the following objectives: (1) to provide essential governmental services without extravagance; (2) to minimize recurring expenditures in order to lessen the burden on anticipated revenues in the year ahead; (3) to concentrate the limited amount of State funds available for program expansions in the area of education; and (4) to provide adequate funds to embark on a meaningful environmental control program.

**Provide Essential Governmental
Service Without Extravagance**

The current services and workload increases have been given careful and special scrutiny this year. Your Committee has been disturbed that many departments

carrying vacant positions on their books have continually requested similar additional positions which would augment such vacancies. Therefore, each department was requested to submit a list of position vacancies in order for your Committee to assess each department's budget requests with closer scrutiny. Your Committee has found many vacant positions dating as far back as 1965. Your Committee questions very seriously whether these vacant positions should continue to be authorized in view of the fact that the departments have managed without the positions and because the justifications for the positions have probably changed over the years. Therefore, your Committee has adopted a policy of eliminating all positions vacant prior to July 1, 1967. All vacant positions existing between July 1, 1967 and June 30, 1968 have been transferred from current services to program adjustment. These positions should be treated as new positions, and in view of changing conditions and circumstances, the departments should further justify their need for these positions to the Department of Budget and Finance. Special and federal fund vacancies have not been eliminated or adjusted, but your Committee requests that the departments also rejustify these positions to the Department of Budget and Finance prior to filling them. Your Committee believes that the foregoing approach is in consonance with better and sounder fiscal management policies. Your Committee is also aware that some positions are difficult to fill and therefore has made some recommendations to the Department of

Personnel Services in this regard.

Concentration of Resources in Education

— We have continually striven for the best educational opportunities for the people of Hawaii. Your Committee believes that quality education is the key that will open the door to new ideas and new solutions to the many problems confronting us today. Therefore, your Committee has supplemented the Governor's budget for the Department of Education in the sum of \$582,906, excluding funds that were transferred.

In recent years, the University of Hawaii has experienced a phenomenal growth, not only in student population but also in the quality of programs offered on campus. Your Committee proposes to maintain that growth, with particular emphasis on the undergraduate level and the community colleges. Accordingly, your Committee has supplemented the Governor's budget for the University in the sum of \$1,250,000.

Other Emphases

Your Committee recognizes that many supplementary requests have been introduced relating to the State's effort in the areas of housing, environmental control, oceanography, education, and consumer protection. However, your Committee wishes to assess the proposed programs more carefully before incorporating the personnel requirements within this bill. This does not mean that your Committee has neglected the above-mentioned programs. In the area of housing, your Committee has doubled the funds for the State Rent Supplement Program. In the area of environmental health, your Committee has provided sufficient funds for four sanitarians to expand the water pollution control program, a pilot study to test the feasibility of converting all State vehicles to use liquefied propane gas, and for hosting the Post International Conference on Water Pollution in August. In the area of oceanography, your Committee has expanded the oceanography program at the University of Hawaii by \$250,000. In addition, two additional investigator positions were granted to the Office of Consumer

Protection, and ten poultry inspectors were granted to the Department of Agriculture. Your Committee has substantially supplemented the funds to the Farm Loan Fund, the Fisheries New Vessel Construction Loan Fund, the Capital Loan Fund, the State Higher Education Loan Fund, and for contractual services for the Statewide Information System totaling \$1,800,000.

Your Committee notes the conflicting treatment of project-funded positions in the department's budgets. In most instances, the project positions are not listed. In some departments they are only partially listed. Your Committee believes that the omission of the positions within the budget prevents the Legislature from getting a true picture of the program's size and cost requirements. Each department with project-funded positions and the Department of Budget and Finance are, therefore, requested to devise a uniform format whereby all project-funded positions are reflected in the budget documents for the 1971 session.

Each year, the Legislature is faced with requests by private organizations for subsidies. Some of these requests have been approved; others have not. Your Committee finds that the lack of uniformity in the manner in which these funds are requested, hampers decision making on these subsidies. Each organization submits a budget peculiar to its needs while some requests are not even presented to the Legislature directly, but come through the department as a lump-sum request. Your Committee believes that this practice should cease. Your Committee recommends that all organizations requesting State funds submit their total fiscal budget in the form that is used by all State agencies in order to qualify for State funds. In addition, the responsible department, and the Department of Budget and Finance are expected to review these requests as they review other departmental requests. Upon legislative approval of the subsidy, the organization shall comply with the allotment system as provided in Chapter 37, Hawaii Revised Statutes.

In recent years, the Legislature has

funded many studies whose scope and content were not clearly defined at the time of the request. This has led to numerous misunderstandings between the Legislature and the departments making the contracts. Your Committee, therefore, requests that each department in the future submit its contract specifications whenever it requests funds for a study.

Your Committee is also disturbed that expressed legislative intent relative to authorized studies has not been closely followed and therefore, recommends that departments do not deviate from legislative intent.

EDUCATION

Department of Education

Your Committee strongly believes that quality education for an individual will enhance his social and economic mobility, occupational advancement, and self-fulfillment. In this regard, your Committee has provided the Department of Education with sufficient funds for such enhancement. This budget contains additional classes for the 3 on 2 program and a 1.4 million dollar appropriation for the purchase of new English educational materials. Additional funds have been provided for the improvement of subject areas that were evaluated through the PPB system and for an increase in support of special, post high, and adult education programs. The Work-Study, Follow-Through, TESOL, and the Dropout programs have all been strengthened with additional funding.

Budget Format for 1970-71

After four years of experience with lump-sum appropriation for the Department of Education, it has become evident to your Committee that there are inherent weaknesses in the lump-sum approach that are detrimental to effective legislative programming. Thus your Committee has departed from lump-sum appropriation and proposes a modified lump-sum approach for the department. Appropriations are made to major divisions within the depart-

ment. The department is given flexibility to expend its appropriation within each division as it sees fit. If the department wishes to transfer funds from one division to another, it can do so only with the approval of the director of the Department of Budget and Finance. This approach was adopted for the University of Hawaii last year and has proven to be workable. Underlying this legislative policy was the desire to afford the department a certain measure of discretion and flexibility in expending the appropriation but yet hold the department fully accountable to the Legislature for its budgetary decision.

The Joint Interim Committee on Education has concluded in its report to the 1970 Legislature that much work remains to be done in implementing planning, programming, and budgeting as the method in which educational budgets are to be prepared, and accomplishments measured and reported to the Legislature. Thus, the department is expected to continue the PPB approach as recommended by the Joint Interim Committee. In addition, the department is expected to cooperate with the Department of Budget and Finance in the development of a budget format for the State.

3 on 2 Program

After close scrutiny of the evidence developed thus far on the effectiveness of the 3 on 2 program, your Committee believes that the program meets the expectations of individualized instruction. While it is our desire to see this program implemented in all K-3 classes, there are certain realistic constraints that must be considered. Thus, your Committee has provided an additional 100 classes, for this program which is realistic with the department's ability to renovate existing classrooms and to hire the additional teachers.

Your Committee was made aware of some problems connected with the 3 on 2 program. In this regard, we direct the department's attention to the following for its consideration.

- (a) One 3 on 2 classroom in each ele-

mentary school should be established.

(b) In-service training for all 3 on 2 teachers should be made compulsory.

(c) Close surveillance of the program, especially in terms of objective evaluation should be continued.

(d) A course of action should be adopted to relieve the problem of the ineffectual or insecure teacher.

(e) A course of action should be adopted to remedy the problems arising from incompatible teachers working together.

(f) Close surveillance and evaluation of the 3 on 2 student moving into a self-contained classroom situation should be conducted, especially on students from grades 3 to 4.

Your Committee requests the department for a report on the foregoing as well as on the other problems cited in the January 1970 **3 on 2 Progress Report**. This report should be submitted to the Legislature twenty days before the convening of the Regular Session of 1971.

Hawaii English Program

Your Committee agrees with the department in emphasizing the English curriculum. New ideas, new approaches, and new materials in the English curriculum have been produced and tested by the Hawaii Curriculum Center for implementation in our system. Therefore, your Committee has appropriated \$1,468,226 to accelerate such implementation. \$968,225 of this amount shall be used to purchase the materials for the 3 on 2 classes and the remaining amount is to be used for self-contained classes. Although these materials have already been extensively tested and revised, your Committee requests that the department conduct an objective evaluation of the program's impact on the student. This evaluation should be submitted to the Legislature twenty days before the convening of the Regular Session of 1972.

Your Committee is mindful of the fact

that in-service training for teachers in the use of such materials must be conducted. It is recommended that all teachers who are assigned the new materials be required to attend in-service training as part of their job requirements.

An additional appropriation of \$438,736 has been made for the subject-by-subject improvement through PPB analysis. The department should determine the priority of the various projects and proceed accordingly.

Kailua High School Flexible Scheduling

Your Committee does not agree with the "super" high school (6,000 students) concept at this time. Your Committee is convinced that bigness per se is not the answer to better education. Educators within the department have agreed that modular scheduling can be achieved in a conventional size high school without sacrificing any of the basic high school programs. Further, your Committee has been informed that the consultants hired by the department to program the space requirements for such a "super" high school in Kailua labored under too many constraints imposed by the department to make their findings and recommendations meaningful. Furthermore, some of the attendant problems of a "super" high school such as widening streets to handle the morning and afternoon traffic, providing adequate facilities for student car parking (a parking requirement for approximately 3,000 vehicles), providing adequate campus security requirements, and providing adequate student social and athletic programs have not been resolved.

In view of the foregoing, your Committee recommends that the department expeditiously select a school site and plan for construction of another high school which will be consonant with the recommendation herein.

Your Committee is also aware of the need for an intermediate school in the Kailua area. It is recommended that the department proceed expeditiously with the site selection and planning for such school.

Pacific and Asian Affairs Council

Your Committee, after careful review of the PAAC program and budget, recommends that the subsidy for PAAC cease and that the department undertake to include in its curriculum a similar Pacific and Asian Affairs Program with inter-school conferences wherever feasible. This recommendation is one of the suggested courses of action by PAAC.

District Office Staffing

Your Committee is concerned about the growing need for positions in the district offices. The department is therefore requested to report on the functional organization of the district office and its relationship to the State office and the schools. In particular, your Committee is interested in learning why district offices seemingly have different staffing formulas in terms of the kinds and number of resource personnel.

Your Committee would like a clarification of the responsibility, authority, role, and necessity of the curriculum specialist, staff specialist, resource teacher, and liaison teacher in the district office and their relationship to the curriculum specialist, staff specialist, program specialist, and program manager in the State office. In this regard, your Committee recommends that the department phase-out the complex manager position at this time and reassign these persons and any person under them to other positions within the department.

Administrative Intern Program

Before a person can become a principal or a vice principal, he must successfully complete the Administrative Intern Program. While components of the selection process appear to be carefully designed and comprehensive, your Committee believes that in order to insure objectivity and the selection of the best qualified persons, the department should re-evaluate the current procedures. In particular, the department should consider the feasibility of including non-departmental personnel on the interview teams and devise a

method to verify the applicant's credentials by conducting personal interviews with the applicant's references and his peers. It is requested that the department submit a report hereon twenty days prior to the convening of the Regular Session of 1971.

Kona Coffee Scheduling

Since the modified schedule for all Kona District Schools was not merely a shift in dates but one that involved curriculum changes which relate to the statewide educational system, your Committee is interested in the progress of the schedule, its value to the student and the community, and its problems. Your Committee, therefore, requests that the department submit a report on its findings and recommendations on this scheduling twenty days prior to the convening of the Regular Session of 1971.

Hoomana Vocational School

The President of the University of Hawaii has informed your Committee of the Attorney General's determination that the provisions of Act 39, SLH 1964, are applicable to Hoomana Vocational School. The University has therefore begun arrangements to transfer Hoomana Vocational School from the Department of Education to the University of Hawaii. Your Committee has made the necessary adjustments in this budget to effectuate the transfer on July 1, 1970.

TESOL Program

The U.S. Immigration Service reported that as of January 1968, there were about 49,000 aliens residing in the State. Your Committee strongly believes that the absolute minimum education for these aliens and many of their children is the ability to use and understand English. Only then, can they approach a meaningful existence. The TESOL (Teaching English to Speakers of Other Languages) program was started in our educational system to alleviate the severe language inadequacies of the students of immigrant parents. With the recent liberalization of the immigration laws, the number of non-English speaking

students is expected to increase by 2,400 students. Accordingly, additional funds have been approved to provide more classes. Your Committee requests the department to determine the demand for TESOL classes during the summer and to provide classes wherever warranted.

The adult Education Program provides essentially the same kind of educational services using the TESOL approach with adult immigrants. According to testimony given by new immigrants at the recent Governor's Conference on Immigration, there is still need to intensify and expand present educational programs for these people. Your Committee has therefore funded the department's proposal to conduct an eight-week adult summer session program to supplement existing programs.

Special Education

With an expanded diagnostic program and population, more pupils enroll in special education programs each year. There is urgent need, therefore, to resolve many of the issues confronting this program. Your Committee, after reviewing the department's **Analytic Document** on special education, is especially anxious about the following two problem areas:

(a) the split jurisdiction of the University, education, health, and social services departments and the resulting lack of a clear role for each department in the program.

(b) the lack of a comprehensive program to identify and integrate activities that would assure a systematic range of services.

Your Committee therefore recommends that the Legislative Reference Bureau in consultation with the above departments present recommendations to resolve the question of responsibility, coordination of diagnosis, placement, recruitment of teachers, in-service training, educational planning, and other issues cited in the **Analytic Document**. It is requested that a progress report be submitted to the Legislature twenty days prior to the convening of the Regular Session of 1971.

Student Transportation

The Department of Education provides transportation for students who reside far away from school and who are without transportation due to the non-existence of established bus routes, or economic hardship, or both. Your Committee has provided additional funds for contractual services to accommodate the increased student enrollment and to improve the transportation services on Maui and Oahu by limiting the number of standees to no more than $\frac{1}{4}$ of the seating capacity of a bus. Further, your Committee has provided \$331,000 for transportation services for an additional 800 handicapped children.

Presently, funds for transporting school children to their respective schools are allocated to the Department of Education. However, the Department of Accounting and General Services is responsible for executing this service. Your Committee is concerned with the inefficiency of this dual arrangement due to a pronounced lack of communication and coordination, particularly in enforcing the terms of contracts with private carriers. Your Committee recommends that the two departments cooperate and coordinate this program with dispatch.

Dropout Program

One of the most critical and difficult problems facing schools across the nation is the high rate of students dropping out of school. This situation, if left alone, will undoubtedly result in a significant drain on our human resources. Your Committee realizes that there is no easy and single solution to the dropout problem and is aware of the several approaches implemented by the department in this regard. In support of this, your Committee has provided \$200,000 to supplement the ongoing dropout program.

Your Committee recommends that the primary use of the appropriated sum should be directed to the needs and interests of children in the elementary grades. The accent on early identification and prevention will probably be more fruitful in the long run than efforts geared to older

students.

Drug Abuse

According to a 1968 study coordinated by the Commission on Manpower and Full Employment, one out of four of the drop-outs voluntarily admitted that they sniffed paint, glue, or smoked marijuana, took LSD or barbituates. Here again, the situation cannot be easily categorized as a social, medical, legal, or educational problem. Your Committee therefore requests that the department continue its drug abuse education as part of health education; continue to work with the Family Court, Police Department, and Department of Health; and prepare a program of education on drug abuse and a plan to curb drug pushers in our schools. A report should be submitted to the Legislature twenty days prior to the convening of the Regular Session of 1971.

School Aides Program

Your Committee has examined the department's request for general school aides who are expected to perform a variety of non-educational tasks. Your Committee agrees that teachers', counselors', and librarians' talents should be directed to professional tasks with other routine assignments and duties to be performed by non-professionals wherever possible. Your Committee has provided funds for thirty general aides in the coming fiscal year. However, your Committee strongly recommends to the department that it refrain from hiring any general aides until a classification review of such aides has been completed. In this regard, your Committee believes that aside from the school secretary, the establishment of only two other series in the school clerical-paraprofessional area should be considered. The first series to be known as educational assistants should be used to assist the teachers in the classroom and the second series to be known as general aides should be assigned various non-educational tasks outside the classroom. This distinction is necessary since your Committee believes that it may be more feasible to employ as educational assistants persons with higher qualifications.

Your Committee strongly recommends that the present five class educational assistant series be eliminated and replaced by the aforementioned two series with no more than two classes being established in each series. Under this arrangement, the aide positions may be more effectively and efficiently utilized.

Studies and Surveys

Your Committee is concerned at the number and kinds of studies and surveys undertaken by the Department of Education and the University of Hawaii. Accordingly, the restrictions expressed in Section 18 of this bill are made applicable to these departments. It is intended that the approval of the Governor be obtained before any study is undertaken. In addition, the departments are requested to submit at each session of the Legislature a short description of each study undertaken or about to be undertaken. Your Committee believes that this approach will allow the Legislature to take advantage of any significant studies.

Subsidies to the Hawaii Association to Help Retarded Children

The Report on **H. R. 148** by the Governor's Interim Co-ordinating Committee on Mental Retardation issued in 1968 recommended that the State assume responsibility for the services for the mentally retarded. The target date for State operation of all programs was set at 1970.

Last year, your Committee requested that the Departments of Health, Social Services, and Education re-evaluate the subsidy program for the mentally retarded, and submit a report to the Legislature on the extent of implementation of the recommendations contained in the Report on **H. R. 148**.

The report from these departments stated that although progress has been made since 1967, full implementation by 1970 will not be possible. The postponement has been necessary because of limited resources in funds, facilities, staff, and knowledge. In view of this, the subsidy to HARC (Hawaii Association to Help

Retarded Children) must be continued to provide for mentally retarded children who so not qualify under present requirements for Department of Education classes. HARC has stated that it is willing to continue its services for pre-school and school age mentally retarded children for two to three years beyond the June 1970 deadline, provided the State subsidy is of an adequate amount.

In recognition of the foregoing factors, your Committee has provided the sum of \$322,000 for twenty-eight classes operated by this Association.

In addition, your Committee feels that the next most logical step during this interim is to place this subsidy, and the administration and evaluation of the program under the jurisdiction of the Department of Education rather than the Department of Health. State responsibility is presently planned to be vested in the Department of Education, and further, the department through this intermediate step will be valuably exposed to the present and future needs of this program.

A comprehensive and integrated program for the mentally retarded is of importance to all of us. Your Committee, therefore, requests that the Department of Health, Social Services, and Education continue with their present efforts in carrying out the intent of H. R. 148. The department is requested to submit a report to the Legislature twenty days before the convening of the Regular Session of 1971.

Similarly, subsidies to the Special Education Center of Oahu, also formerly administered by the Department of Health, shall now be administered by the Department of Education.

Other Concerns

(a) The plan to have the artmobile and artists visit classes is a valuable complement to the curriculum. This program is a necessary balance to the learning required in a technological society and should therefore be given favorable attention. With the expected completion of the

artmobile this year, your Committee has provided for an art specialist for the artmobile under the instructional services budget.

(b) In administering the subsidies granted annually to private organizations, the department is expected not only to act as the expending agency but to oversee and evaluate the educational and cultural content of these programs. Moreover, specific objectives should be developed for each subsidized program in order that its activities may be reviewed meaningfully. The following lists the organization and amounts of the subsidies to be administered by the department.

Honolulu		
Theater for Youth	\$	28,600
Honolulu		
Symphony Society	\$200,000	
Honolulu		
Youth Symphony	\$	23,650
Honolulu		
Community Theater	\$	6,000
Young Farmers		
Program	\$	58,000

The above figures are reflected in the Department of Education's budget as follows: \$15,650 to the Honolulu Youth Symphony under program adjustments; \$17,000 for the Honolulu Symphony Society under workload increases; \$5,000 to the Honolulu Theater for Youth under program adjustment; and \$30,000 to the Young Farmers program under program adjustment. The balance is appropriated under current service. Your Committee further recommends that the Young Farmer program remain within the agricultural program under regular education.

(c) Your Committee is concerned that funds in the budget for library books have sometimes been diverted to other uses. This is especially critical in the initial staffing of a new school library. Your Committee, therefore, requests the department to determine the minimum number of books needed in a school library and to see that each library contains at least this minimum.

(d) Your Committee recommends that

funds and personnel earmarked for a particular program not be transferred to a different program within a school or to another school unless it has been deemed necessary and justifiable by all those involved with the programs. Also, before such transfers are made, the department's overall program and the overall effect of the projected transfer should be carefully examined.

(e) Your Committee is concerned that the department has too often relied on the Parent Teacher Association to replace band instruments and equipment. Your Committee, therefore, requests the department to up-date its band instrument and equipment inventory, and set up a schedule for the replacement of such instruments and equipment.

(f) Your Committee is concerned over the lack of educational construction and equipment standards. Your Committee, therefore, requests that the Departments of Education and Accounting and General Services cooperate in establishing a uniform educational standard that will be applicable to school construction and furnishings.

(g) Your Committee has been informed that the department is experiencing some difficulty in finding teachers for summer classes due to inadequate compensation. Your Committee has found that the per hour rate for summer teachers appears low in relation to the compensation for adult education teachers. Therefore, the department is requested to adjust its summer program in order to insure summer school teachers a pay level comparable to that of the adult education teacher.

University of Hawaii

Your Committee is mindful that our institution of higher learning has experienced an unprecedented growth in the past few years. This growth can be attributed to many factors such as the increase of the student enrollment, the establishment of new programs in the curriculum, a progressive faculty, administrative and regents' leadership, community support and involvement, and the unequivocal sup-

port from our State government. Your Committee believes that the achievement of academic greatness can be accelerated by the proper emphasis in selected programs that will satisfy the needs and objectives of our State. In this regard, your Committee has provided approximately two million dollars for program adjustments. Your Committee has also provided sufficient funds to meet the increased enrollment expected in the community colleges and Manoa campus, and to develop occupational-technical programs at Leeward Community College. We have continued the support for the oceanography program and the two-year medical school. Funds have also been provided this year for the expansion of the Hilo Campus to a full four-year college.

Budget Format for 1970-71

Your Committee has continued the modified lump-sum budget for the University of Hawaii. Your Committee believes that this approach will afford the University discretion and flexibility in allocating and expanding the appropriation but yet hold the department accountable to the Legislature for its budgetary decisions.

Emphasis on Undergraduate Program

President Cleveland's statement that the '70's will be the era of universal post-secondary education is a further reminder of the vast number of students who will be seeking admission to the University in the coming years. Your Committee therefore requests the University to critically evaluate its existing and proposed programs so that all qualified incoming undergraduates can be accommodated. This concern is raised upon review of the University of Hawaii's "Instructional Unit Cost Study, Year Ended June 30, 1969," which presented the following average cost for undergraduate and graduate students:

	Under-graduate Student	Graduate Student
Excluding employee benefit	\$1,042	\$2,386
Including employee benefit	1,103	2,538

Your Committee is mindful of the importance of graduate programs in raising the academic stature of a university, but believes that within the limited resources of our State, a choice on emphasis should be made. In this regard, your Committee recommends that the undergraduate program be given first priority; that only selected new graduate programs should be approved, and that expansion requests of on-going programs should be more carefully scrutinized before being approved.

In view of the expected 21.5 per cent increase in enrollment at the community colleges, your Committee has supplemented the budget for community colleges by \$625,000 to continue the "open door" policy for our students. Should enrollment exceed projections, it is recommended that the University supplement this budget by transferring funds from other divisions.

Higher Education Loan Fund — Your Committee has appropriated \$250,000 for deposit into the Higher Education Loan Fund established last session by Act 230, SLH 1969. The University has been neglectful in not starting this loan program in the fall of the school year 1969. The University is reminded that its obligations to the welfare of the students is paramount and such neglect cannot be tolerated in the future. It is expected that this program will be in full operation during the second semester of the school year 1969-70.

School of Medicine — The successful transfer of the first class of medical students to four-year mainland medical school favorably reflects on the caliber of the school's current program. Your Committee recommends that the school continue to actively promote the acceptance of our graduates into other medical schools. Your Committee has reduced the program adjustment request by ten positions in order to allow a more gradual expansion of the school. Your Committee will closely review the manpower requirements for the two-year medical school at the next session.

Counseling

Your Committee is concerned about

proper student counseling at the Manoa Campus and community colleges. As enrollment and the variety of programs on campuses increase, counseling inevitably assumes a greater role in assisting the students towards meaningful goals. Your Committee recommends that the University schedule counseling periods for its faculty members in order that the students may more adequately determine their course of life.

In the community colleges, your Committee is especially concerned about the counseling function in view of two incidents brought out in testimony before this Committee. In the apprenticeship program, students who enrolled in carpentry found upon graduation that in fulfilling the industrial requirements for a journeyman, their enrollment placed them no higher than students who did not enroll in carpentry. Testimony was also received pointing to the misunderstanding that exists among students in the community colleges as to the transferability of courses to the Manoa Campus or the Hilo Campus. Your Committee, therefore, recommends that the University reassess its counseling program at the community colleges. Further, it is recommended that the University reassess the programs that are in conflict with the apprenticeship programs conducted by unions and industry, and seriously consider offering such programs during the evenings as a supplement to the apprenticeship programs conducted by the unions and industry.

Legislative Reference Bureau

Your Committee has provided \$387,119 for the Legislative Reference Bureau, of which \$10,112 shall be used for the rental of six IBM Magnetic Card Selectric Typewriters and related equipment. These typewriters will greatly facilitate the typing of bills and amendments, and will be used by this Bureau during the Regular Session of 1971.

Use of Athletic Facilities

Your Committee believes that the present emphasis on intercollegiate athletics should not result in the neglect of

intramural athletics. Intramural teams should feel just as comfortable as intercollegiate teams in using the athletic facilities. We therefore request that appropriate arrangements be made to insure that these facilities be made available to intramural as well as intercollegiate athletics.

With regard to the agency fund of the athletic department, your Committee recommends the continuance of such fund.

School of Law

The projected and accelerated undergraduate and graduate student enrollment increase, and our desire to attain and maintain academic excellence will require heavy financial commitments in the future. It is intended that our financial commitments be first directed towards providing the basic undergraduate needs and secondly, to graduate programs on a selective basis.

Your Committee is aware of the sizeable financial commitment a law school will have on our State resources. Therefore, your Committee believes that funding such a school without carefully examining the full implications, financial and otherwise, is not the proper course to take at this time.

Your Committee is cognizant of the report by Warren and Mearns on the feasibility and social importance of a school of law. That report, however, envisions a law school of the eastern tradition and presents the funding requirements of same. In recent months, President Cleveland has spoken of a law school that is "unique" with strong graduate and research programs in comparative law, the law of the sea, the law of the Pacific basin, and environmental and urbanization law. Others advocate a law school based on involving students and solving contemporary problems. This discussion of a "unique" law school presents many questions — what kind of program and curriculum it will have, its enrollment capacity, its library requirements, its teaching requirements, and its space and facilities requirements. Your Committee believes that it would be prudent to have answers

to the foregoing questions before a commitment is made to establish such a law school. Your Committee, therefore, is recommending that the Legislative Reference Bureau, in a cooperative effort with the University administration, (a) conduct a cost benefit study based on President Cleveland's idea of a "unique" school of law and (b) conduct a survey to determine community support and need for a law school.

Student Bus Service

The Associated Students of the University of Hawaii requested the initiation of a campus bus service which would eliminate the loss of class time that is incurred by the long distances that students must travel between classes. This request was based upon an evaluation of the Experimental Bus Service which established that 99 per cent of the people who utilized the service wished to have the service continued on a regular basis.

Your Committee recognizes that intra-campus transportation will become increasingly aggravating with the continued growth and expansion of the Manoa Campus. Accordingly, your Committee has provided \$50,000 to be used to provide intra-campus transportation on a contractual basis. Your Committee recognizes that this is only a short term solution and requests the University to evaluate the following:

- (a) the advantages and disadvantages of buses, jitneys, or other modes of transportation;
- (b) the operation of such service by State personnel or by contractual agreement;
- (c) cost estimates and the means of financing this service.

A report on the findings and recommendations should be submitted to the Legislature twenty days prior to the convening of the Regular Session of 1971.

DEVELOPMENT AND NATURAL RESOURCES

Department of Agriculture

Your Committee notes that in the Meat Inspection Program and the Commodities Program, the Department of Agriculture has been purchasing laboratory services from the University of Hawaii. Your Committee recommends that the department utilize the laboratory services provided by the laboratory branch in the Department of Health to the extent possible. Should the Department of Health laboratory be unable to provide the required services, the Department of Agriculture may then contract with the University of Hawaii on a per-job basis. Your Committee believes that the department's laboratory needs which are regulatory in nature should be serviced at the Department of Health's laboratories, thereby leaving the University laboratories for research and instruction.

Ten poultry inspector positions have been granted to implement the statewide poultry inspection program as authorized by Act 212, S.L.H. 1969. The inspectors shall be assigned as follows: five on Oahu, two each on Maui and Hawaii, and one inspector on Kauai.

The Farm Loan Fund has been augmented by \$500,000. Your Committee further intends that the farm loan officer authorized in that program shall be the secretary as provided in section 115-4(1) Hawaii Revised Statutes.

Department of Land and Natural Resources

Of interest and concern to your Committee is the continued attention to the preservation of Hawaii's natural resources and recreational facilities. Your Committee, therefore, provided sufficient funds to maintain the department's current level of services. In addition, funds for an additional park caretaker on Oahu has been provided to improve and further enhance park facilities.

Your Committee has also provided additional positions for the Conveyances, Fish and Game, and Forestry Divisions; funds to accelerate the exploratory well-drilling program; and an administrative assistant for departmental public information and

educational affairs.

Your Committee has provided for an appropriation of \$300,000 to the Hawaii Fisheries New Vessel Construction Loan Fund. This program was established in 1965 to enhance and assist the development of commercial fishing in the State by providing financial assistance for the construction of new fishing vessels which could travel into areas of greater resources. The loan fund has been depleted, and additional funds are necessary to make additional loans possible.

Department of Planning and Economic Development

After a review of the programs and budget requests of this department, your Committee has provided the following:

Hawaii International Services Agency — To further realize Hawaii's role as a clearinghouse and headquarters for multi-national scientific, economic, and technical development, your Committee has provided \$5,000 for a Statewide conference to investigate who is doing what and where in international affairs. More specifically, the conference will yield the following results:

(a) HISA activities can be planned with new insight.

(b) State agencies and private firms will be better informed on what the Federal government's plans are under the new Administration.

Hawaii Capital Loan Program — Your Committee has also provided an increase of \$500,000 for the Capital Loan Program. The present money situation has created an increased demand from businessmen to borrow from this fund. Because of this, there is a danger that existing funds will soon be exhausted, and new requests from promising business firms will have to be rejected. Furthermore, the capital loan revolving fund has proven meaningful not only to the small businessman but also to the State. The benefits generated by increased sales, added employment, and taxes are achieved without added expendi-

tures to the government.

Your Committee also recommends that the Division of Small Business Extension Service coordinate its efforts with the Hawaii Capital Loan Program. Through making management consultation available to these businesses that have loans with the State, failures can be avoided, and a higher probability of survival and economic growth can be achieved. The redirection of efforts will be much more meaningful to the businesses without the need of additional appropriations to expand the Small Business Extension Service. The concept of taking a "buckshot" approach to assisting small business by conducting seminars and conferences should cease. If 40 to 50 businessmen per year receive consultation through this service, the State would be providing a much greater service to the business community.

Hawaii Technical Services — Presently

there is uncertainty as to what the Federal allocation to the Hawaii Technical Services will be. If Federal funds are not forthcoming, your Committee recommends that the program be terminated and that, in this event, the Department of Personnel Services help the employees gain employment within the department or in other agencies. The current program consists of one program administrator, one librarian, one full-time and one half-time field representative, and one steno III. Your Committee believes that these positions should not be too difficult to place in other agencies.

Hawaii Visitors Bureau — In reviewing the financing for the Hawaii Visitors Bureau, your Committee notes that State appropriations have increased substantially over the years. The following table shows a schedule of State appropriations and private subscriptions over a ten-year period from 1958-1968.

TABLE I
SCHEDULE OF STATE APPROPRIATIONS
AND PRIVATE SUBSCRIPTIONS

Fiscal Year Ended June 30	State Appropriations		Private Subscriptions		
	Amount	% of Total	Amount	% of Total	Total
1958	\$ 478,377	56	\$374,375	44	\$ 852,752
1959	441,628	49	459,999	51	901,627
1960	758,250	64	435,419	36	1,193,669
1961	1,104,928	71	442,283	29	1,547,211
1962	1,194,500	83	244,291	17	1,438,791
1963	1,230,000	78	342,873	22	1,572,873
1964	1,230,000	79	322,608	21	1,552,608
1965	1,100,000	77	328,910	23	1,428,910
1966	1,200,000	78	329,957	22	1,529,957
1967	1,332,830	74	470,020	26	1,802,850
1968	1,439,000	75	481,826	25	1,920,826

Legislative Auditor, **Financial Audit of the Hawaii Visitors Bureau for the Period July 1, 1966 to January 31, 1967** (1968) page 5. The amount of private subscription of 1967-68 has been adjusted to reflect actual contributions received.

As the table reflects, State contribution has increased substantially from \$478,377 in 1957-58 to \$1,439,000 in 1967-68, more than a three-fold increase. In comparison, private contributions increased over the same period from \$374,375 in 1957-58 to

\$481,826 in 1967-68, an increase of 29 per cent. It is not surprising, therefore, that the State's share of the expense has increased from 56 per cent of the total to 75 per cent of the total for 1967-68. For the fiscal year 1970-71, your Committee

recommends that the Hawaii Visitors Bureau raise at least 30 per cent of its total budget from private sources. If the Bureau fails to raise the required amount, the State's share will be proportionately reduced. In view of the much publicized slowdown of the growth rate in the number of visitors, your Committee feels that the private industry will rise up to the occasion and raise the amount needed. A more aggressive membership campaign on the part of the Bureau could insure that support.

Your Committee further recommends that the Bureau embark on a more vigorous tourist promotion from within our State. By that, it is hoped that the Bureau would monitor and investigate tourist complaints, make strong suggestions and recommendations to industry on the necessity of maintaining the "aloha spirit", conduct workshops and seminars where necessary, and make recommendations to governmental agencies for the protection and welfare of the tourist.

With regard to the signs that point out historical and scenic points of interest, your Committee requests that their replacement and distribution be accelerated.

Industry and Product Promotion — In view of the slowdown in our tourist industry, your Committee believes that strong emphasis should be placed on promoting the sale of locally grown products to further broaden our economic base. The product promotion program has significantly helped to increase the exportation of local products to the mainland, elsewhere, and locally. Most notably, the promotion of papaya radically reversed the industry's declining sales and established the papaya as a valuable export item. The first contract for the promotion of this product was executed in 1959, and by 1968 papaya shipments to the mainland reached an all time high of 7.9 million pounds. Similarly, the division's promotion of anthuriums, Norfolk pines, bananas, Hawaiian gifts and fashions with matching funds from private industry has had a pattern of increased sales. In order to continue this growth, your Committee has appro-

priated \$200,000 to this division. The sum of \$65,000 of this amount shall be used for the promotion of coffee, \$100,000 for the promotion of papaya and anthuriums on an equal basis, all of said sum to be matched equally by industry.

Department of Transportation

Your Committee has reviewed the estimated operating revenues for the airports, harbors, and highways and has approved expenditures which will ensure a surplus at the end of the fiscal year. In so doing, your Committee requests that the department apply a major portion of its surplus to debt service and to carry over a minimum amount of surplus for the succeeding fiscal year.

The janitors provided for the Honolulu International Airport are intended to be hired no earlier than October 1, 1970.

With regard to the request for an airport attendant at the Maui Airport to provide additional security, your Committee suggests that the department negotiate with the County of Maui to obtain police coverage on a reimbursable basis. Effectuation of this contract will make airport security protection uniform on all islands.

Airport Concessions — Your Committee is disturbed over the inadequate surveillance of concessions at the airports, particularly in the area of product quality and prices, tie-in sales, adherence to posted hours of operations, and overall service to the customers. Your Committee also questions the wisdom of permitting the duty-free shop to operate a branch shop in Waikiki and the practice of allowing too many vending machines in the lobby areas. With the increased activity at the airports, stricter surveillance is highly desirable. Your Committee, therefore, requests that existing policies and practices be reviewed, and that necessary changes be instituted now to provide better service.

Civil Air Patrol — Section 261-6 of the Hawaii Revised Statutes provides for an annual appropriation of \$30,000 for the Civil Air Patrol. Your Committee recommends that this sum be increased to

\$50,000 for statewide use. A separate bill will be introduced for the purpose of amending Section 261-6 of the Hawaii Revised Statutes.

State Highway System — Act 159, S.L.H. 1965 authorized the Department of Transportation to establish a Hawaii State Highway System. Act 205, S.L.H. 1967 appropriated \$294,800 to implement the first phase of this system. The State acquired 66.3 miles of County highways in the first phase. In 1969, the Legislature appropriated \$393,500 for the second phase. In this phase, the State acquired 115.5 miles and relinquished 6.2 miles of State highways to the County.

The department has recommended deferring phase three (estimated cost \$302,000) and phase four (estimated cost \$396,000) until such time as the financial posture of the State Highway System is improved.

Your Committee concurs with this recommendation. In this regard, the Legislative Auditor is requested to conduct a study on highway financing and to report

to the Legislature twenty days prior to the convening of the Regular Session of 1971.

Your Committee recommends that the department negotiate with the County of Maui for the purchase of the highway maintenance baseyard located in Hana, Maui. The department's baseyard is in Kahului, approximately three hours travel time to and from the work site. By allowing the department to negotiate the use of the baseyard for the maintenance of the Hana Highway, the State will incur a substantial reduction in cost. The estimated cost of the transfer of the baseyard is \$107,756. Upon such transfer the County employees should become State employees and be granted all accumulated rights and privileges. During the period pending the transfer, your Committee recommends that the department contract with the County of Maui for the maintenance of the Hana Highway.

Small Boat Harbors — Your Committee has reviewed the six-year revenue and expenditure estimates of the Boating Program as presented by the department in the table below:

**DEPARTMENT OF TRANSPORTATION — SMALL BOAT HARBORS
REVENUES AND EXPENDITURES**

	Actual				Estimated	
	1965-66	1966-67	1967-68	1968-69	1969-70	5-Yr. Total
Expenditures for Operation & Maintenance	\$188,000	\$236,000	\$381,000	\$310,000	\$361,000	\$1,476,000
Debt Service	102,000	211,000	322,000	394,000	538,000	1,567,000
Totals	\$290,000	\$447,000	\$703,000	\$704,000	\$899,000	\$3,043,000
Revenues	\$268,000	\$314,000	\$333,000	\$414,000	\$418,000	\$1,747,000

	Estimated					6-Yr. Total
	1970-71	1971-72	1972-73	1973-74	1974-75	
Expenditures for Operation & Maintenance	\$ 379,000	\$ 393,000	\$ 415,000	\$ 450,000	\$ 473,000	\$ 2,623,000
Debt Service	873,000	1,226,000	1,457,000	1,797,000	2,115,000	9,949,000
Totals	\$1,252,000	\$1,619,000	\$1,872,000	\$2,247,000	\$2,588,000	\$12,572,000
Revenues	\$ 574,000*	\$ 595,000	\$ 604,000	\$ 621,000	\$ 643,000	\$ 3,697,000

*Estimated with fee increase.

Though the debt service costs are relatively low at the present time, it will begin to accelerate in 1971-72 and by 1975-76 it will be almost four times the revenues. In view of the fact that boating facilities are being subsidized by a majority of non-user taxpayers, your Committee believes that this great imbalance should be adjusted. The department is, therefore, advised that

the revenue should definitely exceed operation and maintenance costs, and that alternative formulas should be prepared by which the boat owners would pay a reasonable portion of the capital improvement costs. The department should also review its mooring fee schedule in order to have the rates reflect more accurately the facilities and services provided at each har-

bor. It is requested that the department submit a report on the foregoing to the Legislature twenty days prior to the convening of the Regular Session of 1971.

Fireboat Abner T. Longley — Your Committee does not agree with the department's proposal to have the City and County of Honolulu pay part of the cost of operating the fireboat Abner T. Longley. Your Committee has reviewed the fireboat survey submitted by the Department of Transportation, and finds that the practice of other ports does not present any definite conclusions to the question of fireboat responsibility. Your Committee believes that the ownership of the fireboat per se is subsidiary to the relationship between the operation of the port, and the ownership and operation of the fireboat. In Hawaii, the State owns and operates both. Of the 34 ports with fireboats reflected in the study, nine ports owned and operated their own fireboats, and six cities owned the ports and also owned and operated the fireboats. Fourteen cities owned and operated fireboats in ports operated by the state or by a district. Recognizing the divergent practices of other ports, your Committee believes that the State should continue to operate and maintain the fireboat. Since the fireboat can provide protection to both vessels and nearby harbor facilities, its operation and maintenance costs are appropriate expense items for the agency that operates the harbor. Segregating a portion of harbor facilities as a primary responsibility of the city is a difficult, if not futile, attempt which our State should avoid.

HEALTH, PROTECTIVE AND SOCIAL SERVICES

Department of Defense

Your Committee has provided sufficient funds to continue the current level of services of this department. We have also provided sufficient funds for four additional patrolmen to the State Capitol Police Force and \$3,000 for Phase III of a six part program to provide a tsunami warning system for specifically designated

coastal areas.

Act 127, Session Laws of Hawaii 1969, provided a pay adjustment for all officers and employees of the State. Under that Act, the salary of the adjutant general was set at not less than \$26,050 nor more than \$30,250 a year. In addition, a provision was added as follows: "If the maximum rate is in conflict with the pay and allowance fixed by the tables of the regular army of the United States, the latter shall prevail." The department has interpreted this provision literally, holding the military pay applicable whether it was less than the State maximum or more than the State maximum and budgeted the adjutant general's salary at \$29,700. Your Committee does not agree with this interpretation since it would make the maximum military pay applicable in all instances. Such an interpretation would make the State maximum meaningless. Your Committee feels that a more reasonable interpretation is to adopt the State maximum as controlling when it exceeds the maximum military pay and the maximum military pay as controlling when it exceeds the State maximum. Such an interpretation would give meaning to both the State maximum prescribed in the Act and the provision on military pay. Your Committee has, therefore, made the appropriate changes in the budget.

Department of Hawaiian Home Lands

Your Committee has provided funds for a project representative to assist homesteaders to maintain and improve their leaseholds. Also, the sum of \$125,000 has been provided for education purposes as stipulated in Act 4, S.L.H. 1965. Your Committee's intent is that no part of this sum shall be used for staff specialist expenses in the Department of Education.

Department of Health

Your Committee has provided sufficient funds to carry on the current level of services of this department.

Your Committee considered the request for additional positions at the Hawaii State Hospital to provide intensive supervision for patients with dangerous tendencies. In

view of vacant positions, your Committee decided to grant funds for four of the positions requested. While we are aware of the growing need for this type of supervision, we feel that the department should first fill the positions from vacancies within the department.

Also, with Hina Mauka Ward properly renovated, the department should be able to effectively implement this program with a smaller staff than is being requested.

The general trend today in the treatment of leprosy is out-patient therapy. In view of this, your Committee recommends that the department evaluate the personnel-to-patient ratio and begin deployment of personnel from Hale Mohalu to other health institutions, if warranted.

The Department of Health has requested six Public Health Educators to be dispersed to various programs. Presently, there are two Public Health Educators in the Children's Health Services Division, and two in the Communicable Disease Division. In view of this and the above additional requests, your Committee believes that a program of health education should be conducted by one section or branch and not dispersed as is presently done. Therefore, your Committee recommends that the department re-direct the placement and use of health educators, and submit a report on the recommendation herein to the Legislature twenty days prior to the convening of the Regular Session of 1971.

The statewide pediculosis eradication program started in 1968 as a demonstration project at Kaewai School. A report submitted last session indicated the tremendous success of that project in reducing absenteeism at school. Your Committee has continued to fund this program and is concerned at the department's apparent lack of determination to make the program succeed. Because pediculosis causes extensive absenteeism from school, your Committee views this problem as a public health problem. Accordingly, your Committee requests the department to re-evaluate its pediculosis program, and devise alternative plans which might obtain better

results. The Department of Education and the Department of Social Services are requested to work with the Health Department to ensure better coordination between the parents, the schools, and the public health nurses. A report on the findings and recommendations should be submitted to the Legislature twenty days prior to the convening of the Regular Session of 1971.

The Judiciary

Your Committee has provided sufficient funds for continuing the current level of services of this branch. There is an increase in the number of children in the Juvenile Detention Home; therefore, your Committee has provided funds to accommodate this increase. Funds to enable these children to make periodic educational and recreational trips to the museums, aquarium, and parks have also been provided. Additional positions have been granted for the Supreme Court Law Library, and Office of Revisor of Statutes, First Circuit Court, Third Circuit Court, District Court of Honolulu, rural district courts on Oahu and Maui District Court.

With respect to the constant need for legal texts and references, your Committee has approved the request for three sets of **American Jurisprudence** for the neighbor island magistrates and for new additions to the law library.

Department of Labor and Industrial Relations

Your Committee has provided sufficient funds for continuing the department's current level of services. In addition, your Committee has provided for an additional job training specialist who, through counseling apprentices, can hopefully reduce the number of dropouts in that program. Also, both the Workmen's Compensation and the Temporary Disability Insurance Programs have received funds for additional personnel.

Your Committee has been informed that insurance companies are gradually withdrawing from the elevator inspection field, and has therefore provided funds for an

additional elevator inspector. Since the State will eventually be saddled with this responsibility of inspecting all elevators, your Committee recommends that the department re-assess present elevator fees to insure that these fees can fully support the operating costs of the program.

Your Committee is concerned with the difficulty in recruiting qualified inspectors for the boiler inspection program, especially in view of the large number of inspections that must be made each year. We hope that this problem can be alleviated by our recommendation to the Department of Personnel Services on long existing vacant positions.

Department of Social Services

The social and economic well-being of our residents is a vital concern of our State government. One of the means to achieve this well-being is through the Economic Assistance Program. The 1968 Legislature viewed this program with great concern since it anticipated that the cost of this program would increase at a very rapid rate and thereby heavily increase the burden on the revenues of our State. The 1969 Legislature authorized a comprehensive medical audit of the fastest cost-rising sector, the Medical Assistance Program, and also admonished the department about expanding the benefits of this and the financial assistance program without specific legislative authorization.

In this regard, your Committee points out specific concerns in this area:

(1) The department should first determine the objective of its Economic Assistance Program. Estimates have been made that 50% or less of the people eligible for benefits are not claiming benefits. The department acknowledges that many eligibles are not claiming benefits, yet it has continually attempted to raise the level of benefits under the system. Your Committee questions this approach. Our first concern is for the people who are eligible for benefits but who do not claim them due to lack of information or for other reasons. Our second concern is whether the State's revenues will be sufficient to meet an

increase in benefits and an increase in the percentage of eligibles claiming benefits at the same time. Obviously, an increase in benefits should be considered in light of a total number of eligibles who are entitled to benefits.

(2) In view of the foregoing, your Committee intends that the \$500,000 granted to increase the children's clothing allowance be a "special allowance" and not an increase in the benefit standards.

(3) The department is expected to adhere to concerns expressed in last session's operating budget regarding the expansion of programs without specific legislative authorization.

(4) For several years now, the Department of Social Services has required supplementary appropriations for its economic assistance programs. Your Committee is interested in learning the cause or causes of this deficiency. Your Committee, therefore, requests the Department to present a variance report for the entire department for fiscal year 1969 and 1970 which shall include: (a) a comparison by cost elements of the budgeted expenditure and positions filled, and the actual expenditure and positions filled for the fiscal years; and (b) a narrative explanation of the difference of each of the comparisons made in (a), including an explanation of the basis upon which the original estimates were made, and the reasons why such estimates proved accurate or inaccurate, and a statement of what the actual experience portends for the future of the program. This report shall be submitted to the Legislature twenty days prior to the convening of the Regular Session of 1971. If the department foresees the necessity of a supplementary appropriation for the fiscal year 1970-71, it should submit a similar variance report to the Legislature based on experience of the department as of December 1, 1970.

(5) The audit of the Medical Assistance Program is forthcoming in a few weeks, and specific recommendations relative to that program will be considered by your Committee at a later date.

Supplemental Rehabilitation Fund —

The 1969 Legislature appropriated \$300,000 to the department to implement an experimental program to break the "cycle of poverty" in order to assist beyond maintaining welfare families at subsistence level. The Supplemental Rehabilitation Fund enabled the department to provide additional monies to recipients for whom it will have beneficial and rehabilitative effects. The department is in agreement with the program and requested that the unobligated balance of the 1969 appropriation be carried over for the next fiscal year for the continuation of the project. Your Committee has approved the request and has provided an additional sum of \$125,000 for this program. Your Committee intends to have the Legislative Auditor conduct a final evaluation of the program.

Demonstration Unit for the Delivery of Public Welfare Services — In the age when interest in the problems of the poor is on the rise with the attendant rise in caseloads to social workers, it is becoming evident that novel ways must be developed to get needed social welfare services to eligible individuals in the most efficient and economical manner.

One method that has been proposed is the establishment of a demonstration unit which can demonstrate and experiment new concepts, methods, and techniques in providing social welfare services. This unit would experiment and demonstrate (a) the effectiveness of working with clients in groups, (b) the value of new approaches to resolve recipient problems, (c) the effectiveness of using public welfare assistants, and (d) the use and coordination of the resources of our community and state agencies. This unit would also test policies, procedures, and forms before they are applied division-wide, train new staff members, and demonstrate preventive services not presently available.

Your Committee is in agreement with such proposal and authorizes the department to use an existing social service unit to establish the demonstration unit. This unit may be supplemented in two ways — by reassigning vacant positions to this unit

and filling them, or by establishing four temporary positions. By using an existing unit with expanded staff, your Committee believes that the new methods and procedures will be given a more realistic approach to the problems at hand.

A progress report on this unit shall be submitted to the Legislature twenty days prior to the convening of the Regular Session of 1971.

Issuance of State Checks to Welfare Recipients — Your Committee has been informed that in certain emergency situations, the department has issued purchase orders to clients because State checks take too long to be processed. This procedure has resulted in the State not being able to use these expenditures as a basis for federal matching. The loss to the State in federal matching funds has been estimated at \$150,000 to \$200,000. Your Committee, therefore, requests the Departments of Social Service, Budget and Finance, and Accounting and General Services to explore the possibility of issuing State checks to these clients in emergency situations and to make the necessary adjustments.

Rent Supplement Program — In recognition of the critical housing shortage in Hawaii today and the contribution made by the Rent Supplement Program to alleviate this shortage, your Committee has doubled the appropriation for the Program. Your Committee intends that local residents be given priority in qualifying for this assistance.

**FINANCE, COMMERCE AND
STAFF DEPARTMENTS**

**Department of Accounting and
General Services**

Your Committee has provided sufficient funds to maintain the department's current level of service. Additional funds for two bookkeeping machines and a pre-audit clerk for the Division of Accounting have also been provided to meet the increased workload resulting from the expanded character of expenditures.

With regard to the Division of Archives, one Archivist I position and part-time help have been granted. The permanent position shall be used in both the records management and records service branches.

School Repair and Maintenance — Your Committee has provided, in addition to current service, the sum of \$4,238,120 for contractual services for the repair and maintenance of schools. However, your Committee is concerned about the need for schools to often revise their priorities for repair and maintenance. Many unforeseen circumstances such as emergency repairs and change of school principals or curriculum necessitate this revision. Therefore, the original list sent by the schools should not be conclusive in determining how funds should be spent, and revised priorities should not be automatically denied. Your Committee requests that the department adopt a more flexible approach and consider the school's current priorities wherever possible.

Kamehameha Day Celebration Commission — Your Committee has reviewed the Legislative Auditor's report on this commission. The report points out that the method of accounting, the financial transactions and statements were grossly mishandled. Four recommendations were made to solve this financial management problem. The State Comptroller is in agreement with the Auditor's report. Your Committee, therefore, recommends that the State Comptroller adopt the Auditor's recommendations and further improve the accountability of expenses.

Conversion of Vehicles to Liquefied Propane Gas — As part of an attack to combat air pollution, a proposal was submitted to convert 1,000 state vehicles to use liquefied propane gas. This gas is advocated due to its low level of pollutant emission. Your Committee is concerned about the concentration of air pollutants emitted by the motor vehicles on our streets. However, your Committee believes that to convert 1,000 vehicles to this fuel without accurate data on automobile efficiency, maintenance and operational costs is too large an undertaking at this time. Testimony on this subject revealed that the administra-

tion did not have supportive data to justify the conversion of 1,000 motor vehicles nor could it assure the Committee that some of the foreseeable problems such as the purchase and distribution of the gas will be solved. Testimony revealed that the major emphasis of this program is to have the State manifest its concern about air pollution. Your Committee agrees that air pollutants emitted by motor vehicles is a major concern of this State. It recognizes, however, that State vehicles constitute only a small proportion of the motor vehicles in this State and that unless private concerns make the conversion as well, the air pollution content will not be reduced significantly. Your Committee has provided funds for a pilot project for 100 vehicles to test the feasibility of using liquefied propane gas to propel our motor vehicles. This project should be designed to examine carefully the advantages, disadvantages, and the ultimate cost of using liquefied propane gas for all vehicles in our State, public or private.

The vehicles selected for conversion should not be more than two years old and should provide a wide variety of engines, trucks, buses, sedans, or jeeps. Sufficient research and planning should be undertaken beforehand to ensure that pertinent cost and performance data are recorded. The Department of Health and the University of Hawaii are requested to assist in this project. A progress report on this pilot project shall be submitted to the Legislature twenty days prior to the convening of the Regular Session of 1971.

Attorney General

Your Committee has provided sufficient funds to continue the current level of services of this department. In addition, your Committee has provided additional funds for furniture in the department. The Bureau of Civil Identification was granted funds for additional equipment.

Department of Budget and Finance

Your Committee has provided sufficient funds to carry on the current level of services of this department.

Your Committee adopts the proposed organizational plan of the Department of Budget and Finance whereby the State-wide Information System (SWIS) is made a division of that department. Your Committee believes that under this shift, SWIS will be able to make a more meaningful contribution towards implementing the planning, programming, and budgeting system within our government. As a first step, your Committee requests that SWIS concentrate and deploy a major portion of its resources towards meeting all of the needs of the Department of Education on a priority basis while maintaining current level of services within our government. Your Committee believes that the request herein can be met inasmuch as sufficient funds have been provided to maintain current level of services, to meet the workload increase, and for contractual services.

Your Committee further requests that after meeting the needs of the Department of Education, SWIS embark on a program to service all of the needs on a priority basis of the Judiciary. A progress report on the request herein shall be submitted twenty days prior to the convening of the Regular Session of 1971.

Your Committee has provided the sum of \$200,000 to be expended by the Director as a subsidy for the operation of the Bernice P. Bishop Museum. This subsidy is conditioned on the museum not charging admission fees to students and upon compliance with section 22 of this Act.

Executive

Your Committee has provided sufficient funds to maintain the current level of services of this office. In addition, funds have been granted to expand the Cultural Opportunities and Development Program, and to support nine medical student exchange positions under the WICHE program. The Office of Consumer Protection has been granted two investigators to intensify and improve the investigating activities of that office. For the State Law Enforcement and Juvenile Delinquency Planning Agency, your Committee has granted sufficient funds to carry out its program.

Your Committee intends that the Hawaiian text materials be funded from the appropriations made to the Progressive Neighborhood Program.

Lieutenant Governor

Sufficient funds have been provided to maintain the current level of services of this office. Your Committee has provided \$139,913 for temporary election workers, expenses, and equipment to meet the increased costs of conducting the 1970 primary and general elections.

Department of Personnel Services

Upon review of the number of vacant positions submitted by each department, your Committee found a significant trend of vacancies in certain classes. These vacancies if left unfilled for a long time, will most likely mean that the existing employees will carry a heavier workload, or that a vacuum will be created for certain workload. There are many reasons for positions being vacant. In this regard, your Committee requests that the Department of Personnel Services re-evaluate these vacant positions to determine their causes and to suggest alternative solutions, whether they be changes in classification, increased use of shortage categories, pay differential or bonuses for certain jobs that are to be performed under unusual stress, or even bus transportation to work should the place of employment be in a remote area.

A second course of action for the department is to institute in-service training programs so that existing employees are able to advance which will be an incentive to remain with the job. Where there is a large turnover in personnel, an intensive in-service training program will ease the transition process and thereby lessen the necessity for incumbent employees to spend valuable time training the new employees. A report on the findings and recommendations on these two areas should be submitted to the Legislature twenty days prior to the convening of the Regular Session of 1971.

Upon review of the New Careers Pro-

gram, your Committee finds that there is some confusion as to the means by which New Career enrollees would be absorbed by the departments at the end of the second year. Your Committee, therefore, requests the department to work closely with departments that have New Career enrollees to inform them of the requirements of the program and to determine whether the enrollees can be absorbed within the department by filling vacancies. Should a department indicate that it would not be able to absorb all of its enrollees upon graduation, the department should act immediately to transfer the enrollees to another department for easier placement.

Your Committee is concerned about the magnitude of the Nike Missile Units phase-out. Your Committee has been informed that approximately 200 out of the 540 employees affected have either been reassigned to other Federal jobs or will transfer to private firms which leaves approximately 300 without jobs. Your Committee, therefore, recommends that the Department of Personnel Services offer its services to these men to assist them in gaining employment within the State.

Department of Regulatory Agencies

Your Committee has provided funds for continuing the department's current level of service and for an additional insurance investigator and financial analyst. Funds to hold show-cause hearings on the neighbor islands have also been provided.

With regard to license fees, your Committee requests the department to review the examination, restoration, and renewal fees for the dental hygienist in relation to the fees charged to similar professions.

Department of Taxation

Your Committee has provided sufficient funds to continue the department's current level of services and to meet workload increases in the Systems and Procedures, and Property Assessment Branches. Also, three additional positions have been authorized to improve collection services and to accelerate and intensify field collec-

tions of delinquent taxes.

Other State Programs

The private hospitals, Strong-Carter Dental Clinic, and Veterans Cemeteries, have all been provided with sufficient funds to continue their current level of services.

Your Committee is in accord with the intent and purpose of **H. B. No. 1260-70**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 1260-70, H. D. 1** and that it thereafter be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 52-70 Printing and Revisions

Informing the House that **House Bill Nos. 1907-70 to 1913-70, House Resolution Nos. 146 to 152, House Concurrent Resolution Nos. 52 to 59, Standing Committee Report Nos. 51-70, 53-70 and 54-70 and Special Committee Report No. 9** have been printed and distributed.

Signed by all members of the Committee.

SCRep. 53-70 Agriculture on H. C. R. No. 23

The purpose of **H. C. R. No. 23** is to request the Hawaiian Electric Company, Limited to consider the possibility of establishing an agricultural rate schedule which may include, but need not be limited to, the application of general power or commercial rates when electricity is used as an input factor of agricultural production.

Two significant amendments have been made by your Committee. Based on the testimonies presented at a public hearing and on further investigation, the scope of **Concurrent Resolution No. 23** has been broadened to address it to all electric companies in the State rather than Hawaiian Electric Company, Limited singularly. The title was amended to read as follows:

“REQUESTING ALL ELECTRIC COMPANIES IN HAWAII TO ESTABLISH RATE SCHEDULE WHICH WILL ENCOURAGE THE USE OF ELECTRICITY FOR AGRICULTURAL PURPOSES.”

A second substantive amendment involved the addition of a paragraph containing statistical information published by the State department of planning and economic development. The cost figures under the paragraph present an illustration of the rate discrimination between electricity used for agricultural production lighting and electricity used for other production purposes.

A rate discrimination exists between the manufacturer of products who uses electricity for commercial or general power and the agricultural producer who uses electricity for lighting but as an input to production. To many specialized agricultural enterprises, electricity is as legitimate an input factor of production as it is to manufacturing industries. Nevertheless, the applicable rate schedule for which these agricultural industries qualify falls into the category of “lighting”. This rate is significantly higher than commercial and general power rates used by other producers and manufacturers.

Your Committee feels that if electricity used for production or non-illuminating lighting can be classified under the commercial or general power schedules, consumption of electricity by farmers may increase and yield a greater net revenue to the electric companies than is presently realized from these users. The value of **H. C. R. No. 23, H. D. 1** calling for all electric companies to consider giving Hawaiian agriculture a more equitable rate schedule is evident. It should be noted that Hawaiian Electric Company, Limited, the State department of agriculture and the Hawaii Farm Bureau have agreed to cooperate to resolve this issue on Oahu.

Your Committee on Agriculture is in accord with the intent and purpose of **H. C. R. No. 23**, as amended herein, and recommends its referral to the Committee on Public Utilities in the form attached

hereto as **H. C. R. No. 23, H. D. 1** for further consideration.

Signed by all members of the Committee.

SCRep. 54-70 Agriculture on **H. B. No. 1410-70**

The purpose of this bill is to allow the State department of agriculture to compensate hog farmers under the Hog Cholera Eradication Program in an amount equal to that paid by the Federal government.

The Hog Cholera Eradication Program is a cooperative State-Federal program designed to control and eventually eradicate a highly infectious and potentially disastrous disease affecting the hog industry throughout the nation. The program recognizes slaughtering those animals infected with or exposed to hog cholera as the best method of stopping the spread of the disease. The program further provides for compensation in the form of indemnity payments to the owners of hogs required to be destroyed. Such payments provide a form of insurance to hog producers against losses under this program. Thus far, no losses or subsequent indemnity payments have been required in the State.

Indemnity payments are paid on a per head basis whereby the Federal and State governments, severally, contribute toward indemnifying the owner for his loss. In September of 1969, the Federal government increased the maximum amount authorized to be paid through the U.S. Department of Agriculture in indemnity payments for grade animals from \$40.00 to \$50.00 per head, and for purebred animals from \$50.00 to \$100.00. However, the first paragraph of Section 20-22.9, Revised Laws of Hawaii 1955, as enacted by Act 165, Session Laws of Hawaii 1969, limits the maximum amount authorized to be paid by the State in indemnity payments to \$40.00 for grade animals and \$50.00 for purebred swine.

Your Committee finds that an amendment to Section 20-22.9 is needed to allow the Hawaii department of agriculture to

make indemnity payments in amounts equal to the maximum amount of indemnity payments authorized by the Federal government. Since the actual amounts paid per head are variable and administered separately by State and Federal agencies, your Committee feels that the proposed amendment requires a clarification of its intent. Thus your Committee amended **H. B. No. 1410-70** to read that the State be allowed to pay up to “the maximum amount authorized to be paid for such swine by the Federal government”, rather than being dependent upon the actual “amount paid” by the Federal government. This change has been included in **H. B. No. 1410-70, H. D. 1** which is attached. The proposed amendment further provides sufficient flexibility so that similar amendments would not be necessary should the Federal government again adopt changes to the indemnity payment schedule.

Your Committee on Agriculture is in accord with the intent and purpose of **H. B. No. 1410-70** as amended, and recommends the bill pass second reading and be referred to your Committee on Finance for further consideration as **H. B. No. 1410-70, H. D. 1**.

Signed by all members of the Committee.

SCRep. 55-70 Printing and Revisions

Informing the House that **House Bill Nos. 1914-70 to 1952-70, House Resolution Nos. 153 to 167, House Concurrent Resolution Nos. 60 to 62 and Special Committee Report No. 10** have been printed and distributed.

Signed by all members of the Committee except Representatives Oshiro and Poepoe.

SCRep. 56-70 Printing and Revisions

Informing the House that **House Bill Nos. 1953-70 to 2162-70, House Resolution Nos. 168 to 172, House Concurrent Resolution Nos. 63 to 65 and Standing Committee Report Nos. 57-70 to 66-70** have been printed and distributed.

Signed by all members of the Committee

except Representatives Oshiro and Poepoe.

SCRep. 57-70 (Majority) Labor and Employment Problems on **H. B. No. 1614-70**

The purpose of this bill is to amend the Hawaii Workmen's Compensation by increasing the maximum compensation benefits payable to an injured worker for disfigurement from the present \$10,000 to \$15,000.

A serious disfigurement would probably have an adverse effect on an injured worker's future wage-earning ability. The present limit of \$10,000 for disfigurement would not adequately indemnify a person who is so severely scarred and disfigured that his ability to secure a job is seriously affected. An increase in the present maximum therefore appears in order.

The department of labor and industrial relations has informed your committee that the probable increase in costs occasioned by the increase would be minimal. This conclusion was based on the small number of cases where the disfigurement has been considered serious enough to warrant a maximum award. In 1968, for example, no one was awarded the maximum sum and in 1969 only two persons were awarded the maximum compensation.

Your Committee has converted the form of the bill in compliance with House Rule 24(2).

Your Committee is in accord with the intent and purpose of the bill, as amended, and recommends its passage on second reading in the form attached hereto as **H. B. No. 1614-70, H. D. 1**, and that it be referred to your Committee on Finance for further consideration.

Signed by all members of the Committee. Representatives Judd and Lum did not concur.

SCRep. 58-70 Economic Development on **H. B. No. 1513-70**

The purpose of **H. B. No. 1513-70** is to appropriate the sum of \$75,000 to be

expended by the University of Hawaii for the publication of an atlas of Hawaii's marine resources such as sand, precious coral, tablefish and tuna and shrimp fisheries.

Your Committee finds that a comprehensive inventory and compilation of all information regarding Hawaii's living and non-living marine resources is urgently needed. An atlas summarizing all that is known about Hawaii's marine resources will provide a framework for the assignment of priorities to such undertakings as surveys, investigations, research, development and management of all marine resources.

Your Committee further finds that the cost of publishing a marine atlas is about \$75,000, the major portion of which would be for the salaries of personnel who would perform the research and analysis of the various published and unpublished material presently available.

Your Committee is in accord with the intent and purpose of **H. B. No. 1513-70** and recommends its passage on second reading and its referral to your Committee on Finance.

Signed by all members of the Committee.

SCRep 59-70 Economic Development on H. B. No. 1514-70

The purpose of this bill is to appropriate the sum of \$190,000 for a pilot marine resources survey of the coastal waters from Koko Head to and including Kahana Bay on the Island of Oahu. The appropriation is to be matched by funds provided by private industry and the Sea Grant Program of the National Science Foundation.

Your Committee finds that the survey will result in the accumulation of valuable information regarding marine resources and the dynamic interaction of environmental factors within a segment of the State's coastal waters. More importantly, the experience gained in the application of scientific and technical know-how, the

utilization of in-state capabilities, and the refinement of survey methods and techniques will be extremely valuable in further survey work. This survey is intended to be the initial step toward a comprehensive study of the marine resources of all the Hawaiian islands.

Your Committee is in accord with the intent and purpose of **H. B. No. 1514-70** and recommends its passage on second reading and its referral to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 60-70 Economic Development on H. B. No. 1508-70

The purpose of **H. B. No. 1508-70** is to appropriate the sum of \$100,000 for initiating, coordinating and developing preliminary plans for marine science research parks. The sum appropriated is to be expended by the Department of Planning and Economic Development for this purpose.

Your Committee finds that there are a variety of governmental, university and private agencies involved in a wide range of marine activities in Hawaii. The respective facilities of these agencies are in scattered locations and many of them are occupied on a temporary basis. In view of the projected growth and expansion of marine programs and the need to enlarge existing facilities, the planning and development of a marine research park complex should begin at the earliest practicable time. Such a complex would have tremendous advantages, including the opportunity for marine scientists to work in close proximity and association and the sharing of specialized equipment and services. Moreover, such a marine complex would facilitate the coordination and undertaking of projects too costly or complex for one agency to handle.

Your Committee is in accord with the intent and purpose of **H. B. No. 1508-70** and recommends its passage on second reading and its referral to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 61-70 Economic Development on H. B. No. 1555-70

The purpose of **H. B. No. 1555-70, H. D. 1**, is to appropriate the sum of \$62,500 to be expended by the Department of Land and Natural Resources for the development of bait-seining methods for the harvest of skipjack tuna in Hawaiian waters. The sum so appropriated is subject to matching funds from private industry.

Your Committee finds that the skipjack fishery in Hawaii presently employs the pole and line method of fishing which is relatively inefficient in that only a small portion of the fish in a particular school are caught. A more efficient harvesting method must be developed if the Hawaiian skipjack fishery is to be fully exploited. The bait-seining method with appropriate modifications offers the greatest promise for substantially increasing the skipjack harvest.

Representatives of private industry have testified before your Committee that they are willing to match on an equal basis the sum appropriated by this bill. Accordingly, Section 2 has been amended to provide that both the State and private industry shall contribute the amount of \$62,500. Section 2 has also been amended to provide that the contributions of the State and private industry shall be proportionately reduced in the event that funds become available for the purposes of this bill from other resources.

Your Committee is in accord with the intent and purpose of **H. B. 1555-70**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 1555-70, H. D. 1**, and its referral to your Committee on Lands.

Signed by all members of the Committee.

SCRep. 62-70 Housing and Consumer Protection on H. B. No. 1459-70

The purpose of this bill is to make it

unlawful for any person to sell, issue or otherwise distribute a credit card unless the person in whose name the card is sold, issued or otherwise distributed has made written application therefor. The bill provides for a fine of up to \$1,000 for unsolicited issuance of a credit card. The bill further provides that the person in whose name the card is issued shall not be liable for debts incurred through the use of the card without his consent.

Your Committee heard testimony from the Office of Consumer Protection, the Retail Board of the Chamber of Commerce, and representatives of the banking industry. It appears to be common practice in the banking industry to issue credit cards to favored customers of the bank without written application therefor. However, only one specific instance has been documented in Hawaii where an unsolicited credit card was fraudulently used to purchase merchandise which was charged to the person for whom the credit card was intended. Your Committee finds that ample protection can be accorded the consumer with little accompanying inconvenience to issuers of credit cards in their distribution of such cards by limiting the liability of a person in whose name an unsolicited credit card is issued to debts incurred by that person or by another with his permission. Therefore, your Committee has amended the bill by deleting the part thereof which makes it unlawful to issue a credit card without prior written solicitation and provides a fine therefor. Your Committee has further amended the language of the remainder of the bill to make it clear that the person in whose name the unsolicited credit card is issued shall not be liable for debts incurred through the use of the card by any other person prior to the first use of the card either by himself or by another with his consent.

Your Committee has converted the form of this bill in compliance with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 1459-70** as amended herein and recommends its passage on second reading in the form attached hereto as **H. B. No. 1459-70, H.**

D. 1, and that it be referred to your Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 63-70 Select Committee of Oahu Representatives on **H. B. No. 502**

The purpose of this bill is to appropriate from the general revenues of the State of Hawaii a sum for the planning and construction of a new stadium at Halawa on the Island of Oahu. Your Committee finds that the present stadium facility in Oahu is now and has been for many years dilapidated, obsolete and insufficient to meet the needs of the University of Hawaii, the department of education and the people of Hawaii. It is universally agreed by government officials and interested citizens that a new stadium is sorely needed in the City and County of Honolulu. It is apparent that the City and County is unwilling and unable to provide the financing for a new stadium on its own.

Your Committee finds that a new stadium of 34,000 seats can be constructed in time for the 1973 football season at a cost of 11.5 million dollars. This stadium can be expanded to a capacity of 50,000 spectators within a year if and when such expansion becomes necessary and desirable.

Your Committee will schedule a conference meeting during the week of March 12, 1970 with Mr. Charles Luckman, the director of the proposed Honolulu stadium, and members of the Expansion Committee of the National Football League who will be convening in Honolulu during that week. This meeting will be held with a view toward ascertaining the probability of obtaining a National Football League franchise for Honolulu and whether design criteria of the proposed stadium meets standards set forth by the National Football League.

Your Committee has further amended this bill to reduce the appropriation set forth therein by \$500,000 to \$10,000,000.

Your Committee finds that an appropria-

tion of \$10,000,000 from the State of Hawaii, to be supplemented with City and County funds, will be sufficient to complete the planning and construction of a 34,000 seat facility, expandable to 50,000 seats, with all due speed.

Your Committee has further amended the bill to provide that the monies appropriated therein are to be expended by any corporation or authority which may be created by the Legislature to plan, construct and manage the new stadium. Legislation creating such an authority is being introduced in both Houses of the Fifth Legislature. If no such corporation or authority is created by the Legislature then the bill specifies that the sum appropriated therein is to be expended by a joint contracting agency made up of the Department of Education and the University of Hawaii, the two State departments who will be the prime utilizers of the stadium, and the City and County of Honolulu.

Your Committee is in accord with the intent and purpose of **H. B. No. 502** as amended herein and recommends that it pass second reading in the form attached hereto as **H. B. No. 502, H. D. 1**, and that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 64-70 Higher Education on **H. C. R. No. 30**

The purpose of this concurrent resolution is to support the petitions of farmers encouraging the Berkeley Bank for Cooperatives and the Federal Intermediate Bank to lend money in Hawaii and to request that the Department of Agriculture and the College of Tropical Agriculture assist representatives of the Banks in their investigation of financial opportunities in Hawaii.

Your Committee concurs with the findings of the Committee on Agriculture that the growth and development of diversified agriculture in Hawaii is seriously inhibited by the nonavailability of capital, and thus additional sources of capital are both necessary and desirable.

Your Committee is in accord with the intent and purpose of **H. C. R. 30** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 65-70 Agriculture on H. C. R. No. 31

The purpose of this Resolution is to request the Federal government through the offices of the President, Vice President, Secretary of Agriculture, and Hawaii's Congressional delegation to increase the ceiling of "Class A" farm ownership loans under the Farmers Home Administration from \$60,000 to \$100,000 for Hawaii farmers.

The need to increase the present statutory real estate debt limitation on these "Class A" loans has resulted from the continued increase in the cost of land such that the present \$60,000 ceiling is frequently inadequate to finance family-type farms.

In reviewing the impact of increased land costs on family-type farms, your Committee recognized that these farms have simultaneously been confronted with other tightening sources of credit, particularly those to finance operating expenses. Since the FHA through "Class B" loans have been providing one such source of operating capital, the "Class B" operating loans limitation of \$35,000 was considered inadequate by your Committee and needed to be increased to \$50,000.

Having reviewed the proposals outlined above and the justifications thereof, your Committee feels that the raising of the credit limit for farm ownership, improvement, and operations loans enacted in Act 49 of the Fifth State Legislature of the State of Hawaii was essential to allow small agricultural enterprises in Hawaii to effectively meet the competitive challenges for resources posed by mechanization, industrialization, and urbanization.

Your Committee feels, however, that the realization of the intent of the 1969 Act to make available an increased amount of

credit for farm expenses will continue to be severely restrictive until the FHA credit limitations for Hawaii farmers are increased to a level comparable to that authorized by the State. Your Committee has therefore incorporated the proposal to increase the maximum amount of "Class B" loan from \$35,000 to \$50,000 and reflected this amendment in paragraphs one and five.

Your Committee on Agriculture is in accord with the intent and purpose of **H. C. R. No. 31**, as amended herein, and recommends its adoption in the form attached hereto as **H. C. R. No. 31, H. D. 1**.

Signed by all members of the Committee except Representatives Takitani and Oda.

SCRep. 66-70 Housing and Consumer Protection on H. C. R. No. 33

The purpose of this Concurrent Resolution is to express the support of the Legislature for legislation proposed by Representative Patsy T. Mink enabling groups of consumers to bring class action lawsuits against deliberate fraud, deception or other improper merchandising.

Your Committee finds that such class-action litigation should be allowed and encouraged to contest such practices as that of the General Motors Corporation in requiring automobile heaters in all 1970 models. Such equipment is useless in Hawaii, and therefore adds an unnecessary additional cost to consumers of this state. Act 263, Session Laws of Hawaii 1969, prohibits manufacturers from delivering cars with options which have not been ordered by the buyer. The decision of General Motors to make heaters standard equipment would effectively subvert the intent and purpose of Act 263. The Hawaiian consumer is left with no remedy against purchase of the unwanted and unnecessary equipment. Therefore your Committee finds that another remedy should be fashioned. Representative Mink's proposed legislation would provide a remedy in the form of a class-action lawsuit against General Motors. Your Committee recommends that the Legislature go

on record as supporting this proposed legislation.

Your Committee is in accord with the intent and purpose of **H. C. R. No. 33** and recommends its adoption.

Signed by all members of the Committee except Representatives R. Wong and Oda.

SCRep. 67-70 Printing and Revisions

Informing the House that **House Resolution Nos. 173 to 181, House Concurrent Resolution Nos. 66 to 71 and Standing Committee Report Nos. 68-70 and 69-70** have been printed and distributed.

Signed by all members of the Committee except Representatives Oshiro and Poepoe.

SCRep. 68-70 Agriculture on **H. C. R. No. 24**

The purpose of this Concurrent Resolution is to request the President of the United States, the Vice-president of the United States, the Speaker of the House of Representatives, the Secretary of the United States Department of Agriculture, and each member of Hawaii's delegation to the United States Congress to promulgate administrative policies and to enact legislation to increase the amount of federal assistance to the U.S.D.A. Fruit Fly Laboratory in Hawaii for the purpose of eradicating the several species of fruit flies in the State.

Three species of fruit flies (oriental fruit fly, melon fly, and Mediterranean fruit fly) found in Hawaii have caused considerable economic harm to Hawaiian agriculture. The damage done by these flies to fruit and vegetable crops is estimated to be about \$1.5 million annually. Losses to the State economy in undeveloped agricultural potential may exceed \$20 million annually.

On the mainland, economic losses in terms of expenditures for survey, quarantine and eradication programs are equally expensive. Two eradication programs in Florida involved some \$11 million. Infestation in California and Texas resulted in

equally costly eradication programs. Dr. Derell L. Chambers, Investigations Leader for the U.S.D.A. Fruit Fly Laboratory in Hawaii testified that should extensive populations of flies become established, potential losses to mainland agriculture may be more than \$150 million.

The presence of fruit flies in Hawaii has potential international ramifications as well, threatening such areas as Mexico, Guam and South America. With increased travel and world trade, and the advent of the Boeing 747 jet, even the most rigid quarantine inspection will have difficulty preventing the spread of this pest.

Thus, the interest and need for an eradication program in Hawaii is of more than local concern. However, it is also clear that a state-wide eradication program, estimated to cost between \$15-\$20 million, would tax Hawaii's limited budget.

The U.S.D.A. Hawaiian Fruit Flies Investigations Laboratory has been located on the Manoa campus of the University of Hawaii since 1931. The original two acres of surrounding land are now reduced to about 0.3 acres. The buildings contain about 6,000 square feet of space including two additional small buildings located about 1.25 miles away from the main office. A satellite laboratory of two small frame buildings is located near Hilo on the Island of Hawaii. The main building, constructed in 1930, and the two small structures in Honolulu are in poor condition and inadequate.

The Hawaiian Fruit Flies Investigations Laboratory staff consists of nine professional plus 20 non-professionals.

For the reasons enumerated, your Committee feels a strengthening and expansion of the Hawaii U.S.D.A. Fruit Fly Laboratory is imperative to the State and the Nation.

Your Committee on Agriculture is in accord with the intent and purpose of **H. C. R. No. 24** and recommends its adoption.

Signed by all members of the Committee except Representatives Oshiro and

Poepoe.

SCRep. 69-70 Housing and Consumer Protection on H. B. No. 1332-70

The purpose of this bill is to expand the buyers right to cancel a retail installment contract to include the right to cancel contracts entered into at the seller's place of business or elsewhere when the buyer is induced to go to the seller's place of business by means of a solicitation which offers a gift, prize, premium, stamps, coupons, tickets or other redeemable device. Under present law, a buyer may cancel a retail installment sales contract signed as a result of a "house-to-house sale" within three business days if the contract was signed by him at a place other than the seller's business address as shown on the contract. In order to avoid this right of cancellation, certain retail sellers have made solicitations offering gifts, prizes, premiums, stamps, coupons, tickets or other redeemable devices in order to induce the prospective buyer into the seller's place of business. This bill amends the definition of "house-to-house sale" in Section 476-1, Hawaii Revised Statutes, to include a sale of goods or services made at the seller's place of business if the solicitation for such sale includes an offer of a gift, prize, premium, stamp, coupon, ticket or other redeemable device as an inducement to get the buyer to come to the seller's place of business.

Your Committee has amended **H. B. No. 1332-70** to include premiums, stamps, coupons, tickets and other redeemable devices as categories of inducement which will give rise to the right of cancellation. This amendment conforms **H. B. No. 1332-70** with Section 468-4, Hawaii Revised Statutes, which regulates solicitation by telephone.

Your Committee has converted the form of this bill in compliance with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 1332-70** as amended herein and recommends that it pass second reading and be placed on the calendar for third reading in the form

attached hereto as **H. B. No. 1332-70, H. D. 1.**

Signed by all members of the Committee except Representative Kunimura.

SCRep. 70-70 Printing and Revisions

Informing the House that **House Resolution Nos. 182 to 192, House Concurrent Resolution Nos. 72 to 75 and Standing Committee Report Nos. 71-70 to 108-70** have been printed and distributed.

Signed by all members of the Committee except Representatives Oshiro and Poepoe.

SCRep. 71-70 Public Health, Youth and General Welfare on H. B. No. 1548-70

The purpose of this bill is to make an appropriation to carry out expanded programs in air, noise and water pollution control within the State Department of Health.

In the area of air pollution control, this bill would expand the capabilities of the Department of Health to meet the requirements of the Federal Air Quality Act of 1967 and to meet the growing air pollution problem in the State of Hawaii.

In the area of noise control, this bill would allow new Department of Health personnel to start a program in community noise control by gathering information and data; promoting local ordinances setting guidelines for such control; and providing consultative and technical services to other agencies.

In the area of water pollution control, this bill would permit the Department of Health to adopt a more aggressive water pollution control program. Previously, the program plan was only to implement the Water Quality Standards on an area-by-area and island-by-island basis, but Federal program requirements dictate that the Department of Health implement the Water Quality Standards on a statewide basis simultaneously so that the water pollution control program can be administered equitably throughout the State.

Your Committee is in accord with the intent and purpose of **H. B. 1548-70** and recommends its passage on second reading and its referral to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 72-70 Public Health, Youth and General Welfare on **H. B. No. 1367-70**

The purpose of this bill is to provide for a comprehensive control of all pesticides used in the State by:

- 1) Creating an advisory committee on pesticides;
- 2) Requiring license or permit and record keeping for all commercial producers, custom applicators and pesticide dealers;
- 3) Restricting the use of pesticides to official label directions and rules and regulations promulgated under the Act; and
- 4) Providing education and assistance to users of pesticides.

Pesticides when properly used are safe, effective and extremely valuable to the agricultural economy of the State. However, the indiscriminate and improper use of pesticides could cause contamination or damage to plant, soil, domestic animal, poultry, wildlife or fish. Mounting evidence indicates that misuse of pesticides is one of the contributing factors to environmental pollution.

A recent report on pesticide problems in Hawaii completed by the Department of Agriculture indicates that approximately 12 million pounds (active ingredient) of pesticides are used in Hawaii — or almost one ton of pesticide per square mile. This usage is 10 times more per square mile than the mainland. This report also stated that misuse of pesticides is a serious problem, particularly in the area of calibration of spray equipment, following of label directions and usage of unapproved pesticides.

With this high usage and misuse of pesticides, it is apparent that a comprehensive control of all pesticides used in the State is necessary. Existing law only provides for controlling the sale and use of 2, 4-D and related hormone type herbicides. Stricter controls concerning proper and authorized use and intensified educational efforts as provided for in this bill is urgently needed to minimize hazards to our environment.

Your Committee is in accord with the intent and purpose of **H. B. No. 1367-70** and recommends its passage on second reading and its referral to the Committee on Agriculture.

Signed by all members of the Committee.

SCRep. 73-70 Education on **H. B. No. 1546-70**

The purpose of this bill is to increase from \$5,000.00 to \$15,000.00, the maximum amount in petty cash funds that the State Comptroller may issue to the Department of Education.

The \$5,000 limitation was set in 1943 for all State Agencies and has not been changed since that time, except in 1969, when the University of Hawaii was exempted entirely from the provisions of Section 40-84, Hawaii Revised Statutes.

Your Committee has amended the bill to exempt the Department of Education from any dollar limitation of petty cash funds that may be issued by the Comptroller, thereby enabling the Department to carry on in the same way as the University of Hawaii. This amendment was made to prevent the need for further amendment in the future due to growth and changing requirements of expenditures by the Department. The organization of the Department of Education with some 216 schools throughout the State makes a petty cash fund of only \$5,000 most inadequate. Removal of the \$5,000 ceiling would expedite payments to vendors for small amounts and also cut down on the number of warrants and warrant vouchers that need to be issued.

Both the Department of Education and the Department of Accounting and General Services testified in favor of the passage of this bill as amended.

Your Committee is in accord with the intent and purpose of **H. B. No. 1546-70**, as amended herein, and recommends its passage on second reading, in the form attached hereto as **H. B. No. 1546-70, H. D. 1**, and recommends its referral to your Committee on Finance.

Signed by all members of the Committee except Representative Poepoe.

SCRep. 74-70 Education on **H. C. R. No. 18**

The purpose of this Concurrent Resolution is to request the federal government for continued support of the Teacher Corps Program in Hawaii.

The Teacher Corps Program is a two-year program to prepare individuals to become teachers of disadvantaged children. The Program originally started in 1966-1967, is presently in its third two-year cycle with 24 participants receiving training in the Waianae area.

Your Committee finds that the Teacher Corps Program has been one way in which the Department of Education can develop teachers to fill the need in this most critical area.

Your Committee on Education is in accord with the intent and purpose of **H. C. R. No. 18** and recommends its adoption.

Signed by all members of the Committee except Representative Poepoe.

SCRep. 75-70 Select Committee of Oahu Representatives on **H. B. Nos. 1337-70, 1338-70, 1352-70, 1472-70, 1534-70, 1545-70, 1553-70, 1554-70, 1557-70, 1558-70, 1566-70, 1567-70, 1568-70, 1570-70, 1609-70, 1612-70, 1633-70, 1625-70, 1640-70, 1641-70, 1646-70, 1648-70, 1649-70, 1650-70, 1656-70, 1657-70, 1659-70, 1660-70, 1669-70, 1672-70, 1685-70, 1686-70, 1711-70, 1737-70, 1738-70, 1742-70, 1752-70, 1753-70, 1790-70, 1793-70, 1821-70, 1825-**

70, 1826-70, 1830-70, 1835-70, 1837-70, 1838-70, 1841-70, 1842-70, 1867-70, 1868-70, 1877-70, 1890-70, 1897-70, 1898-70, 1906-70

The purpose of each of the bills is to make an appropriation for or relating to capital improvements as set forth in the title of the bill.

Your Committee is in accord with the intent and purpose of **H. B. No. 1337-70, H. B. No. 1338-70, H. B. No. 1352-70, H. B. No. 1472-70, H. B. No. 1534-70, H. B. No. 1545-70, H. B. No. 1553-70, H. B. No. 1554-70, H. B. No. 1557-70, H. B. No. 1558-70, H. B. No. 1566-70, H. B. No. 1567-70, H. B. No. 1568-70, H. B. No. 1570-70, H. B. No. 1609-70, H. B. No. 1612-70, H. B. No. 1633-70, H. B. No. 1625-70, H. B. No. 1640-70, H. B. No. 1641-70, H. B. No. 1646-70, H. B. No. 1648-70, H. B. No. 1649-70, H. B. No. 1650-70, H. B. No. 1656-70, H. B. No. 1657-70, H. B. No. 1659-70, H. B. No. 1660-70, H. B. No. 1669-70, H. B. No. 1672-70, H. B. No. 1685-70, H. B. No. 1686-70, H. B. No. 1711-70, H. B. No. 1737-70, H. B. No. 1738-70, H. B. No. 1742-70, H. B. No. 1752-70, H. B. No. 1753-70, H. B. No. 1790-70, H. B. No. 1793-70, H. B. No. 1821-70, H. B. No. 1825-70, H. B. No. 1826-70, H. B. No. 1830-70, H. B. No. 1835-70, H. B. No. 1837-70, H. B. No. 1838-70, H. B. No. 1841-70, H. B. No. 1842-70, H. B. No. 1867-70, H. B. No. 1868-70, H. B. No. 1877-70, H. B. No. 1890-70, H. B. No. 1897-70, H. B. No. 1898-70, H. B. No. 1906-70**, and recommends that they pass second reading and that they be referred to your Committee on Finance.

Signed by all members of the Committee except Representatives Oshiro, Taira and Poepoe.

SCRep. 76-70 Select Committee of Hawaii Representatives on **H. B. No. 1354-70**

The purpose of the bill is to provide funds for planning of a second high school in Hilo, County of Hawaii.

Your Committee is in accord with the intent and purpose of **H. B. No. 1354-70** and recommends that it pass second reading and that it be referred to your Commit-

tee on Finance.

Signed by all members of the Committee.

SCRep. 77-70 Select Committee of Hawaii Representatives on **H. B. No. 1356-70**

The purpose of the bill is to make an appropriation for planning, construction, paving, straightening and widening of the Kohala Mountain Road, Hawaii. Such appropriation would greatly enhance the safety for the users of the Kohala Mountain Road.

Your Committee is in accord with the intent and purpose of **H. B. No. 1356-70** and recommend that it pass second reading and that it be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 78-70 Select Committee of Hawaii Representatives on **H. B. No. 1357-70**

The purpose of this bill is to make an appropriation for the planning and construction of a retaining wall to prevent continuous erosion at the site of the Kamehameha statue in Kohala, Hawaii. The Kamehameha statue is a precious tourist attraction and therefore should be kept in the best possible condition.

Your Committee is in accord with the intent and purpose of **H. B. No. 1357-70** and recommends that it pass second reading and that it be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 79-70 Select Committee of Hawaii Representatives on **H. B. No. 1396-70**

The purpose of the bill is to provide sufficient funds for the planning and construction of multi-purpose cafetorium including kitchen facilities and covered walkway connecting the cafetorium to adjoining classrooms at Kalaniana'ole Elementary and Intermediate School. The multi-

purpose cafetorium and the covered walkway would greatly enhance the physical plant for the students attending Kalaniana'ole Elementary and Intermediate School.

Your Committee is in accord with the intent and purpose of **H. B. No. 1396-70** and recommend that it pass second reading and that it be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 80-70 Select Committee of Hawaii Representatives on **H. B. No. 1397-70**

The purpose of the bill is to provide funds to the Department of Transportation for the Island of Hawaii. The funds are primarily for maintenance and repairing airports, harbors, small boat harbors, and highway on the Island of Hawaii.

Your Committee is in accord with the intent and purpose of **H. B. No. 1397-70** and recommends that it pass second reading and that it be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 81-70 Select Committee of Hawaii Representatives on **H. B. No. 1486-70**

The purpose of this bill is to provide supplemental funds for the construction of the Honokaa Baseyard, Hawaii. The construction of the Honokaa Baseyard cannot be completed without the sum appropriated under this bill.

Your Committee is in accord with the intent and purpose of **H. B. No. 1486-70** and recommends that it pass second reading and that it be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 82-70 Select Committee of Hawaii Representatives on **H. B. No. 1487-70**

The purpose of this bill is to provide

additional funds for the construction of the Hamakua and Laupahoe Water System, Hawaii. The sum previously appropriated was insufficient to complete the water system.

Your Committee is in accord with the intent and purpose of **H. B. No. 1487-70** and recommends that it pass second reading and that it be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 83-70 Select Committee of Hawaii Representatives on **H. B. No. 1488-70**

The purpose of the bill is to provide funds for planning and construction of a swimming pool and a covered physical education facility at the Laupahoe High and Elementary School. The appropriation supplements prior appropriation in order to complete the capital improvements to Laupahoe High and Elementary School.

Your Committee is in accord with the intent and purpose of **H. B. No. 1488-70** and recommends that it pass second reading and that it be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 84-70 Select Committee of Hawaii Representatives on **H. B. No. 1489-70**

The purpose of the bill is to provide funds to implement the Honokaa Community Master Plan. The intent of the appropriation is to implement the master plans in increments and provide for plans and construction of recreational facilities, roads, utilities, and housing sites and other related needs.

Your Committee is in accord with the intent and purpose of **H. B. No. 1489-70** and recommend that it pass second reading and that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 85-70 Select Committee of Hawaii Representatives on **H. B. No. 1490-70**

The purpose of the bill is to provide necessary funds for the planning and construction of a health laboratory facility at the Honokaa Civic Center. The Honokaa laboratory facility would greatly aid the citizens of the Hamakua district by providing them with a convenient location to receive services as it relates to their well-being.

Your Committee is in accord with the intent and purpose of **H. B. No. 1490-70** and recommends that it pass second reading and that it be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 86-70 Select Committee of Hawaii Representatives on **H. B. No. 1491-70**

The purpose of the bill is to provide sufficient funds for the planning of additional rooms for geriatric patients and other related needs for the Honokaa Hospital, Hawaii. The additional rooms would greatly enhance the capacity of the Honokaa Hospital.

Your Committee is in accord with the intent and purpose of **H. B. No. 1491-70** and recommend that it pass second reading and that it be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 87-70 Select Committee of Hawaii Representatives on **H. B. No. 1492-70**

The purpose of the bill is to provide necessary funds for the planning and construction to extend the three lanes on the Belt Road at Kaawalii Gulch to the Japanese Cemetery above Ookala, Hawaii. The extension of the Belt Road would be a step in the direction of a consolidated highway system.

Your Committee is in accord with the intent and purpose of **H. B. No. 1492-70**

and recommend that it pass second reading and that it be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 88-70 Select Committee of Hawaii Representatives on **H. B. No. 1493-70**

The purpose of the bill is to provide sufficient funds for the planning and construction of a physical education facility, teachers cottages, and planning, construction and relocating the mechanical and electrical shops at the Honokaa High and Elementary School, Hawaii. This supplements prior appropriation to complete the capital improvements to Honokaa High and Elementary School, Hawaii.

Your Committee is in accord with the intent and purpose of **H. B. No. 1493-70** and recommend that it pass second reading and that it be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 89-70 Select Committee of Hawaii Representatives on **H. B. No. 1494-70**

The purpose of the bill is to provide sufficient funds for the preparation of a master plan for the community of Laupahoe. The master plan shall provide for a community center, housing, utilities, roads, and other related matters. The master plan would coordinate an orderly system for the development of the community of Laupahoe.

Your Committee is in accord with the intent and purpose of **H. B. No. 1494-70** and recommends that it pass second reading and that it be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 90-70 Select Committee of Hawaii Representatives on **H. B. No. 1495-70**

The purpose of the bill is to provide suf-

ficient funds for the construction of the Honokaa-Waipio-Mud Lane Road, Hawaii. This appropriation supplements prior appropriation. The construction of the road would be of great economic aid and benefit to the citizens as well as tourists.

Your Committee is in accord with the intent and purpose of **H. B. 1495-70** and recommends that it pass second reading and that it be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 91-70 Select Committee of Hawaii Representatives on **H. B. No. 1496-70**

The purpose of the bill is to provide funds for planning and construction of a covered physical education facility and assembly area at the Paauilo Elementary and Intermediate School. This bill supplements prior appropriation for capital improvements at Paauilo Elementary and Intermediate School.

Your Committee is in accord with the intent and purpose of **H. B. No. 1496-70** and recommends that it pass second reading and that it be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 92-70 Select Committee of Hawaii Representatives on **H. B. No. 1497-70**

The purpose of the bill is to provide funds for the planning and installation of four flashing amber lights warning motorists of narrow bridges at the Kapehu Bridge, District of North Hilo, and the Kealakaha Bridge, Hamakua, Hawaii. The flashing light is primarily for the safety of individuals who are not familiar with the Hamakua area highway.

Your Committee is in accord with the intent and purpose of **H. B. No. 1497-70** and recommends that it pass second reading and that it be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 93-70 Select Committee of Hawaii Representatives on **H. B. No. 1498-70**

The purpose of the bill is to provide sufficient funds for the planning and construction of sheltered comfort stations for students at appropriate pickup points along the school bus routes on the Hamakua Coast, Hawaii. The sheltered comfort stations would be of great convenience to the students attending schools in the Hamakua District.

Your Committee is in accord with the intent and purpose of **H. B. No. 1498-70** and recommends that it pass second reading and that it be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 94-70 Select Committee of Hawaii Representatives on **H. B. No. 1526-70**

The purpose of the bill is to provide additional funds for the development of the Kehena Ditch water source. The funds appropriated will be used for the preparation of plans and construction of diversion works, pipelines, storage reservoir and other appurtenances. The development of the Kehena Ditch water source would greatly aid the economic development of the Kohala District.

Your Committee is in accord with the intent and purpose of **H. B. No. 1526-70** and recommends that it pass second reading and that it be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 95-70 Select Committee of Hawaii Representatives on **H. B. No. 1572-70**

The purpose of the bill is to provide funds for the improvement to the Kolekole Park, on the Island of Hawaii. The appropriation is to be used for the construction of parking facilities and other related mat-

ters. The improvements to the Kolekole Park would be of great benefit to all the citizens of the State of Hawaii.

Your Committee is in accord with the intent and purpose of **H. B. No. 1572-70** and recommends that it pass second reading and that it be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 96-70 Select Committee of Hawaii Representatives on **H. B. No. 1615-70**

The purpose of the bill is to provide sufficient funds for the planning of a flood control program for Honokaa, Hamakua, Hawaii. The funds appropriated for flood control are necessary for the well-being of the citizens residing in the area of Honokaa, Hamakua, Hawaii.

Your Committee is in accord with the intent and purpose of **H. B. No. 1615-70** and recommends that it pass second reading and that it be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 97-70 Select Committee of Hawaii Representatives on **H. B. No. 1675-70**

The purpose of the bill is to provide additional funds for water development and improvements to the existing water system in North Kohala, Hawaii. Water development and improvements to the existing water system would greatly enhance the economic well-being of the citizens residing in North Kohala, Hawaii.

Your Committee is in accord with the intent and purpose of **H. B. No. 1675-70** and recommends that it pass second reading and that it be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 98-70 Select Committee of Hawaii Representatives on **H. B. No. 1676-70**

The purpose of the bill is to provide additional funds for the completion of the Civic Center, North Kohala, Hawaii. The completion of the Civic Center would be of great convenience to the citizens residing in North Kohala, Hawaii.

Your Committee is in accord with the intent and purpose of **H. B. No. 1676-70** and recommend that it pass second reading and that it be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 99-70 Select Committee of Hawaii Representatives on **H. B. No. 1693-70**

The purpose of the bill is to provide sufficient funds to construct a pedestrian walkway and drainage to Kynnersley Road, Island of Hawaii. The pedestrian walkway would provide the necessary safety to residents living in the vicinity of Kynnersley Road, Island of Hawaii.

Your Committee is in accord with the intent and purpose of **H. B. No. 1693-70** and recommend that it pass second reading and that it be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 100-70 Select Committee of Oahu Representatives on **H. B. No. 1749-70**

The purpose of this bill is to make an appropriation for repairs to Keehi Lagoon Boat Harbor, Oahu.

Your Committee is in accord with the intent and purpose of **H. B. No. 1749-70** and recommend that it pass second reading and that it be referred to your Committee on Harbors, Airports and Transportation.

Signed by all members of the Committee except Representatives Oshiro and Poepoe.

SCRep. 101-70 (Majority) Select Committee of Oahu Representatives on **H. B. No. 1202**

The purpose of this bill is to amend the Charter of the City and County of Honolulu to reapportion its legislative body, the City Council to conform with the principles enunciated through the decisions of the U.S. Supreme Court relating to legislative apportionment.

On August 30, 1968, the Hawaii Supreme Court ruled in **Chikasuye et. al. v. Lota** that the City Council of the City and County of Honolulu must be reapportioned. However, it declined to formulate an apportionment plan until the City Council had been given an adequate opportunity to correct the malapportionment. The City Council, by **Resolution No. 310**, adopted on August 19, 1969, proposed an amendment to the Charter of the City and County of Honolulu to provide for an eleven-member council; six of whom to be elected at-large, five of whom to be elected from specified districts. This plan was submitted to the Hawaii Supreme Court and was approved by the Court for submission to the voters of the City and County of Honolulu. The voters, at a special election conducted in January, 1970, overwhelmingly rejected the council's proposed plan, thereby effectively placing the burden of reapportioning the City Council on the State Legislature. Your Committee conducted hearings on the various bills introduced to reapportion the City Council and heard testimony from Mayor Fasi, several Councilmen and many interested citizens.

Your Committee finds that the voters of the City and County rejected the Council's proposed reapportionment plan primarily because it increased the size of the council from nine to eleven members. Your Committee further finds that the rejection of a council's proposed plan by the voters does not constitute a clear-cut rejection of a council made up of a combination of members elected from districts and members elected at large. However, your Committee finds the arguments put forward for a nine-member council with each councilman elected from a separate district compelling. These arguments, briefly stated, are as follows:

- 1) Our municipal government deals

directly with the everyday affairs of the people, such as garbage removal, sewers, cesspool pumping, street maintenance, parks and recreational facilities, police and fire protection, building permits and zoning. It is more convenient and effective for the people to deal directly with their district councilman as to needs, complaints and problems.

2) There will be a closer councilman-citizen relationship, increasing the responsiveness of the councilman to the political views and problems of the voters of his district.

3) There will be a higher representative visibility and a greater degree of political accountability of councilman to the people.

4) A broader cross section of citizens will be represented on the council. There is a greater chance of ethnic and socio-economic minorities to be represented on the council.

The major argument against a council made up entirely of councilmen elected from districts seems to be as follows:

A district councilman possesses a narrow parochial viewpoint and cannot have the best interest of the island as a whole when considering legislative issues. This argument is somewhat fallacious. A councilman representing a large area which includes 20,716 registered voters will have difficulty favoring one community over another. A city councilman elected from a district must serve all communities in his district as well as other council districts on Oahu. Your Committee is confident that the voters of the City and County of Honolulu will elect as councilmen men of integrity and broad, rather than parochial, viewpoint. Therefore, your Committee has amended this bill to provide for a nine-member city council with each councilman from one of nine councilmanic districts.

These districts are based on the number of voters registered on Oahu as of January 1, 1970. There were 186,477 voters registered on Oahu on January 1, 1970. Absolute adherence to the principle of "one man, one vote" would, therefore,

require nine districts of 20,716 voters each. The actual number of registered voters in each councilmanic district is as follows:

District	Registered	Deviation	
	Voters	Number	Per cent
I	20,559	-157	-0.8%
II	20,799	+83	+0.4%
III	20,849	+133	+0.6%
IV	20,855	+139	+0.7%
V	20,572	-144	-0.7%
VI	20,628	-88	-0.4%
VII	20,653	-63	-0.3%
VIII	20,852	+136	+0.7%
IX	20,680	-36	-0.2%

All deviations are less than one percent. The councilmanic districts are described in terms of the new districts and precincts described in the Governor's proclamation issued May 2, 1969, for the 1970 general election, which districts were ratified by the voters in the 1968 general election.

Your Committee has further amended the bill by deleting the requirement in the amended Section 3-102 that the term of office of the councilmen be coterminous with the term of the mayor. However, your Committee has provided that the last sentence of the new Section 3-102 shall not take effect until January 1, 1972. Therefore, those councilmen elected in 1970 shall have a two-year term of office beginning at twelve o'clock meridian on the second day of January, 1971.

Your Committee has further amended the bill to provide for reapportionment of the city council by the same reapportionment commission established by the 1968 Constitutional Convention to handle legislative reapportionment. This amendment will assure that the apportionment of the city council will be reviewed at least once every eight years by an impartial body whose function as mandated by the State Constitution is to consider and resolve problems of apportionment, rather than every sixteen years by the Charter review commission established by Section 13-105 of the Charter.

Your Committee has converted the form of this bill in compliance with House Rule 24(2).

Your Select Committee of Oahu Representatives is in accord with the intent and purpose of **H. B. No. 1202** as amended herein and recommends that it pass second reading in the form attached hereto as **H. B. No. 1202, H. D. 1**, and that it be referred to your Committee on Judiciary.

Signed by all members of the Committee except Representatives Oshiro and Peopoe. Representatives Alcon and Loo did not concur.

SCRep. 102-70 Public Health, Youth and General Welfare on H. B. No. 1673-70

The purpose of this bill is to make an appropriation for a study of the fly problem in the Ewa Beach area of Oahu. The true extent and degree of the problem, fly species, breeding sources, fly seasonal prevalence, the effects of past attempts at biological control by the use of the fly parasite, *Spalangia Muscideserus*, need to be determined in the study.

The fly problem is prevalent on Oahu and the neighbor islands. A limited study and survey as proposed in this bill can serve as a pilot research study to determine the extent of the problem and the best means of control.

The Department of Health recommends that the sum of \$25,000 be appropriated for the study of the fly problem which would cover the following expenditures:

Entomologist, SR-28	\$12,552
Vector Control Inspector III, SR-15	6,348
Supplies and Equipment	2,500
Transportation	3,000
Miscellaneous	600
	\$25,000

Your Committee has amended this bill by including the sum of \$25,000 to be appropriated for the study.

Your Committee is in accord with the intent and purpose of **H. B. No. 1673-70**, as amended herein, and recommends its passage on second reading and its referral to your Committee on Finance in the form

attached hereto as **H. B. No. 1673-70, H. D. 1**.

Signed by all members of the Committee.

SCRep. 103-70 Judiciary on H. B. No. 787

The stated purpose of this Act is to provide for a complete reorganization of the district courts by (a) establishing a single district court for each county, (b) establishing the district courts as courts of record, thereby eliminating the prior right to trials *de novo* at the circuit court level, (c) providing for jury trials in the district courts, (d) increasing the civil jurisdiction of district courts to \$5,000, (e) substituting the term "district judge" for that of "district magistrate", and (f) providing that they shall serve as full-time judges, only.

Your Committee, upon a hearing thereof, having received and considered the testimonies of no less than three district court magistrates, including the administrative magistrate of Honolulu and a representative from the office of the Administrative Director of Courts, and having regarded the recommendations of the Interim Committee to Improve the Structure and Operation of the Judicial Branch, created pursuant to **Senate Concurrent Resolution No. 78**, Regular Session of 1969, as set forth in **Special Committee Report No. 7**, together with an interpretation of the intent thereof by the Judicial Branch as set forth in its Legislative Program for 1970, by way of a proposed amended version of **H. B. No. 787**, presented as a vehicle to carry out the same, agrees that there is and has for some time been an urgent need to "streamline" the 130-year-old district court system, and, therefore, is in accord with the intent and purpose of **H. B. No. 787**, except as to its provisions for trial by jury in the district courts and optional appeals to the circuit court, for reasons hereinafter enumerated, and in regard to other incidental and essentially non-substantive provisions as herein amended.

The basic structure of the district court system was established in the 1840's and has continued with only minor modifica-

tion to the present. The narrow purpose and jurisdiction of the district courts, as established, was principally attributable to and commensurate with the scarcity of trained lawyers, the courts being presided over by "practitioners" who, being selected for their character and standing in the community, undertook the settling of small, local disputes pending occasional "visits" by the higher courts on circuit, at which time a dissatisfied litigant was entitled to have his case reheard. The continuation of this right to trials *de novo* at the circuit court level ranks Hawaii as procedurally unique among the jurisdictions throughout the United States.

Notwithstanding the substantial increase in number of licensed attorneys in the State (presently over 800), both to serve as judges and to practice before such courts, and the deterioration of the significance of district boundaries in a highly mobile society under which the uniform application and enforcement of laws is of more imminent concern, the district courts have remained vestiges of the provincial courts of old, segmented one from the other even within the same judicial circuit.

Your Committee believes that an amelioration thereof must begin with jurisdictional centralization; that there must be established a single district court for each county, which holds sessions in rural areas (only) as essential to the promotion of justice. Presently, the State is divided into 27 judicial districts; the courts therein are presided over by 22 magistrates, of whom 9 are full-time and 13 are part-time. Your Committee is satisfied that traditional reason for the establishment of judicial districts, i.e., that long distances must otherwise be traveled to gain access to court, no longer obtains. In fact, it is evident that in a highly mobile society, the elimination thereof and the establishment instead of a single district for each county would eliminate, in turn, certain present jurisdictional problems and have exactly the opposite effect of affording convenience to a defendant who, for example, receives a citation or incurs an obligation while fortuitously traveling through or within one district, lives in another, and would prefer to have his case heard in yet another close

to his place of work.

Moreover, single district courts for each county would permit more efficient use of district judges and court personnel, who can be allocated to rural areas in accordance with workload requirements, population shifts and other factors.

And finally, the present system of appointment of individual magistrates to each district, each charged with his own area of responsibility and possessed with his own legal training and experience and concepts of justice, unchecked by uniformity which otherwise tends to result from collective research and discussion, leaves open the way for irregularity in decisions and less than monolithic enforcement standards under the ordinances of the very same county within which the various districts are situated.

In conjunction therewith, your Committee feels that the judicial districts thus created, because their geographical limits are coextensive with those of the present judicial circuits, should bear the title "District Court of the First (Second, Third or Fifth, as the case may be) Judicial Circuit" rather than "Judicial District". Furthermore, because the term "magistrate", owing to its historic connotation, imparts something less than the degree of stature which the reorganization sought to be accomplished by the enactment of **H. B. No. 787** would otherwise attain, the district courts should be presided over by jurists bearing, instead, the title of "judge", who should have been an attorney licensed to practice in all the courts of the State for at least five years; that all such district judges should serve on a full-time basis only; that they should be appointed to hold office for a term of six years; and that they should receive no less than ninety per cent of the compensation of a circuit court judge.

Your Committee, having heard the testimonies of presently presiding magistrates appearing before it, is satisfied that in order to insure a high quality of district judge, he must have been an attorney licensed to practice in Hawaii for at least five years. On the other hand, in order to attract and retain attorneys of such qualification away from their practices, your Committee is

equally satisfied that their tenure and salary must be on parity with that of circuit court judges, particularly in light of the aggregate of other district court reforms precipitated by the enactment of **H. B. No. 787**.

Among those reforms, your Committee is in accord with the purpose of establishing the district courts as courts of record, thereby limiting appeals therefrom to questions of law and eliminating the present right to trials *de novo* at the circuit court level. Your Committee is not in accord, however, with a statutory scheme which permits appellants from the district courts to take their appeals, upon the record, either to the circuit court or to the Supreme Court, at their option. There is no reason that a misdemeanor or civil litigant in district court should have a different basis or opportunity for appeal than a felon or civil litigant in circuit court. There should be but one appeal, that appeal should be final, and its recourse should be to the highest court in the State. Any lesser alternative may lead to "final" decisions which are irreconcilable among the circuits (or even within the same circuit), and with decisions of the Supreme Court.

Your Committee is not unmindful that district court appeals will lend to an already heavy Supreme Court caseload. However, that court is best equipped to process and conclude appellate matters; the circuit court is not. Moreover, empowering the district courts to make and revise rules regulating their practice will, according to the testimonies received, open the way for district court judges to entertain motions for rehearing of cases, thereby limiting the number of appeals taken after reconsideration. Meanwhile, and until the problem proves to be so acute as to require the creation of a new court of appeals or a divisional sitting of the Supreme Court, your Committee concurs with the recommendation set forth in **Special Committee Report No. 7**, that district court appeals be taken directly to the Supreme Court, only.

With regard to establishing the district courts as courts of record, your Committee feels obliged to note that the authorized

use of tape or other mechanical devices is not intended to replace shorthand reporters, but, instead, is necessitated by the perennial shortage of them. The district courts, for years, principally because of the wide disparity in salary as against the circuit courts and private concerns, have been critically understaffed. The use of electronic recording devices will, therefore, complement situations in which the shortage of qualified clerk-reporters requires, and particularly in essentially non-adversary proceedings.

In light of all of the foregoing, your Committee endorses stepping-up the jurisdiction of the district courts: That their civil jurisdiction be increased from \$50 to \$500 original and exclusive, and from \$2,000 to \$5,000 concurrent with the circuit courts; and, further, that original jurisdiction be conferred upon all district courts to try cases arising from violation of ordinances in force in their respective counties.

Your Committee, however, is not in accord with the provision for trial by jury in the district courts. Although the present caseload of the district courts is substantial (nearly 345,000 filings in fiscal year 1968-69, compared with less than 27,500 in the circuit courts), they have been able to maintain a current calendar through flexible and innovative techniques. Jury trials, which are inherently time consuming, may detract from expeditious district court procedures. Moreover, under present statutory provisions, where the right to trial by jury is guaranteed in the first instance, the accused is committed, as a matter of course, to the circuit court where such trial is available. Furthermore, there are practical problems such as the absence of facilities to accommodate jury trials in the district courts.

Therefore, your Committee advocates the continuation of present practices in concurrence with the recommendation set forth in **Special Committee Report No. 7**, but not unmindful that there may come a time when the circuit courts are so overwhelmed by jury trials that their holding in district courts may be necessary, notes, likewise, with favor, the present practice of designing new district court courtrooms

with adequate facilities for the accommodation of jury trials.

In order to effectively achieve the foregoing reforms in and to the district court system, your Committee recommends the following amendments, which are incorporated into the following section-by-section synopsis of **H. B. No. 787**. Redesignated sections, for purposes of consistency, refer to **H. B. No. 787, H. D. 1**.

(a) That Section 1 of **H. B. No. 787**, stating the purposes thereof, be amended by deleting subsection (3) referring to jury trials in the district courts, and that a new subsection (3) be substituted to read as follows: "(3) Provides for appeal to the Supreme Court from decisions of the district courts;".

(b) That Section 2 of **H. B. No. 787**, deleting Sec. 4-2, H.R.S. (formerly the last paragraph of Sec. 10-1, R.L.H. 1955) relating to districts for judicial purposes, is accordingly repealed. Section 9 of **H. B. No. 787, H. D. 1**, *infra*, makes the geographical jurisdiction of district courts coextensive with the geographical jurisdiction of circuit courts set forth at Sec. 603-1, H.R.S.

(c) That Section 3 of **H. B. No. 787**, amending Sec. 604-11, H.R.S. (formerly Sec. 149-9, R.L.H. 1955) relating to jurisdiction of district magistrates of the city and county of Honolulu in cases arising from violation of ordinances in force in the city and county, be deleted. Section 16 of **H. B. No. 787, H. D. 1**, *infra*, amending Sec. 604-11, H.R.S., confers such jurisdiction upon the district courts of all judicial circuits, and provides, in relevant part:

"Sec. 604-11. **Jurisdiction of district court; ordinances.** Jurisdiction is conferred upon the district courts to try all cases arising from the violation of ordinances in force in the counties . . ."

(d) That Section 4 of **H. B. No. 787**, amending Sec. 641-1, H.R.S. (formerly Sec. 208-1, R.L.H. 1955) relating to appeals from decisions of district magistrates, be further amended by deleting

therefrom the phrases "either to the district court of the same circuit, or", "at the option of the party appealing", "and such appeal shall be heard and determined without the intervention of a jury", and the entire second paragraph relating to notice of appeal for mitigation of sentence in a criminal case, commencing at lines 4, 5, 9 and 11 of said section, respectively; that the word "ten" appearing in line 7 thereof, referring to the number of days within which notice of appeal shall be filed, be amended to read "thirty"; and that the same, as amended, be redesignated as Section 3.

One of the stated purposes of **H. B. No. 787**, set forth in Section 1(2) thereof, is that of ". . . eliminating the prior right to trial *de novo* at the circuit court level." Without considering whether the amendatory language attains that objective, because although not expressly precluding such trials, it refers to appeals "upon the record", your Committee nonetheless recommends further amendment of the section in accordance with the recommendation relating to appeals from the district courts set forth in **Special Committee Report No. 7**; that such appeals be taken directly to the Supreme Court, only.

As such, Section 3 of **H. B. No. 787, H. D. 1**, amending Sec. 641-1, H.R.S., provides, in relevant part:

"Sec. 641-1. **From district judge; deposits of costs; procedure.** Appeals upon the record shall be allowed from all decisions and judgments of district judges in all matters, whether civil or criminal. Such appeals may be made to the supreme court, whenever the party appealing shall file notice of his appeal and shall pay the costs accrued within thirty days and, if in a civil cause, shall deposit the cost for appeal as provided in chapter 607."

(e) That Sections 5, 6 and 7 of **H. B. No. 787**, amending Secs. 641-19, -20, -21, H.R.S., respectively (formerly Secs. 212-9, -10, -11, R.L.H. 1955) setting our forms for the application, address and return, respectively, of writs of error, be further amended by substituting throughout the

term “Clerk of the District Court of the Judicial Circuit” for the term “Clerk of the District Court of the Judicial District”, and that the same, as amended, be redesignated as Sections 4, 5 and 6, respectively.

(f) That Section 8 of **H. B. No. 787**, amending the first sentence of Sec. 641-24, H.R.S. (formerly Sec. 212-14, R.L.H. 1955) to empower the circuit court, in addition to the Supreme Court, to “affirm, reverse, or modify the order, judgment, or sentence of the trial court,” is deleted as unnecessary if appeals are taken directly to the Supreme Court, only.

(g) That Section 9 of **H. B. No. 787**, amending Sec. 601-8, H.R.S. (formerly Sec. 213-4 R.L.H. 1955) by forbidding the practice of law by full-time judges of the district court, be redesignated as Section 7.

(h) That Section 10 of **H. B. No. 787**, deleting Sec. 601-9, H.R.S. (formerly Sec. 213-5, R.L.H. 1955) prohibiting any other judge to practice in any case previously tried by him, be deleted. Your Committee feels strongly that this prohibition should be retained as set forth in Sec. 601-9, H.R.S.

(i) That Section 11 of **H. B. No. 787**, purporting to amend Sec. 601-12, H.R.S. (formerly Sec. 213-9, R.L.H. 1955) relating to summary committal for perjury, be deleted. The amendatory language is exactly similar to the statute, which your Committee feels affords consideration for the district courts and the judges thereof, when the same are made courts of record.

(j) That Section 12 of **H. B. No. 787**, deleting Sec. 604-4, H.R.S. (formerly Sec. 215-16, R.L.H. 1955) allowing for direct suit in circuit court upon disqualification of magistrate, is accordingly repealed, and the same be redesignated as Section 8. Section 12 of **H. B. No. 787**, **H. D. 1**, *infra*, authorizes the chief justice of the Supreme Court to fill vacancies by reason of disqualification.

(k) That Section 13 of **H. B. No. 787**, amending Sec. 604-1, H.R.S. (formerly

Sec. 216-1, R.L.H. 1955) and establishing “judicial districts” defined in terms of the islands as they are presently divided into counties, be further amended to establish, instead, judicial circuits” defined in terms coextensive with the present judicial circuits, in each of which is established a single district court, styled accordingly; and that the same, as amended, be redesignated as Section 9.

Under this arrangement, the district courts of the first, second, third and fifth circuits, consist of ten (10), two (2), and one (1) judge(s), respectively. The chief justice is vested with authority to appoint per diem judges as necessary, as under present practice, and the district courts hold sessions at such places and as often as the district judges “deem essential to the promotion of justice.”

(l) That Section 14 of **H. B. No. 787**, amending Sec. 604-2, H.R.S. (formerly Sec. 216-2, R.L.H. 1955) by increasing the term of office of a district judge from four to five years, be further amended by increasing such term to six years, and that the same, as amended, be redesignated as Section 10.

(m) That Section 15 of **H. B. No. 787**, amending Chapter 604, H.R.S. (formerly Chapter 216, R.L.H. 1955) by adding a new section thereto providing that the compensation for district court judges shall be eighty per cent of the compensation of a circuit court judge, be further amended by increasing such compensation to ninety per cent, and that the same, as amended, be redesignated as Section 11.

(n) That Section 16 of **H. B. No. 787**, amending Sec. 604-3, H.R.S. (formerly Sec. 216-3, R.L.H. 1955) relating to disqualification, absence or vacancy of judges, be further amended by substituting the word “circuit” for the word “district” where it appears with reference to geographical jurisdiction, throughout, and that the same, as amended, be redesignated as Section 12.

(o) That Section 17 of **H. B. No. 787**, amending Sec. 604-5, H.R.S. (formerly Sec. 216-4, R.L.H. 1955) by increasing the

original and exclusive jurisdiction of district courts in civil actions from \$50 to \$500, and concurrent jurisdiction from \$2,000 to \$5,000, be redesignated as Section 13.

(p) That Section 18 of **H. B. No. 787**, amending Sec. 604-8, H.R.S. (formerly Sec. 216-7, R.L.H. 1955) relating to criminal jurisdiction of district judges and commitment to the circuit court where trial by jury is guaranteed in the first instance, be redesignated as Section 14.

(q) That Section 19 of **H. B. No. 787**, amending Sec. 604-9, H.R.S. (formerly Sec. 216-8, R.L.H. 1955) relating to powers of district judges and deleting provisions for venue between various districts with the circuit, be further amended by reinstating the phrase “and except as otherwise provided in cases in which the accused has the right to and demands a trial by jury in the first instance” as a limitation upon the power of district judges commensurate with deletion of the provision for jury trials in the district court, and that the same, as amended, be redesignated as Section 15.

(r) That Section 20 of **H. B. No. 787**, amending Sec. 604-11, H.R.S. (formerly Sec. 216-9, R.L.H. 1955) relating to jurisdiction of the district courts to try all cases arising from the violation of ordinances in the counties, be redesignated as Section 16.

(s) That Section 21 of **H. B. No. 787**, amending Sec. 604-17, H.R.S. (formerly Sec. 216-15, R.L.H. 1955) by establishing courts as courts of record, be redesignated as Section 17.

(t) That Section 22 of **H. B. No. 787**, amending Sec. 604-18, H.R.S. (formerly Sec. 216-20, R.L.H. 1955) relating to annual reports, be further amended by substituting the word “circuit” for the word “district” where it appears with reference to geographical jurisdiction, throughout, and that the same, as amended, be redesignated as Section 18.

(u) That Section 23 of **H. B. No. 787**, amending Chapter 604, H.R.S. (formerly Chapter 216, R.L.H. 1955) by adding a

new section thereto empowering the district judges to make and revise rules regulating district court practice, be redesignated as Section 19.

(v) That Section 24 of **H. B. No. 787**, amending Sec. 606-1, H.R.S. (formerly Sec. 218-1, R.L.H. 1955) by providing for the appointment of district court clerks, be redesignated as Section 20.

(w) That Section 25 of **H. B. No. 787**, amending Sec. 606-4, H.R.S. (formerly Sec. 218-4, R.L.H. 1955) providing for custody and disposition of exhibits by district court clerks, be redesignated as Section 21.

(x) That Section 26 of **H. B. No. 787**, amending Sec. 606-9, H.R.S. (formerly Sec. 218-9, R.L.H. 1955) providing for the appointment of district court clerk reporters and interpreters, be redesignated as Section 22.

(y) That Section 27 of **H. B. No. 787**, amending Sec. 607-2, H.R.S. (formerly Sec. 219-2, R.L.H. 1955) relating to accounting of fees, be redesignated as Section 23.

(z) That Section 28 of **H. B. No. 787**, amending Sec. 607-7, H.R.S. (formerly Sec. 219-7, R.L.H. 1955) relating to deposit and payment of cost on appeal, be redesignated as Section 24.

(aa) That Section 29 of **H. B. No. 787**, amending Sec. 608-2, H.R.S. (formerly Sec. 220-2, R.L.H. 1955) relating to the payment of salaries for district court judges and personnel, be redesignated as Section 25.

(bb) That Section 30 of **H. B. No. 787**, deleting Secs. 608-3, -4, -5, -6, -7, H.R.S. (formerly Secs. 220-3, -4, -5, -6, -8 (sic), R.L.H. 1955) relating to magistrates and court personnel and their salary rates for the different counties, are accordingly repealed, and the same be redesignated as Section 26.

(cc) That Sections 31, 32, 33, 34, 35, 36, 37, 38 and 39 of **H. B. No. 787**, amending Secs. 609-1(1), -6, -8, -10, Chapt. 609, new

sec., 609-21, -28, 635-26, -28, H.R.S., respectively (formerly Secs. 221-1(a), -6, -8, -10, Chapt. 221, new sec. 221-16, 7, 221-20, -26, 231-9, -11, R.L.H. 1955), because provisions for trial by jury in the district court have been deleted, be deleted.

(dd) That Sections 40 and 41 of **H. B. No. 787**, amending Secs. 710-1 and 7, H.R.S., respectively (formerly Secs. 231-11 and 257-7, R.L.H. 1955) setting out forms for warrant of arrest and mittimus, respectively, be further amended by substituting the word "circuit" for the word "district" where it appears with reference to geographical jurisdiction, throughout, and that the same, as amended, be redesignated as Sections 27 and 28, respectively.

(ee) That Section 42 of **H. B. No. 787**, amending Sec. 710-8, H.R.S (formerly Sec. 257-8, R.L.H. 1955) requiring notice by the district judge to the county or prosecuting attorney in criminal cases where there has been a commitment or appeal, be further amended by reinstating the phrase "or a demand for a jury trial" into line 4 of said section as a condition of notice commensurate with deletion of the provision for jury trials in the district court, and by adding the phrase "or the supreme court," in line 9 at the end thereof, commensurate with appeals being taken directly to the Supreme Court, only; and that the same, as amended, be redesignated as section 29.

As such, Section 29 of **H. B. No. 787, H. D. 1**, provides:

"Sec. 710-8. **Notice to county attorney or prosecuting attorney.** In all criminal cases had before a district judge where there has been a commitment as provided in section 710-7, an appeal from the judgment, or a demand for a jury trial, the judge shall forthwith, without delay, send to the county attorney or the prosecuting attorney, as the case may be, notice of the fact, stating briefly in the notice the nature of the case and the action taken thereon, giving the name of the defendant and the date the records were sent to the circuit court or the supreme court."

(ff) That Section 43 of **H. B. No. 787**, substituting the term "district judge" for that of "district magistrate", be redesignated as Section 30.

(gg) That Section 45 of **H. B. No. 787**, relating to Act 16, S.L.H. 1968 be deleted as a surplusage, the Hawaii Revised Statutes having taken effect. That a new section, designated as Section 31 of **H. B. No. 787, H.D. 1**, be substituted to read as follows:

"SECTION 31. Whenever the word "district" appears in the Hawaii Revised Statutes in reference to or in connection with the geographical jurisdiction of the district courts, it is amended to read "circuit" as the context may require."

(hh) That Section 45 of **H. B. No. 787**, providing that this Act shall take effect on January 1, 1972, be redesignated as Section 32.

Your Committee has converted the form of the bill in compliance with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 787** as converted and amended herein, and recommends that it pass second reading in the form attached hereto as **H. B. No. 787, H. D. 1**, and that it thereafter be referred to the Committee on Finance for further consideration.

Signed by all members of the Committee.

SCRep. 104-70 Housing and Consumer Protection on **H. B. No. 1666-70**

The purpose of this bill is to amend Chapter 443, Hawaii Revised Statutes to replace the function of the Attorney General as Commissioner of the Collection Agencies, and the Collection Agencies Advisory Board, with a five-member Collection Agency Board placed in the Department of Regulatory Agencies. The new board is made up of two licensees and two non-licensees, with the fifth member being the Consumer Pro-

tector.

The newly-created board will serve a regulatory, rather than advisory function. It will have the following powers and duties, among others:

- a) The granting of licenses to collection agencies;
- b) The denial, suspension or revocation of licenses;
- c) The making, amending and repealing of reasonable and necessary rules and regulations;
- d) The enforcement of Chapter 443 and its rules and regulations.

The make-up of the newly-created board provides for increased participation by non-licensees, in accord with present legislative intent to provide for broader public participation on regulatory bodies and commissions. This structure meets the often voiced criticism that regulatory bodies are made up primarily of members of the industry being regulated.

The Department of Regulatory Agencies is to employ an executive secretary who shall administer Chapter 443 and the rules and regulations promulgated thereunder, and shall perform such ministerial duties as are specified in the bill or which may be delegated to him by the board.

The bill provides that the Consumer Protector shall be one of the five members of the board *ex officio*. Since the Consumer Protector has investigatory and prosecutorial authority in the area of unfair or deceptive practices, your Committee finds that his membership on the board would be undesirable. Therefore, your Committee has amended the bill to eliminate the Consumer Protector as a board member. Your Committee has further amended the bill to provide that three of the five board members shall be non-licensees, thereby assuring that a majority of the board is not made up of members of the collections industry.

Your Committee has further amended the bill to empower the board to levy a fine for any violation of Chapter 443. This increases the flexibility of the sanctions the board may impose for violations of Chapter 443.

Your Committee has further amended the bill to provide that while four members of the board must concur in refusing to grant a license to an applicant on the grounds of lack of qualifications, the board may suspend or revoke a license or levy a fine for violations of Chapter 443 by a simple majority vote.

Your Committee has further amended the bill to delete the provision for a trial de novo in circuit court on appeal from a decision of the board, and to substitute therefor an appeal based on the record before the board. This amendment conforms to the provision for appeal from decisions of the board to the circuit court to accepted procedure for court review of decisions of regulatory boards and commissions.

Your Committee has converted the form of the bill in compliance with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 1666-70** as amended herein and recommends its passage on second reading in the form attached hereto as **H. B. No. 1666-70, H. D. 1** and that it be referred to your Committee on Judiciary.

Signed by all members of the Committee except Representatives Sakima and Suwa.

SCRep. 105-70 Housing and Consumer Protection on H. B. No. 1309-70

The purpose of this bill is to increase the limits of financial responsibility required to be proved under the Motor Vehicle Safety Responsibility Act from \$10,000 for bodily injury to or death of one person in a motor vehicle accident and \$20,000 for bodily injury to or death of two or more persons in a motor vehicle accident to \$20,000 and \$40,000, respectively.

Your Committee finds that it is desirable to increase the limits of financial responsibility required by the Motor Vehicle Safety Responsibility Act, due to increases in costs of hospitalization and medical treatment. Your Committee finds that the doubling of the present liability limits of the Motor Vehicle Safety Responsibility Act would appreciably increase automobile insurance rates in Hawaii, and would add to the difficulties of providing insurance for sub-standard risk drivers. No state has limits as high as those set forth in this bill. Two states, California and Virginia, currently require limits of \$15,000 and \$30,000. Forty-one states, including Hawaii, presently require limits of \$10,000 and \$20,000. Therefore, your Committee has amended the bill to reduce the increase in limits of financial responsibility to \$15,000 and \$30,000, respectively, rather than \$20,000 and \$40,000. Your Committee has converted the form of the bill in compliance with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 1309-70** as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 1309-70, H. D. 1** and that it be referred to your Committee on Judiciary.

Signed by all members of the Committee except Representatives Sakima and Suwa.

SCRep. 106-70 Judiciary on **H. B. No. 1443-70**

The purpose of this bill is to compensate the (five) members of the Board of Pardons and Paroles, who presently serve without pay, at the rate of \$25 for each day's actual attendance at a board meeting, not to exceed four days per month, in addition to necessary expenses for travel and incidentals, which they presently receive.

The Board is a quasi-judicial body involved in one of the most complex and serious decision-making processes in the State Government. It fixes minimum terms of imprisonment, grants or denies parole, grants discharges from parole, supervises parolees, reimprisons and revokes paroles, and recommends commutation of sen-

tences and pardon to the Governor. These decisions have a far-reaching effect on prisoners, parolees, their families, various agencies within the State, and the general public.

The Board, which meets approximately four times monthly, all day from 9 A.M. until 5 P.M., considers between 35 and 50 cases each month. These sessions are preceded by long hours of study of case material, and personal interviews with prisoners and parolees are required. Additionally, inauguration of the Public Defender program will undoubtedly mean more legal representation in parole revocation hearings, requiring longer and more frequent meetings.

Your Committee is in accord with the intent and purpose of **H. B. No. 1443-70** and recommends its passage on second reading and its referral to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 107-70 Judiciary on **H. C. R. No. 14**

The purpose of this concurrent resolution is to request the members of Hawaii's Congressional Delegation, among others, to bring about the repeal of Title II of the Internal Security Act of 1950, more commonly known as the Emergency Detention Act.

Under present law, the President, through the U.S. Attorney General, may apprehend and by order detain any person as to whom there is reasonable ground to believe that such person probably will engage in, or probably will conspire with others to engage in acts of sabotage or espionage. Decisions to apprehend and detain are made by a Preliminary Hearing Officer appointed by the Attorney General, subject to review by a Detention Review Board composed of members appointed de facto by the Attorney General, the very official who initiates the proceedings for apprehension and detention in the first instance. There is no provision for trial by jury or before a judge;

neither is there a provision for appeal to the courts.

The Emergency Detention Act of 1950 was, no doubt, the product of cold war tensions then prevalent, at a time when communist subversion was of grave national concern. Its advocates justify its perpetuation in order to obviate such legal problems as underlay the opening of concentration camps during World War II, when Hawaii experienced the regrettable consequences of unwarranted internment of Americans of Japanese ancestry from among its citizens. Since then, and since enactment of the Emergency Detention Act of 1950, your Committee feels that the socio-political climate prompting enactment of the subject legislation has eased to a point that the purpose thereof no longer obtains. Instead, other and more meaningful, just and effective procedures which insure due process of law are in order. Otherwise, the specter of concentration camps (although they have been closed since passage of the Act) remains in America as long as such a provision remains law.

The present national administration, although not officially committed, is reputed to support the repeal of Title II, and in late 1969 the Senate Judiciary Committee favorably reported the repeal bill to the floor where it was passed. The same now shifts to the House of Representatives where the House Internal Security Committee has scheduled public hearings thereon beginning March 16, 1970. The House Judiciary Committee, however, which also has repeal bills pending before it, has deferred and will not take action in the near future.

H. C. R. 14 urges the Hawaii Congressional Delegation, among others, to take whatever action is necessary, including the holding of and participation at public hearings on the subject, to insure the repeal of Title II of the Internal Security Act of 1950. The Senate repeal bill (S. 1872) was introduced by Senator Dan Inouye and co-sponsored by 26 senators; Congressman Spark Matsunaga was among the introducers of the House bills (HR 11825, 12221, 12609, 13452, 13453, 13454 and

13455) which were co-sponsored by 125 other congressmen.

Your Committee is in accord with these members of the U.S. Congress and with the intent and purpose of **H. C. R. 14**, and recommends its adoption.

Signed by all members of the Committee except Representatives Aduja and Judd.

SCRep. 108-70 Finance on **H. B. No. 1267-70**

The purpose of this bill is to adjust the exemptions, classifications, and rates of existing tax laws in order to provide greater equity and to further the economic development of the State.

Specifically, the bill as amended provides for:

1. **Increasing the personal exemption from \$600 to at least \$750 in 1971.** There are several reasons for increasing the size of the personal exemption. The most obvious is to partially offset the higher cost of living. Congress has already recognized the need for adjustment in this area and has authorized an increase to \$750 in 1973.

Your Committee believes that in view of the sound financial condition of the State, the tax burden on all residents should and would be lessened by increasing the exemption. Your Committee feels, however, that greater consideration should be given at this time to those individuals at the middle and lower end of the income distribution scale. Past increases in the Social Security contributions and other taxes have actually added to the burden of these people.

Your Committee is mindful that the middle income citizen has generally paid his fair share of the taxes that support our government and believes that this group of citizens should be given appreciable relief from taxes at this time.

Therefore your Committee has decided upon a modified version of the uniform personal exemption deduction spread over a two-year period. For the taxable year 1970

those with adjusted gross income of \$6,499 and less shall be entitled to \$725 personal exemption, those with adjusted gross income in excess of \$6,499 but less than \$16,500 shall be entitled to \$700 personal exemption and those with adjusted gross income of \$16,500 and above shall be entitled to a \$675 personal exemption. For the taxable year 1971, the exemptions for the respective adjusted gross income brackets are \$850, \$800 and \$750. Thus in 1971, the State personal exemption will be equal to or, in some cases, higher than the federal personal exemption.

The immediate revenue loss to the State from the proposed changes is estimated to be approximately \$4.0 million. Your Committee is confident that the State can at this time absorb such a reduction. Further, it is expected that the increased allowance for personal exemption would increase take home pay through a reduction in the withholding tax thus making more money available to the taxpayer for personal expenditures. Such expenditures would in turn generate increased revenue from other taxes.

2. Reducing the required months of attendance in a taxable year of a student from four months to three in order to be eligible for the educational tax credits. The Ombudsman, in his report to the Legislature, has pointed out that since the public school normally begins on September 1, students first attending school would be in attendance for less than four months and thus unable under our present law to qualify for the educational tax credits. However, parents of students attending private schools for the first time which begins before September 1, can benefit from the tax credit. Your Committee feels that the intent of the educational tax credit would be fully realized if the period was shortened to three months thereby permitting parents of both private and public schools to benefit. The estimated revenue loss of this amendment is \$75,000 per year.

3. Eliminating the pyramiding of the general excise tax on certain inter-industry transactions. Your Committee has reviewed and adopted the recommendations of the Governor's Advisory Commit-

tee on Finance and Taxation designed to alleviate some of the "pyramiding" which had been criticized by the A. D. Little Report. At the last session, your Committee recognized the inequities of the general excise tax but had favored an incremental approach to alleviating the problem "because of the complexity of the overall general excise tax problem and the uncertainty as to the ramifications of a wholesale change, including substantial losses in revenues without adequate substitutes." (See **Stand. Com. Rep. No. 388 to H. B. No. 800**) Accordingly, your Committee recommended a rate of one-half of one per cent with respect to sales of repair parts to a repair service business.

At this session your Committee recommends an expansion of the repair parts amendment to include sales of any tangible personal property to a person engaged in a service business provided such tangible personal property is separately charged and billed to the customers, clients or patients by the person rendering such service and if the sale of such tangible personal property is reported at the retail rate of four per cent.

Another instance of pyramiding which your Committee hopes to eliminate is in transactions whereby a person in the service business is retained to provide certain services to another taxpayer in the service business. Such service shall be taxed at the one-half of one per cent rate if the second taxpayer is acting in the nature of an intermediary between the person rendering such services and the ultimate recipient of the benefit of such services. The second taxpayer must report all income from the ultimate recipient of such services at the four per cent rate. This amendment is best illustrated by the following example: If Able Corporation hires Xeno Trucking Company at \$10,000 to do a hauling job and Able Corporation also separately hires Yuma Trucking Company at \$5,000 to do a portion of the hauling job the tax liabilities would be as follows: Xeno Trucking Company must pay four per cent on the \$10,000 it receives and Yuma Trucking Company must pay four per cent on its \$5,000. On the other hand, if Able Corporation hires Xeno Trucking Company

at \$15,000 to do a hauling job and Xeno Trucking Company subs a portion of the job to Yuma Trucking Company for \$5,000, the tax liabilities would now be as follows: Xeno Trucking Company must pay four per cent on the \$15,000 total it receives and Yuma Trucking Company must pay four per cent on the \$5,000 it receives. We see no substantial justification for the difference in tax treatment.

Your Committee believes that adoption of the above two changes will eliminate the unwarranted pyramiding criticized by the A. D. Little Report. The estimated loss of revenue is \$400,000 annually and will thus eliminate the necessity of adopting recommendations made in the A. D. Little Report relative to increasing the retail tax rate or to imposing a tax on some other now untaxed activity.

4. Classifying commercial job printing as a manufacturing activity and not as a service activity. This change in classification will permit local commercial job printers to compete with mainland commercial job printers by lowering the cost of production. Under this change, sale of tangible personal property to commercial job printers shall be taxed at the one-half per cent rate instead of the four per cent rate. The estimated revenue loss of this amendment is \$150,000 per year.

5. Permitting general contractors to deduct for general excise tax purposes payments made to specialty contractors. This section will clarify the applicability of the provisions regarding the deduction allowed general contractors for general excise taxes paid by a subcontractor. This bill will specifically permit deductions for payments to specialty contractors as licensed by the department of regulatory agencies. Thus general contractors will be permitted to deduct subcontract payments made to specialty contractors such as landscaping contractors, wall-to-wall carpeting contractors, and termite control contractors if such work is performed under a general construction contract. Your Committee has been informed that this change will permit the general contractors to lower the cost of housing. The estimated revenue loss for this amendment is \$500,000.

6. Exempting subcontractors involved in scientific contracts with the United States from the application of the general excise tax. The present provisions of the scientific contract exemption under the general excise tax law exempts from the tax those contractors conducting such contracts with the United States. Since this is an exemption and the rule of strict construction is applicable, the law has been interpreted to be applicable to such contractors and not to subcontractors. This amendment will extend the exemption to subcontractors. It will also clarify the scope of maintenance and operational activities deemed exempt from the tax. The Tax Department has reviewed the revenue loss of this amendment and has stated the loss will be nominal.

7. Exempting, for a period of five years, rum distilled in the State. In view of the slowdown in our tourist industry, your Committee believes that strong emphasis should be placed on promoting the sale of local products to further broaden our economic base. The exemption proposed by this Act would give rum distillers relief for local sales during the next five years and hopefully permit successful operation to take place, thereby creating additional employment in the State. A similar exemption was granted to distillers of ti root okolehao in 1960.

8. Reducing the general excise tax paid by insurance general agents from four per cent of their commissions earned to two per cent. This amendment would treat insurance general agents in the same manner as insurance solicitors. The estimated revenue loss of this amendment is \$200,000 per year.

9. Reducing the tax imposed on liquefied petroleum gas which is used to operate a motor vehicle on the public highway to two-thirds of the rates applicable to diesel fuel as used on the highway. This reduction is estimated to cost the State \$5,000 per year and all counties \$3,500 a year at the current rate of consumption. Your Committee feels that the lower rate will provide a greater incentive to motor vehicle owners to use liquefied petroleum gas which emits less pollutants than gasoline.

10. Requiring the owner to occupy the home during the first three months of a taxable year in order to claim the home exemption provisions of the real property tax law. This amendment would close a loophole brought out by the Governor's Advisory Committee on Finance and Taxation. Under present provisions, anyone owning and occupying a home on the first day of the tax year would be entitled to a home exemption of up to \$8,000. Many out-of-state residents come to live in Hawaii only for a few months. They occupy their rental units and thus qualify for the home exemption even though such units are in fact bought for investment purposes and not for residential purposes. Your Committee feels that this was not the intent of the home exemption provisions and has amended the law to require occupancy of the home by the owner during the first three months of the taxable year.

Your Committee is in accord with the intent and purpose of **H. B. No. 1267-70**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 1267-70, H. D. 1**, and that it thereafter be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 109-70 Printing and Revisions

Informing the House that **House Resolution Nos. 193 to 197, House Concurrent Resolution Nos. 76 to 81 and Standing Committee Report Nos. 110-70 to 118-70** have been printed and distributed.

Signed by all members of the Committee except Representatives Oshiro and Poepoe.

SCRep. 110-70 Public Health, Youth and General Welfare on H. R. No. 69

The purpose of this Resolution is to request the Department of Health to adopt regulations to provide for the immunization of children against rubella as part of the school entry requirements.

Rubella is a mild disease of childhood

but has devastating effects on newborn babies when the mother contracts the disease. Birth defects occur in over 50 per cent of newborns when the disease is contracted in the mother's first three months of pregnancy. The results of the birth defects are of a permanent nature and impose tremendous financial burdens on the family and community. According to the Hawaii Medical Association, the yearly cost of educating a child with visual impairment is estimated at \$3,500; deaf and blind, \$14,000; and the institutionalized care of a severely handicapped child, \$18,000.

According to a report made by Drs. Halstead and Dewan in the Journal of the American Medical Association, susceptibility to rubella virus (defined as the absence of HI antibody at a serum dilution of 1:10 when tested against two antigen units) is unusually prevalent in the sampled portions of the adolescent and adult population of Hawaii. College students with known life-long residence in Hawaii had a susceptibility rate which was 2½ times higher than that in colleagues who spent their childhood in the mainland United States or other countries. The rubella HI negative rate in young female college students of life-long Hawaiian residence is one of the highest reported for any cosmopolitan population in the world.

The high rubella susceptibility rate in females of child bearing age in Hawaii constitutes an important public health problem and indicates that induction of artificial immunization in the Hawaiian population should be a priority public health goal.

A sustained program to prevent rubella can best be accomplished through immunization of children. It is generally the case that rubella spreads from child to child and from child to mother. Young children have young mothers who may still be planning to have more children. Thus, this Resolution requesting the adoption of regulations requiring rubella immunization for school entry would be the most effective means of protecting pregnant women from rubella.

Your Committee is in accord with the

purpose of **H. R. No. 69** and recommends its adoption.

Signed by all members of the Committee except Representatives Ushijima and Devereux.

SCRep. 111-70 Public Health, Youth and General Welfare on **H. R. No. 178**

The purpose of this Resolution is to request the director of the Department of Health to hold hearings on the proposed amendment to the Public Health Regulation concerning air pollution.

Although the public health regulations of the Department of Health defines "particulate matter", it does not establish any standards to regulate or control the concentration of same in the atmosphere. This deficiency in the regulations is sought to be cured by a petition filed by the Halawa Community Association on February 16, 1970.

The Rules of Practice and Procedure of the State Department of Health require a decision on a petition to amend the rules and regulations within 30 days. Thus a decision on the above petition is required by March 16, 1970. Before the decision is made, the director of the Department of Health is requested to hold hearings on the proposed amendment.

Your Committee is in accord with the intent and purpose of this Resolution and recommends its adoption.

Signed by all members of the Committee except Representatives Ushijima and Devereux.

SCRep. 112-70 Government Efficiency and Public Employment on **H. B. No. 1415-70**

The purpose of the amendment is to allow the commission to create and maintain a living war memorial commemorating the sacrifices of our heroic deed of any war or national conflict. The amendment deletes references to commemorating sacrifices of our heroic dead of World War II.

Your Committee is in accord with the intent and purpose of **H. B. No. 1415-70** and recommends that it pass second reading and that it be referred to your Committee on Finance.

Signed by all members of the Committee except Representative Devereux.

SCRep. 113-70 Public Health, Youth and General Welfare on **H. B. No. 1264-70**

The purpose of this bill is to make an appropriation for the establishment of a methadone experimental program for the treatment of drug addiction.

The current methadone program in Hawaii is sponsored by the John Howard Association, the Queen's Medical Center and the Hawaii State Hospital. Preliminary results of the program indicate that methadone may well be the most successful answer to heroin addiction. According to John R. Stephenson, M.D., Chairman, Ad Hoc Committee on Drug Abuse, the methadone program surpasses the results of any other method in use and methadone may well qualify as one of the modern miracle drugs. These results show that the State should take over and be financially responsible for the methadone program. The program is now being financed through private trust funds which should not be expected to continue indefinitely.

Your Committee has amended this bill by including the sum of \$25,000 to fund the State methadone experimental program.

Your Committee is in accord with the intent and purpose of **H. B. No. 1264-70**, as amended herein, and recommends its passage on second reading and its referral to the Committee on Finance in the form attached hereto as **H. B. No. 1264-70, H. D. 1.**

Signed by all members of the Committee except Representatives Ushijima and Devereux.

SCRep. 114-70 Public Health, Youth and General Welfare on **H. B. No. 2098-70**

The purpose of this bill is to make an

appropriation for the initiation of biology-ecology studies for the control of the cluster fly on the island of Hawaii.

While the cluster fly is basically a parasite of the earthworm and does not bite nor is attracted to man, its characteristic habit of entering homes through cracks and crevices and to cluster in great numbers within houses causes great concern. The State Department of Agriculture, the University of Hawaii, the Hawaii Sugar Planters Association and the USDA Plant Protection Division have joined together to formulate a plan to meet this emergency cluster fly problem on the island of Hawaii. A committee of representatives from the aforementioned organizations has agreed that in view of the lack of biological-ecological data on this insect in Hawaii, an urgent need exists to develop this basic information on the cluster fly. The committee further points out that although the problem presently is confined to the island of Hawaii, the basic biological-ecological data to be obtained through this bill would be applicable State-wide should the cluster fly become a problem on the other islands.

Your Committee is in accord with the intent and purpose of **H. B. No. 2098-70** and recommends its passage on second reading and its referral to the Committee on Finance.

Signed by all members of the Committee except Representatives Ushijima and Devereux.

SCRep. 115-70 Housing and Consumer Protection on **H. B. No. 1536-70**

The purpose of **H. B. 1536-70**, as introduced, is to establish guidelines for the retraction and correction of errors made without intent to misinform or be libelous, malicious, or slanderous as defined by Chapter 751, Hawaii Revised Statutes, by a news medium organization, business, or other entity, including but not limited to a newspaper, radio station, television station, or magazine in an article, broadcast, telecast, publication, or any other public communication.

The bill requires the retraction and correction of an error within three days after the news media have been informed of the error. In so remedying the error, the bill requires that the news media also give equal prominence to the retraction and correction as to the original article, broadcast, telecast, publication or other public communication.

Violation of this proposed Act carries with it a fine of not more than \$500 or imprisonment of not more than one year, or both.

Your Committee upon consideration of this bill has amended the bill to:

1. Substitute the words "errors of fact" for the word "error" wherever it appears in the bill.

2. Include a definition of the phrase "error of fact" to read:

" 'Error of fact' means a mis-statement which is not subject to interpretation or differences of opinion."

3. Expand the coverage of the bill to include an "error of fact" made not only by a news medium organization, but also any business or other entity, including but not limited to a newspaper, radio station, television station, magazine or advertising company who uses the news media for commercial purposes in an article, broadcast, telecast, publication, or any other public communication.

Your Committee feels that the inclusion of advertisements disseminated through the mass media is within the spirit of the proposed bill and therefore should come within the scope of the legislation.

4. The substitution of the words "within three days", in lines 7 and 8 of **H. B. 1536-70** with the words "as soon as practicable" so that following the word "entity", on line 7, the bill will read: ". . . shall retract and correct the error of fact which it has published and/or disseminated as soon as practicable after such error of fact has been identified."

Your Committee has recommended the phraseology, "as soon as practicable", with the following guidelines in mind:

a. Daily publications or broadcasts or telecasts should be required to make the retraction and correction of the "error of fact" in not more than seven days.

b. Less than daily publications or broadcasts or telecasts should be required to make the retraction and correction of the error of fact in not less than seven days or upon the next publication or transmission in the case of bi- or tri-weekly, weekly, monthly, semi-annual, annual, etc., publications, broadcasts or telecasts.

Your Committee finds that a correction of an error of fact, within three days, would exert an unreasonable hardship on a publication or transmission which is less than daily in frequency. Thus, your Committee has included the guideline of "within the next publication or transmission" as cited in amendment 4-b above.

5. Delete from lines 9, 10, and 11 of **H. B. 1536-70**, "shall give equal prominence to the retraction and correction as to the original article, broadcast, telecast, publication, or other public communication", and substitute after the word "doing", in line 8 of **H. B. 1536-70**, the words "shall give appropriate prominence to the retraction and correction so as to explicitly correct the error of fact."

Your Committee finds that the retraction and correction of an "error of fact" does not always necessarily have to receive page for page, column inch for column inch, or broadcast time for broadcast time coverage. It has been suggested in discussions with your Committee that the news media organizations, businesses or entities within the purview of this proposed legislation, do most times provide for such equitable retraction and correction of errors of fact.

Your Committee on Housing and Consumer Protection is in accord with the intent and purpose of **H. B. 1536-70** as amended therein, and recommends its passage on second reading in the form

attached hereto as **H. B. 1536-70, H. D. 1**, and that it be referred to your Committee on Judiciary.

Signed by all members of the Committee except Representative Kondo.

SCRep. 116-70 Housing and Consumer Protection on **H. B. No. 1447-70**

The purpose of this bill is to simplify procedures by which the Hawaii Housing Authority is authorized to dispose of personal property abandoned by tenants of housing projects administered by the Authority. Under existing law the Authority must store the personal property for a period of four months after the termination of occupancy before disposing of the personalty. Personal property abandoned by tenants must be removed promptly in order to make the premises available for another family. The Hawaii Housing Authority has no storage facility at present. Transportation, storage and publication costs under existing law impose a heavy and unnecessary burden on the Authority. This bill enables the Authority to dispose of abandoned personalty after five days instead of forty days. The bill further amends existing law to enable the Authority to destroy abandoned property which is of nominal or no value after five days.

Your Committee has received communication from the Kamehameha and Kaahumanu Homes Associations and the Linapuni Action Movement expressing the support of these groups comprised of residents of housing projects administered by the Authority, for this bill.

Your Committee has converted the form of this bill in compliance with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 1447-70** and recommends that it pass second reading in the form attached hereto as **H. B. No. 1447-70, H. D. 1**, and that it be referred to your Committee on Judiciary.

Signed by all members of the Committee except Representatives Kondo, Kuni-

mura, Suwa and R. Wong.

SCRep. 117-70 Education on H. B. No. 1368-70

The purpose of this bill is to provide the Department of Education some flexibility in the operation of the school lunch program by removing the requirement for a cafeteria at every school. Section 296-43 of the Hawaii Revised Statutes is amended to provide that school lunches will be made available under the school lunch program at every school where students are required to eat lunch at school. This would allow the Department of Education to operate centralized or satellite kitchens, which would prepare food for distribution and service at schools without kitchen facilities.

Your Committee has been assured by the Department that this amendment will in no way affect the quality or availability of school lunches presently being served at our public schools.

Your Committee has converted the form of the bill in compliance with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 1368-70**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 1368-70, H. D. 1**, and its referral to your Committee on Finance.

Signed by all members of the Committee except Representative Poepoe.

SCRep. 118-70 Education on H. B. No. 1416-70

The purpose of this bill is to repeal into Section 296-13, Hawaii Revised Statutes. This law was passed in 1896 and requires the Department of Education to maintain an office in Honolulu, to be open for business every day except Sundays and holidays.

The Department of Education presently conforms to the schedule of office hours followed by other offices of the State as

required by provisions of Section 80-1, Hawaii Revised Statutes. This law provides for uniform work hours for all offices of the State, County and independent boards and commissions. Office hours set forth are 7:45 A.M. to 4:30 P.M., Monday through Friday inclusive.

Your Committee has converted the form of the bill in compliance with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 1416-70**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 1416-70, H. D. 1**, and that it thereafter be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Poepoe.

SCRep. 119-70 Printing and Revisions

Informing the House that **House Resolution Nos. 198 to 205, House Concurrent Resolution Nos. 82 and 83 and Standing Committee Report Nos. 120-70 to 139-70** have been printed and distributed.

Signed by all members of the Committee except Representatives Oshiro and Lee.

SCRep. 120-70 Government Efficiency and Public Employment on H. C. R. No. 59

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to conduct a study on the State compensation policy for members of government boards and commissions and to report its findings to the legislature not later than 20 days before the convening of the Regular Session of 1971. The study will include recommendations for a schedule of compensation for service on the boards and commissions reflecting relevant terms, conditions, and factors of such service.

Your Committee concurs with the purpose of **H. C. R. No. 59** and recommends that it be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 121-70 Government Efficiency and Public Employment on **H. R. No. 152**

The purpose of this resolution is to request the Legislative Reference Bureau to conduct a study on the State compensation policy for members of government boards and commissions and to report its findings to the legislature not later than 20 days before the convening of the Regular Session of 1971. The study will include recommendations for a schedule of compensation for service on the boards and commissions reflecting relevant terms, conditions, and factors of such service.

Your Committee concurs with the purpose of **H. R. No. 152** and recommends that it be referred to your Committee on Finance.

Signed by all members of the Committee except Representative R. Wong.

SCRep. 122-70 Public Health, Youth and General Welfare on **H. R. No. 25**

The purpose of this resolution is to request the Family Court of the First Judicial Circuit of the State of Hawaii to take stronger corrective actions against those guilty of the offense of hi-jacking of students, especially repeaters.

Each student has a fundamental right to be absolutely free from intimidation on his way to and from school and during school hours. To ensure this right, all reasonable means of correction must be taken against the offenders. This problem cannot be sloughed off as a part of the process of "growing up" or that "boys will be boys." A serious problem deserves a serious remedy — stronger court action against hi-jackers.

Your Committee concurs with the purpose of **H. R. No. 25** and recommends its referral to the Committee on Education.

Signed by all members of the Committee.

SCRep. 123-70 Select Committee of Hawaii Representatives on **H. B. Nos. 1746-70, 1770-70, 1771-70**

The purpose of each of the bills is to make an appropriation for or relating to capital improvements as set forth in the title of the bill.

Your Committee is in accord with the intent and purpose of **H. B. No. 1746-70, H. B. No. 1770-70** and **H. B. No. 1771-70** and recommends that they pass second reading and that they be referred to your Committee on Public Health, Youth and General Welfare.

Signed by all members of the Committee.

SCRep. 124-70 Select Committee of Hawaii Representatives on **H. B. Nos. 1398-70, 1694-70, 1712-70, 1721-70, 1722-70, 1747-70, 1748-70, 1755-70, 1762-70, 1763-70, 1764-70, 1765-70, 1766-70, 1767-70, 1768-70, 1769-70, 1778-70, 1814-70**

The purpose of each of the bills is to make an appropriation for or relating to capital improvements as set forth in the title of the bill.

Your Committee is in accord with the intent and purpose of **H. B. No. 1398-70, H. B. No. 1694-70, H. B. No. 1712-70, H. B. No. 1721-70, H. B. No. 1722-70, H. B. No. 1747-70, H. B. No. 1748-70, H. B. No. 1755-70, H. B. No. 1762-70, H. B. No. 1763-70, H. B. No. 1764-70, H. B. No. 1765-70, H. B. No. 1766-70, H. B. No. 1767-70, H. B. No. 1768-70, H. B. No. 1769-70, H. B. No. 1778-70, H. B. No. 1814-70**, and recommends that they pass second reading and that they be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 125-70 Public Health, Youth and General Welfare on **H. B. No. 1844-70**

The purpose of this bill is to transfer the ownership and operation of Lanai Community Hospital to the State of Hawaii and make it a part of the Maui

Memorial Hospital. The hospital is presently owned and operated by the community of Lanai City as a nonprofit corporation.

On December 19, 1969, the Board of Trustees of the Lanai Community Hospital voted to request the State to take over the Lanai Community Hospital. Several pressing factors have convinced the Board of the desirability of such a move.

A major problem is the perennial operating deficit. Until a few years ago this deficit was relatively small and usually represented less than 50% of the total operating budget of \$60,000 to \$80,000. However, with the need to give increasing salaries to nurses and para-medical employees, as well as the need to recruit additional personnel, operating costs have escalated out of proportion to increased income from services. During the past few years, the Board of Trustees has found it increasingly more difficult to secure this operating subsidy from the Legislature.

A second pressing problem concerns the benefits for hospital employees. While the Board has been able to keep salaries in line with those of comparable institutions in the State, it has not been possible to provide a balanced benefits program, especially a retirement plan. Insurance carriers have informed the Board they would not set up a retirement program for the employees unless they can be assured that the institution would not become an Act 97 hospital. Such assurance cannot be given, and the Board feels that the employees would be better off if they became civil servants eligible to participate in the State's retirement program.

Other benefits which would accrue by merging Lanai Hospital into the Maui institution include: (1) centralized purchasing, (2) better in-service training programs for employees, and (3) centralized laundering.

It is for these reasons that the Board of Trustees of Lanai Community Hospital is requesting the State to make Lanai Community Hospital an Act 97 institution under the administration of the Maui Memorial Hospital. Your Committee con-

curs with the Board and feels that this move is the best guarantee for continued good health services on the Island.

Your Committee is in accord with the intent and purpose of **H. B. No. 1844-70** and recommends its passage on second reading and its referral to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 126-70 Public Health, Youth and General Welfare on **H. B. No. 2008-70**

The purpose of this bill is to make an appropriation of \$30,000 to the Hawaii Office of Economic Opportunity to supplement family planning services of existing agencies at the community level on a State-wide basis. This appropriation is on a matching basis with the federal government.

Your Committee is in accord with the intent and purpose of **H. B. No. 2008-70** and recommends its passage on second reading and its referral to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 127-70 Public Utilities on **H. B. No. 1531-70**

The purpose of **H. B. No. 1531-70**, is to amend Section 271-27, Hawaii Revised Statutes, by adding a new subsection thereto which will require those providing free transportation whose main purpose is to offer transportation, entertainment, or other public services on a regular basis to obtain a certificate or permit authorizing such transportation from the Public Utilities Commission.

Your Committee finds that several companies engaged in the entertainment and tourism industries presently provide allegedly free transportation in conjunction with other services. Charges are made for these other services and these charges include the cost of the supposedly free transportation. The operators of these

“free” transportation services generally assess the same charge for their other services to those persons who arrive via their own or hired transportation. Thus, there clearly is discrimination against those who do not avail themselves of the free ride.

H. B. No. 1531-70, will make it absolutely clear that operators furnishing such “free” transportation are subject to regulation by the Commission. Regulation of such operators is certainly in accord with the intent of the Motor Carrier Law as originally enacted. The bill does not prevent any employer from providing free transportation for his employees to and from the place of employment.

Your Committee has amended **H. B. No. 1531-70** to exempt from Public Utilities Commission regulation the furnishing of free transportation to the blind or elderly by any county or political subdivision of the State. Your Committee has also converted the form of this bill to comply with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 1531-70**, and recommends its passage on second reading and its referral to your Committee on the Judiciary in the form attached hereto as **H. B. No. 1531-70, H. D. 1**.

Signed by all members of the Committee except Representative Oshiro.

SCRep. 128-70 Harbors, Airports and Transportation on **H. B. No. 1388-70**

The purpose of this bill is to permit the director of transportation to dispose of abandoned vessels. At the present time the department may require any person who abandons a vessel on the shores or shore waters of the State to remove it pursuant to the provisions of Section 266-16, Hawaii Revised Statutes. It has been the experience of the Department that the owners of abandoned vessels can rarely be located. This bill provides the procedure for disposition of abandoned vessels in a more expeditious manner.

Your Committee is in accord with the intent and purpose of **H. B. No. 1388-70**

and recommends it pass on second reading and be referred to your Committee on Judiciary.

Signed by all members of the Committee except Representative Oshiro.

SCRep. 129-70 Harbors, Airports and Transportation on **H. B. No. 1451-70**

The purpose of this bill is to remove sections from the Hawaii Revised Statutes which no longer serve any useful purpose. The appointment of port pilots and the assignment of their duties is presently covered under the Civil Service laws of the State. Charges for piloting services are adequately covered by the rules and regulations and Tariff No. 3 of the Harbor Division of the Department of Transportation which were promulgated under the authority of Sections 266-1 and 266-2, Hawaii Revised Statutes. Indications of specific charges as provided in section 266-9 is unnecessary since charges will be handled as economic conditions change. Dockage and demurrage charges are covered in detail in the rules and regulations and Tariff No. 3.

Sections 266-11 and 266-12 are out of date. All harbor fees are now covered by rules and regulations. Section 266-15 regarding cattle landings is no longer necessary since the Department of Transportation already has adequate authority to control all cargo handling in all harbors of the State.

Your Committee has converted the form of the bill to comply with House Rule 24(2).

Your Committee is in accord with the intent and purposes of **H. B. No. 1451-70** as amended herein and recommends its passage on second reading and be referred to your Committee on Finance in the form attached hereto as **H. B. No. 1451-70, H. D. 1**.

Signed by all members of the Committee except Representative Oshiro.

SCRep. 130-70 Harbors, Airports and Transportation on **H. B. No. 1453-70**

The purpose of this bill is to aid in preventing unauthorized boarding of vessels and thereby assisting in preventing or reducing vessel and equipment thefts and vandalism. At the present time, there is no adequate law covering the boarding of vessels without the owner's consent. Harbor attendants and police officers often discover persons on board vessels under suspicious circumstances, but are hampered unless there is obvious evidence of an intent to commit a crime.

Your Committee is in accord with the intent and purpose of **H. B. No. 1453-70** and recommend that it pass second reading and that it be referred to your Committee on Judiciary.

Signed by all members of the Committee except Representative Oshiro.

SCRep. 131-70 Harbors, Airports and Transportation on **H. B. No. 1598-70**

The purpose of this bill is to amend Act 38, Session Laws of Hawaii, 1966; Act 217, Session Laws of Hawaii, 1967; and Act 40, Session Laws of Hawaii, 1968, which provided authorization for construction and improvements to the Keauhou and Honokaa Baseyards in Hawaii. The narrative statements of the three Acts specified the types of improvements to be made at the baseyards. **H. B. No. 1598-70** proposes to amend the language. Such generalization will allow flexibility in constructing the improvements in the most efficient and expeditious manner.

Your Committee is in accord with the intent and purpose of **H. B. No. 1598-70** and recommends that it pass second reading and that it be referred to your Committee on Finance.

Signed by all members of the Committee except Representative Oshiro.

SCRep. 132-70 Harbors, Airports and Transportation on **H. B. No. 1515-70**

The purpose of this bill is to provide sufficient funds for a study relating to the fixing of financial and criminal responsibility for damages resulting from oil spillages.

Oil spillages have caused extensive damages to beaches and harbors and marine environment in other jurisdictions. The study will review what course of action and laws this State may be able to enact in order to protect its interests. Section 3 of **H. B. No. 1515-70** has been amended to change the expending agency from the Department of Transportation to the Department of the Attorney General. It is felt that the Attorney General would be more capable of conducting a study since it relates to possible enactment of laws.

Your Committee is in accord with the intent and purposes of **H. B. No. 1515-70** as amended herein and recommends that it pass second reading and that it be referred to your Committee on Finance in the form attached hereto as **H. B. No. 1515-70, H. D. 1.**

Signed by all members of the Committee except Representative Oshiro.

SCRep. 133-70 Harbors, Airports and Transportation on **H. B. No. 1389-70**

The purpose of this bill is to transfer the jurisdiction over shores, shore waters and navigable streams from the Department of Transportation to the Department of Land and Natural Resources. The Department of Transportation has restudied the bill and they have now recommended that certain changes be made in order to clarify the intent and more clearly delineate the areas of responsibility as between the two departments. It is intended that the Department of Transportation maintain control over navigable waters of the State. It is also intended that all other powers, with respect to the control and management of shores, beaches and streams, be vested in the Department of Land and Natural Resources. **H. D. 1** reflects the changes. The title of the bill has also been amended to read as follows: "RELATING TO JURISDICTION OF SHORES AND STREAMS AND AMENDING SECTION 26-15, 266-1, 266-2, AND 266-3(c), HAWAII REVISED STATUTES AND CHAPTER 171, HAWAII REVISED STATUTES."

Your Committee has converted the form

of the bill in compliance with House Rule 24(2).

Your Committee is in accord with the intents and purposes of **H. B. No. 1389-70** as amended herein and recommends that it pass second reading and that it be referred to your Committee on Lands in the form attached hereto as **H. B. 1389-70, H. D. 1.**

Signed by all members of the Committee except Representative Oshiro.

SCRep. 134-70 Harbors, Airports and Transportation on H. B. No. 1518-70

The purpose of this bill is to make an appropriation of \$500,000 to assist the City and County of Honolulu in implementing a system of mass public transportation in coordination with the State Comprehensive Transportation Activity. This bill supplements funds provided by the City Council and enables the county to proceed with the Rapid Transit Engineering Planning (Phase II).

Your Committee is in accord with the intent and purpose of **H. B. No. 1518-70** and recommends that it pass second reading and that it be referred to your Committee on Finance.

Signed by all members of the Committee except Representative Oshiro.

SCRep. 135-70 Harbors, Airports and Transportation on H. B. No. 1596-70

The purpose of the bill is to permit a law enforcing officer to issue a citation as well as arresting and taking into custody any person who violates the rules and regulations of State airports. The present arrest procedures, which essentially involve physical transportation of the violator to a police station for booking or detaining him while obtaining pertinent information and followed up later by placing formal charges upon him, are cumbersome and wasteful of the enforcement officer's time. The issuance of a summons or citation directly to a violator by a law enforcement officer would aid in a more efficient handling of a person arrested.

Your Committee has converted the form of the bill to comply with House Rule 24(2).

Your Committee is in accord with the intent and purposes of **H. B. 1596-70** and recommends that it pass second reading and it be referred to your Committee on Judiciary in the form attached hereto as **H. B. No. 1596-70, H. D. 1.**

Signed by all members of the Committee except Representative Oshiro.

SCRep. 136-70 Harbors, Airports and Transportation on H. B. No. 1438-70

The purpose of amending Chapter 102, Hawaii Revised Statutes, relating to concessions on public property is to enable continued operations of concessions contracted during the interim period between expiration of such contracts and bidding of the new ones. The amendment allows issuance of a permit for a period not to exceed one year.

Your Committee has converted the form of the bill in compliance with House Rule 24(2).

Your Committee is in accord with the intents and purposes of **H. B. No. 1438-70** as amended herein and recommends that it pass second reading and that it be referred to your Committee on Lands in the form attached hereto as **H. B. No. 1438-70, H. D. 1.**

Signed by all members of the Committee except Representative Oshiro.

SCRep. 137-70 Harbors, Airports and Transportation on H. B. No. 1393-70

The purpose of this bill is to provide funds for the acquisition of property for planned highway facilities in advance of authorization by the legislature as required under Section 103-7, Hawaii Revised Statutes. Funds for such advance acquisition are to be expended only when it is determined by the director of transportation that any delay in the acquisition of property required for highway projects by the State, due to an imminent or proposed development by the owner, will increase

the cost of the acquisition of said property and thereby the cost of the planned highway project.

The bill will enable the Department of Transportation to act in the public interest by acquiring, in advance, property that is in various stages of transition, thereby preventing an increase in the cost of the highway project.

Your Committee is in accord with the intent and purpose of **H. B. 1393-70** and recommends its passage on second reading and that it be referred to your Committee on Finance.

Signed by all members of the Committee except Representative Oshiro.

SCRep. 138-70 Government Efficiency and Public Employment on **H. B. No. 1907-70**

The purpose of this bill is to delete the 18 months limitation on limited and temporary licenses issued to medical doctors employed by the State or County. The bill would amend Section 453-3(2), Hawaii Revised Statutes, by deleting the reference to 18 months limitation and substituting therefor a requirement for annual reregistration during the period of employment with government. This amendment to the law will allow the doctor who has not passed the Hawaii State Medical Board examination nor the national board examination to continue to work for a government agency, such as the Department of Health, for an indefinite period, subject to renewal of his license annually by the Board of Medical Examiners.

Your Committee is in accord with the intent and purpose of **H. B. No. 1907-70** and recommends its passage on second reading, and its referral to the Committee on Public Health, Youth and General Welfare for further consideration.

Signed by all members of the Committee.

SCRep. 139-70 Harbors, Airports and Transportation on **H. R. No. 18**

The purpose of this Resolution is to

request the Governor of the State of Hawaii, the Director of the Department of Transportation and the Director of the Pacific Region of the Federal Aviation Administration to take all necessary and appropriate steps to construct a reef runway at the Honolulu International Airport at the earliest practical time.

Your Committee concurs with the purpose of **H. R. No. 18** and recommends its adoption.

Signed by all members of the Committee except Representative Oshiro.

SCRep. 140-70 Printing and Revisions

Informing the House that **House Resolution No. 206** and **Standing Committee Report Nos. 141-70 to 152-70** have been printed and distributed.

Signed by all members of the Committee except Representatives Oshiro and Lee.

SCRep. 141-70 Lands on **H. B. No. 1280-70**

The purpose of this bill is to adjust the gross annual income requirement in Section 207-2(3), Hawaii Revised Statutes to meet the present-day economic conditions in the State of Hawaii. It also increases the maximum figure of issuance of general obligation bonds from \$500,000 to \$15,000,000.

Your Committee finds that the present statute provides that a gross annual income not in excess of \$7,000 as a limit for one of the qualifications of loans under Chapter 207 is too low. It is obvious that such limits will make state mortgage loans available only to those in the lower income categories, whereas there is a great need to extend the same privilege and financial assistance to those persons in the so-called "gap income" group. Such "gap groups" generally being recognized as those families with incomes between \$7,000 and \$15,000. Section 2 is to increase the general obligation bonds authorization to a figure more in keeping with the intent and purposes of the chapter. Because there is a "tight money market" in the field of home mortgage, your Committee finds that the

State must make available large sums of money for this purpose. Your Committee on Lands is in accord with the intent and purpose of **H. B. 1280-70** and recommends its passage on second reading and referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Heen and Ajifu.

SCRep. 142-70 Public Health, Youth and General Welfare on **H. C. R. No. 10**

The purpose of the resolution, as amended herein, is to request the Department of Health to study the handling of frozen foods while in transit, upon arrival at retail outlets and while being handled within the retail outlets.

Frozen foods, if not kept frozen or if thawed out and then re-frozen while on their way to the consumer, can be a serious health problem. A study of the handling of frozen foods as proposed in this resolution is the first step in the remedial process to protect consumer interests against any mishandling of frozen foods.

As presently worded, the study of frozen foods proposed in this resolution is limited to the handling of frozen foods while in transit up to the point of arrival at retail outlets. Your Committee finds that this problem is not limited to handling up to arrival at retail outlets. A primary problem concerns temperature profiles within retail storage display cabinets which frequently exceed safe storage temperatures. A further problem is that frozen foods when delivered to retail outlets are allowed to stand on receiving docks, non-refrigerated, for excessive periods prior to being placed in storage at appropriate temperatures.

Thus, your Committee has broadened this resolution to include within the scope of the study the handling of frozen foods and refrigeration temperatures within the retail outlets.

Your Committee concurs with the purpose of **H. C. R. No. 10**, as amended herein, and recommends its adoption in the form attached hereto as **H. C. R. No. 10, H. D. 1.**

Signed by all members of the Committee except Representatives Kimura and Lum.

SCRep. 143-70 Public Health, Youth and General Welfare on **H. B. No. 1293-70**

The purpose of this bill is to provide for the establishment and operation of a program for waste management, including cooperative planning by the State and county governments, State technical and financial assistance to the counties, utilization of private enterprise and a permit program for authorization of waste disposal system operations.

This bill would:

1. Provide for a waste advisory council.
2. Authorize the council to review plans and progress, recommend priorities for the allocation of funds, coordinate planning, and recommend legislation and administrative rules and regulations to State and county governments.
3. Provide for inspection of waste disposal practices and facilities.
4. Establish design and performance standards for waste collection and disposal practices, facilities, and sites.
5. Provide for technical assistance to other agencies.
6. Provide for an educational program for personnel in the field of waste management.
7. Provide for violations and penalties.

In recent years, legislation has been enacted to institute Federal, State and local programs to bring about a safe environment which provides for man's survival and well-being. The Solid Waste Disposal Act of 1965 (Public Law 89-272; Title II) launched a new program to develop efficient means of disposing of wastes. In 1965 only two states had identifiable waste programs, while today at least 38 states are developing plans for state wide waste programs.

In 1965 the Governor of Hawaii designated the State Department of Health to carry out the purposes of Section 206 of Title II, Public Law 89-272, the Solid Waste Disposal Act for the State of Hawaii. The Department of Health then contracted with the University of Hawaii to develop a preliminary report of the Hawaii State plan for Solid Waste Disposal. This report, which was completed on June 30, 1969, recommends a Solid Waste Advisory Council to coordinate State and county planning and to provide overall guidance for the solid waste management program. The Council would review the progress being made in the implementation of the waste disposal plans of the State and county governments and make recommendations regarding the implementation of the plans.

This bill is in consonance with the recommendations contained in the preliminary report of the Hawaii State plan for Solid Waste Disposal and would provide the State and counties with the necessary means to combat the problem of waste disposal in Hawaii. Your Committee notes that the City and County of Honolulu has already commenced operations to combat this problem.

Your Committee has made the following amendments to **H. B. No. 1293-70**:

1. The word "solid" as used in the context of "solid waste" has been deleted throughout this bill. Your Committee finds that there is no agreed upon definition of the term "solid waste" and the use of the term may be unduly restrictive. Waste is waste, whether solid or liquid.

2. On page 2 of the bill, your Committee has provided that the members of the Waste Advisory Council shall be selected from agricultural interests as well as from industry, labor and conservational interests.

3. On page 4 of the bill, your Committee has deleted the penalty provision. Your Committee finds that waste disposal practices can be carried out efficiently without explicit sanctions.

4. On page 6 of the bill, your Committee has deleted the appropriation amounts and left it open for consideration by your Committee on Finance.

Your Committee is in accord with the intent and purpose of **H. B. No. 1293-70**, as amended herein, and recommends its passage on second reading and its referral to the Committee on Judiciary in the form attached hereto as **H. B. No. 1293-70, H. D. 1**.

Signed by all members of the Committee except Representative Lum.

SCRep. 144-70 Public Health, youth and General Welfare on **H. B. No. 1375-70**

The purpose of this bill is to authorize the Department of Health to appoint an additional deputy to administer the State mental health and mental retardation programs.

Presently, there are two deputies in the Department of Health. One deputy runs the general public health activities on an operating budget of \$11,572,056 with 855.2 positions. Another deputy runs the County/State Hospitals (Act 97/203 functions) on an operating budget of \$12,675,640 with 1,270.75 positions. The proposed third deputy would run the mental health/mental retardation programs on an operating budget of \$10,542,604 with 1,024 positions.

The mental health and mental retardation program have special characteristics and require complicated and extensive operations, including the administration of large institutions. Hawaii State Hospital, with 500 employees and a budget of 4.5 million, alone is larger than some other State government departments. For these reasons, there is a pressing need to have a deputy to run these programs and thus provide administrative support to the Director of the Department of Health.

Your Committee is in accord with the intent and purpose of **H. B. No. 1375-70** and recommends its passage on second reading and its referral to the Committee on Finance.

Signed by all members of the Committee except Representatives Kimura and Lum.

SCRep. 145-70 Public Health, Youth and General Welfare on **H. B. No. 1482-70**

The purpose of this bill is to establish an office of environmental quality control which would coordinate all State efforts for environmental quality control. The governor would appoint a director of environmental quality control to head the office and coordinate functions.

There is an acute lack of knowledge of the extent of some forms of pollution in the State and the degree of hazard involved. Smog over Honolulu and sewage effluent off Anuenue Island are easily seen and are areas of proper concern. More subtle forms of pollution that are not so readily observed, such as pesticide contamination of our urban and rural environment, are of equal concern. The few limited studies now in progress are entirely inadequate to form a complete picture of the nature and extent of pollution or of its harmful effects.

Needed is the implementation of: 1) an extensive monitoring program aimed at repeated determinations of levels of pollutants in air, on land and in water, in fish and wildlife, and in the human body; 2) epidemiologically oriented studies to determine whether levels of pollutants found constitute definite health hazards to human or cause distress to fish and wildlife.

Further, an educational program should be launched to point out the potential hazards of various pollutants, and safe methods of handling, storage and disposal of economic poisons and certain pollutants. The most important function of the office should be educative. Only through an aware and informed citizenry can we expect to rise above our present polluted and blightful surroundings.

Properly administered, your Committee believes that the office of environmental quality control may become a decisive force in the implementation of the research and educational needs concerning environmental quality.

Your Committee is in accord with the intent and purpose of **H. B. No. 1482-70** and recommends its passage on second reading and its referral to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Kimura and Lum.

SCRep. 146-70 Public Health, Youth and General Welfare on **H. B. No. 1751-70**

The purpose of this bill is to appropriate the sum of \$400,000 to establish and administer a program for the treatment and care of persons suffering from chronic renal disease.

Chronic renal disease is a disease of the kidney. A person suffering from this disease has an accumulation of waste products, normally excreted in the urine, which makes him ill and, if not treated, causes his death. A method of treatment called hemodialysis has been developed to remove these substances from the body and thus sustain life.

It is estimated that 84 people die each year in Hawaii from renal disease. Of these 84, it is estimated that 21 patients can be saved through treatment with hemodialysis. Furthermore, these patients can be completely rehabilitated and gainfully employed.

In 1965 a limited hemodialysis program was started at Saint Francis Hospital in Honolulu. This program has now been expanded to accommodate all of the 21 rehabilitable patients affected in Hawaii each year.

In its search for funds to continue the operation of the hemodialysis program, the hemodialysis center at Saint Francis Hospital applied for a grant for financial support from the Department of Health, Education and Welfare, but at the present time this grant is approved but not funded. Prospects for funding are remote since the Department of Health, Education and Welfare has informed the hemodialysis center that Federal funds are not readily available.

The renal disease patients cannot by themselves pay for hemodialysis treatment. The majority of patients are those who can afford normal living expenses but are unable to pay for this expensive treatment. They are not indigents. However, under present Department of Social Services rules, financial support can be given only to those qualifying as indigents and medical indigents — in effect, forcing these patients to liquidate their personal assets to qualify for assistance. This causes a loss of incentive for rehabilitation and employment, resulting ultimately in a greater financial burden for the State.

After extensive review of the financial problems of the hemodialysis center, the hemodialysis center has reached this conclusion: the continuation and expansion of the hemodialysis program can only be met by the State government. Of the budget of \$834,000 needed for fiscal year ending June 30, 1971, the State is requested to bear the sum of \$400,000. State funded hemodialysis programs are in operation presently in California, Georgia, Illinois, Michigan, Massachusetts, Missouri, New Jersey, New York, Washington and Oregon.

Your Committee is in accord with the intent and purpose of **H. B. No. 1751-70** and recommends its passage on second reading and its referral to the Committee on Finance.

Signed by all members of the Committee except Representatives Kimura and Lum.

SCRep. 147-70 Public Health, Youth and General Welfare on **H. B. No. 1789-70**

The purpose of this bill is to make an appropriation of \$45,144 to provide for the establishment and operation of five family planning clinics in Honolulu to provide free birth control education and services to the public. This appropriation would match a contingent Federal grant of \$135,432 for the fiscal year beginning July 1, 1970.

The Department of Health, Education and Welfare has given a high priority to family planning services projects. Hawaii Planned Parenthood, Inc. is a recipient of

one of the Special Family Planning Project Grants funded under Title V, Section 508(a)(3) of the Social Security Act. Recent amendments to the Social Security Act have provided special authority to finance such projects until June 30, 1972.

The Department of Health and the Hawaii Planned Parenthood, Inc. presently operate five clinics on Oahu: one at Kuhio Park Terrace, the second at Mayor Wright Housing, the third in the Waikiki "jungle" area, the fourth at Kam Housing, and the fifth in the Kalihi-Palama area. Planned Parenthood has also commissioned a mobile unit which visits neighborhoods and set up temporary clinics for consultation and help to interested people. These clinics have provided urgently needed direct service and also have added immeasurably to the information, knowledge and values of family planning.

Family planning clinics offer the following services:

1. Education and information as to the importance of child spacing and family limitation,
2. Films and explanations of the various contraceptive methods which are available,
3. Case work services and referral when there is a need,
4. Pregnancy testing,
5. Abortion counselling,
6. Pre-marital counselling,
7. Infertility referral service for those who have not been able to have children,
8. Sterilization referral services.

These clinics were able to offer service only to families living in certain limited areas. With changes of policy on the national level, Hawaii Planned Parenthood, Inc. today will give family planning service to any woman of low income on Oahu. Toward this end, Planned Parenthood has recruited and trained a skilled

staff including a clinic team consisting of a medical director, a clinic coordinator, three nurses, eight aides who work in the neighborhoods to publicize the clinics, a mobile van operator, a social worker, and a health educator.

Your Committee is in accord with the intent and purpose of **H. B. No. 1789-70** and recommends its passage on second reading and its referral to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 148-70 Public Health, Youth and General Welfare on **H. B. No. 1840-70**

The purpose of this bill is to initiate a two-year pilot project to examine the feasibility of utilizing public health nurses who would be assigned to certain high schools to provide school health services for grades kindergarten through twelve in the public schools. This project would provide data which can be used in planning an effective state-wide school health services program.

This project proposes to use a public health nurse in each school complex, with health aides working under the nurse's supervision in the high schools as well as in each feeder school. Data would be obtained as to what an acceptable ratio should be between professional and non-professional personnel for maximum effectiveness in delivering health services in schools.

In 1969 the Health Division of the Health and Community Services Council together with representatives from other school and health organizations developed a survey questionnaire for the purpose of obtaining priority ranking of problems in the area of school health. The results of the survey showed that the highest priority area of concern was emergency care and treatment of children in the school setting. Comments on the questionnaire indicated a lack of standardized procedures in emergency care and a general lack of facilities and persons qualified to handle emergency care on a routine basis. There was evidence of much confusion with the current

state of assisting children who became ill or injured at school. As a result of this survey, this bill was developed to provide the framework within which the specific school health problems could be assessed, activities instituted to deal with these problems and an intelligent evaluation made of health services needs in the schools.

Your Committee is in accord with the intent and purpose of **H. B. No. 1840-70** and recommends its passage on second reading and its referral to the Committee on Education.

Signed by all members of the Committee except Representatives Kimura and Lum.

SCRep. 149-70 Government Efficiency and Public Employment on **H. B. No. 1412-70**

The purpose of this bill is to make all relevant and related sections of the Hawaii Revised Statutes conform to the biennial budgeting requirements and biennial appropriation as provided in Sections 4 and 5, Article VI of the Hawaii State Constitution. The State Constitution provides that State budgets and appropriations be on a biennial basis, with annual review of appropriations. Amendments to Chapters 36 and 37, Hawaii Revised Statutes, would comply with the requirements of the State Constitution.

Your Committee is in accord with the intent and purposes of **H. B. No. 1412-70** and recommends that it pass second reading and that it be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 150-70 Government Efficiency and Public Employment on **H. B. No. 1856-70**

The purpose of this bill is to redefine the term "director", as stated in Section 77-1(6), Hawaii Revised Statutes, to include directors of personnel services of the respective counties rather than the respective personnel directors. The bill also redefines the term "legislative body", as stated in Section 77-1(13), Hawaii Revised Statutes, as also meaning the re-

spective county councils in the case of the counties of Hawaii, Maui, and Kauai rather than the respective boards of supervisors. This bill also amends Section 77-34, Hawaii Revised Statutes, by redefining the term "governor" as meaning the mayor of each of the counties rather than the chairman of the board of supervisors; and by redefining the term "fiscal officer" as meaning the director of finance rather than the auditor.

Your Committee is in accord with the intent and purpose of **H. B. No. 1856-70** and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 151-70 Government Efficiency and Public Employment on **H. B. No. 1857-70**

The purpose of this bill is to amend the dates regarding adoption of the public employees' compensation plan. Section 77-4(b) requires that the joint conference of directors recommend a tentative compensation plan by November 15 of every odd-numbered year. This bill would change the deadline to October 15 of every odd-numbered year. Section 77-4(d) requires that the final adjustments to the compensation plan be completed by the third Wednesday of February of each even-numbered year. This bill would change the deadline to the third Wednesday of January of each even-numbered year. Section 77-4(e) requires that final adjustments for appeals from persons affected by the pricing of new classes be completed no later than the third Wednesday of February of each odd-numbered year. This bill would change the deadline to the third Wednesday of January of each odd-numbered year.

Your Committee is in accord with the intent and purpose of **H. B. No. 1857-70** and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 152-70 Public Institutions and Social Services on **H. B. No. 1348-70**

The purpose of **H. B. No. 1348-70** is to amend Section 350-1, Hawaii Revised Statutes, by adding a paragraph thereto which allows persons who become aware of incidents of child abuse to report the matter to the Department of Social Services for appropriate action.

The additional provision encourages persons to report such cases by exempting them from any liability, civil or criminal, which might be incurred as a result of making the report.

Your Committee has amended the form of **H. B. No. 1348-70** to comply with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 1348-70**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 1348-70, H. D. 1**, and that it thereafter be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 153-70 Printing and Revisions

Informing the House that **House Resolution Nos. 207 to 210** and **Standing Committee Report Nos. 154-70 to 157-70** have been printed and distributed.

Signed by all members of the Committee except Representative Oshiro.

SCRep. 154-70 Public Health, Youth and General Welfare on **H. C. R. No. 4**

The purpose of this resolution is to request the chief executive officers of the State and Counties to administer laws and regulations with due consideration of and concern for the natural, scenic, historic and aesthetic qualities of the State.

Hawaii's natural beauty is being threatened by man-made pollutants. Its historical sites are being threatened by the rapid development of the State. Immediate

action must be taken to preserve these resources for future generations. An important step in this direction can be taken if the chief executive officers of the State and Counties are made aware of these problems and are made to administer laws and regulations with due regard to our environment.

Your Committee concurs with the purpose of **H. C. R. No. 4** and recommends its adoption.

Signed by all members of the Committee except Representative Lum.

SCRep. 155-70 Public Health, Youth and General Welfare on H. R. No. 67

The purpose of this Resolution, as amended herein, is to request the University of Hawaii, College of Tropical Agriculture to initiate biology-ecology and such studies as are necessary to provide basic information for the development of control measures for the cluster fly on the Island of Hawaii.

The cluster fly has entered residences in overwhelming numbers in the Volcano, Paauilo, Waimea and Kona Districts of Hawaii and has become a major household pest. However, at present time there are no effective means of controlling this fly problem. Essential information in the biology-ecology of this pest under Hawaiian conditions must be obtained before this pest can be controlled.

As presently worded, this resolution would request the Committee on Higher Education to provide means for initiating a study for the control of the cluster fly. Your Committee has amended this resolution by directly requesting the College of Tropical Agriculture of the University of Hawaii to initiate such a study. A bill has been introduced in this session appropriating the sum of \$13,450 to the University of Hawaii which would provide the means to initiate such a study.

Your Committee is in accord with the purpose of **H. R. No. 67**, as amended herein, and recommends its adoption in the form attached hereto as **H. R. No. 67, H.**

D. 1.

Signed by all members of the Committee except Representatives Kimura and Lum.

SCRep. 156-70 Education on H. B. No. 1419-70

The purpose of this bill is to amend Section 297-6, Hawaii Revised Statutes, to delete the specific number of district superintendents that the Superintendent of Education may appoint in each of the several counties.

Section 298-17, Hawaii Revised Statutes, permits the Department to designate school districts, establish their boundaries, and alter the same from time to time as in its discretion it deems most advisable. It is inconsistent, therefore, to restrict by law the number of district superintendents in each county.

The amendment would allow the Superintendent of Education, with the approval of the Board of Education, to appoint the district superintendents necessary to supervise the established school districts, subject to funding by the Legislature.

Your Committee is in accord with the intent and purpose of **H. B. No. 1419-70** and recommends its passage on second reading and its referral to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 157-70 Education on H. B. No. 1370-70

The purpose of this bill is to repeal into Section 297-4 of the Hawaii Revised Statutes which provides for a fine of not more than \$25.00 for individuals who teach without a valid certificate issued by the Department of Education.

The law is ineffective and trivial. Enforcement should be by fining or revoking the license of the private school which hires a teacher without a certificate to teach in the school or in the case of a public school, the penalty should be, or

the prohibition should be against, the personnel hiring a non-certificated person to teach in the public school.

Your Committee has converted the form of the bill in compliance with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 1370-70**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 1370-70, H. D. 1**, and that it be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 158-70 Printing and Revisions

Informing the House that **House Resolution Nos. 211 to 213, House Concurrent Resolution No. 84 and Standing Committee Report Nos. 159-70 to 169-70** have been printed and distributed.

Signed by all members of the Committee.

SCRep. 159-70 Agriculture on H. C. R. No. 46

The purpose of this concurrent resolution is two-fold. First, It is intended to congratulate and thank the many people in government and private industry who worked so diligently and successfully, and who contributed so much in the preparation of the **Agriculture Development Plan — 1970 (Opportunities for Hawaiian Agriculture)**. Secondly, this resolution proposes to give legislative recognition and reception to a monumental document which fulfills the legislative mandate of the Fourth Legislature.

In December 1963, an agriculture coordinating committee was organized in the office of the governor to coordinate agricultural programs of various state agencies. This committee was comprised of seven members, the chairman of the board of agriculture, the chairman of the board of land and natural resources, the chairman of the department of planning and

economic development, the dean of the college of tropical agriculture, the director of the department of transportation, the director of Hawaiian home lands, and the governor's executive director.

In March 1968, the Fourth Legislature of Hawaii passed **H. C. R. 22, H. D. 1** entitled, "HOUSE CONCURRENT RESOLUTION ESTABLISHING GUIDELINES FOR THE DEVELOPMENT OF A GENERAL PLAN FOR AGRICULTURE BY THE AGRICULTURE COORDINATING COMMITTEE." This resolution was unique in that the Legislature, for the first time, established specific guidelines in its request for a study and a general plan for agriculture and mandated a PPBS format to facilitate the implementation of the Plan. However, since the coordinating committee did not have a staff, the task of developing and writing the Plan was assigned to Mr. Robert Ota in the office of the department of planning and economic development.

Opportunities for Hawaiian Agriculture, is the most current and complete compilation and documentation of the problems, hopes and aspiration of the people in agriculture. This Plan is the culmination of 22 months of intensive and comprehensive research, and cooperation by public officials, and farmers and businessmen in agriculture. It represents over 6,000 hours of work by over 250 industry and professional people who volunteered their time and thoughts, and who worked in cooperation with one another as never before seen in this State.

The **Agriculture Development Plan** consists of five chapters. The first chapter, "Agriculture Overview of Hawaii," is a summation of the scope, characteristics and excellence of the State's agricultural industries.

The second chapter, "Agriculture Resources Capacities," examines the changing patterns of land, water, capital and labor as they relate to and affect agriculture in Hawaii. It also identifies changes occurring in farm size, farm income and other areas which need to be recognized.

Chapter three, "Problems, Opportunities and Program for Agriculture," is the crux of the **Agriculture Development Plan**. It relates the goals, objectives and problems of the agricultural industries to identified human and natural resource requirements and suggest various alternatives and programs for consideration.

The fourth chapter, "Social Implication," discusses sociological changes taking place in the rural agriculture sector of Hawaii.

Chapter five, "Role of Government Agencies," considers the planning, programming and budgeting efforts of the six State agencies concerned with the development of Hawaiian agriculture. This initial attempt to develop an agriculture program structure illustrates the role of planning, programming and budgeting in the decision-making process.

Your Committee feels that Mr. Ota, his staff, the coordinating committee, and members of the special commodity committees should be publicly recognized not only for preparing a manuscript which contains new and innovating ideas and which meets the request of the Fourth Legislature, but also for establishing purposeful, inter-industry dialogue.

It should be noted that agriculture, a sector which contributes \$400 million annually to the economy, is an important social and economic segment of our State in its advancement towards a balanced economy, a high standard of living for its people, and quality life. If we are to act to provide for the welfare of the people in this sector, support and decisive action is important. As legislators, the principle policy makers and planners of this State, it behooves us to issue, clearly, concisely and completely, broad directives on the concepts and guidelines for future planning.

After a review of statements of some 15 witnesses deeply involved in the various agricultural enterprises who adduced testimony before your Committee, consultation with members of government and private industry, and intensive, in-depth

and thorough examination of **Opportunities for Hawaiian Agriculture**, and after the most serious consideration and deliberation of possible implications, ramifications and impact of the Plan, your Committee feels that the major concepts and guidelines in the Plan which are consistent with our State-wide goals and objectives must be recognized.

Furthermore, your Committee feels that these basic, but very important, concepts and guidelines will, in theory and in practice, lead to the attainment of a balanced economy, and provide a high standard of living and improve the quality life for all our people. In addition, they deserve recognition and endorsement not because they assist agriculture development in particular, but more importantly because they are essential for the people of the entire State.

Your Committee feels that it may be both inappropriate and premature to implement the entire Plan at this time without a closer examination and public hearing on each of the recommendations and issues. However, the Committee strongly feels that basic concepts and guidelines must and should be recognized and endorsed in principle to provide much needed direction for the efficient and systematic development of Hawaiian agriculture. To this extent, the following amendment to the language of this resolution was made to clarify the intent of **H. C. R. No. 46**.

"BE IT FURTHER RESOLVED, THAT THE LEGISLATURE ENDORSE [AND ACCEPT], IN PRINCIPLE, THE CONCEPTS [,] AND GUIDELINES [AND FRAMEWORK FOR PLANNING] AS PROVIDED IN THE AGRICULTURE DEVELOPMENT PLAN — 1970."

Your Committee on Agriculture is in accord with the intent and purpose of **H. C. R. No. 46**, as amended herein, and recommends its referral to the Committee on Finance in the form attached hereto as **H. C. R. No. 46, H. D. 1**, for further consideration.

Signed by all members of the Committee except Representative Oshiro.

SCRep. 160-70 Select Committee of Hawaii Representatives on **H. R. No. 86**

The purpose of this resolution is to honor the former State Representative Akoni Pule, a man who has served twenty-one years in the House of Representatives and has resigned his House seat. In order that the House of Representatives honor the Honorable Akoni Pule, **House Resolution 86** provides that the Kawaihae-Mahukona Highway be renamed as the Akoni Pule Highway.

Your Committee concurs with the purpose of **H. R. 86** and recommends that it be referred to the Committee on Harbors, Airports and Transportation.

Signed by all members of the Committee.

SCRep. 161-70 Economic Development on **H. B. No. 1407-70**

The purpose of **H. B. No. 1407-70** is to eliminate certain inequities in the application of the Section 103-45, Hawaii Revised Statutes, to public works contracts. The bill amends Section 103-45 to require a person claiming the preferences established by the Hawaii Products Preference Law to show that the dollar value of Hawaii products, f.o.b. job site, is at least 51% of the total bid price. The bill also allows the contracting officer to waive the requirements of Sections 103-42 through 103-45, Hawaii Revised Statutes, when the total dollar value of Hawaii products required by any public works is estimated to be less than 40% of the estimated bid price.

Your Committee finds that the Hawaii Products Preference Law provides a local manufacturer with a decided advantage in bidding against a vendor who proposes to supply a non-Hawaii product. Thus, where a public works contract calls solely for the supplying of particular goods and fixing or installing them in their final location, the law operates in concert with the legislative intent to give advantage to the bidder supplying Hawaii products.

Your Committee further finds, however, that the overwhelming majority of public works contracts are not of this type. For example, a contractor bidding on a typical public works project such as a school classroom building inputs local manpower worth about one-half of the total cost of the contract. Invariably the end product, i.e. the completed classroom, bears little resemblance to the individual products that went into it. The contractor has produced or manufactured a different product by processing, developing, and making a new article with a distinct character and use. He, in a very real sense, has created a Hawaii product. Nowhere in the Hawaii Preference Law or its legislative history is there any suggestion that the Legislature intended to grant preferences among bidders all of whom propose to furnish Hawaii products. Yet, because his product is not classified as a Hawaii product, a contractor may lose an award to another contractor who bid higher but who proposed to use a Hawaii product, however insignificant, in the construction. The application of the Hawaii Products Preference Law in such instances is unfair and discriminatory.

This bill will eliminate the inequity by allowing the preference on public works contracts only when the end product produced by the bidder substantially resembles the Hawaii product that has been incorporated. Under the bill, the preference is allowed only if the cost of the Hawaii product is 51% or more of the total bid price. The adoption of this bill will mean that the Hawaii Preference Law will be inapplicable to nearly all public works contracts involving the construction of buildings, roads, and site work.

Your Committee further finds that this bill will not eliminate the market for manufacturers of Hawaii products. Such manufacturers can hold their own against competition from external sources because the contractors bidding on public works contracts invariably select the lowest quotations submitted to them or at least they do not knowingly select a quotation from the manufacturer of a Hawaii product which is not the lowest.

Your Committee further finds that

where the Hawaii product constitutes a minor portion of the bid, the requirements relating to consideration of Hawaii products should be waived since it involves unnecessary work on the part of contracting agencies and bidders. Under this bill, the requirements can be waived if the estimated cost of the Hawaii products is less than 40% of the total estimated bid price.

Your Committee is in accord with the intent and purpose of **H. B. 1407-70** and recommends its passage on second reading and its referral to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 162-70 (Majority) Economic Development on **H. B. No. 1442-70**

The purpose of **H. B. No. 1442-70** is to provide for the establishment, as a joint project of the State and the counties, of an office in the New York World Trade Center to promote the State and its counties in a variety of areas. The office would also serve as a base of contact for the State and counties. Under this bill one-half of the cost of establishing the office will be borne by the State, and one-half will be borne by the counties.

Your Committee finds that the activities of a Hawaii office at the New York World Trade Center would be extremely beneficial to the State and counties. The activities of the office would include the following:

1. **Industrial Development.** The World Trade Center will offer an excellent location and will have extensive informational services for attracting new investments to Hawaii.

2. **Product Promotion and Display.** The World Trade Center will present unique opportunities for promotions, displays and exhibits of Hawaiian products.

3. **Assistance to Island Businessmen.** Contacts can be made for small businessmen in Hawaii at the World Trade Center,

and opportunities for sales expansion and new products can be referred to State and county development organizations.

4. **Export Expansion.** Many leads can be processed by the staff at the World Trade Center on behalf of Island exporters.

5. **Pacific Headquarters in Hawaii.** The World Trade Center will be a good base of operations from which to encourage American and foreign enterprises doing business in the Pacific area to locate their regional headquarters in Hawaii.

6. **Foreign Trade Zone Promotion.** The great number of foreign and domestic businessmen who will visit the center daily will provide a forum for the promotion of Hawaii's foreign trade zone.

7. **International Services.** The major Pacific nations will be represented at the World Trade Center and New York, as the international business and financial capital of the world, is a focus for Pacific business activity. Therefore, there will be an excellent opportunity to promote Hawaii as the Pacific business hub.

This bill provides a \$30,000 appropriation to be matched by a similar amount by the counties for a total of \$60,000 to finance the office for the first year. The lease for the office will be executed by the New York Port Authority, and will be for a 5-year period. The lease, however, will contain a clause limiting the liability of the State and counties to their budgetary periods. If during the term the State and counties do not appropriate funds to maintain the office, they will not be liable for lease rent for the remaining period of the lease.

Your Committee is in accord with the intent and purpose of **H. B. No. 1442-70** and recommends its passage on second reading and its referral to your Committee on Finance.

Signed by all members of the Committee. Representative Serizawa did not concur.

**SCRep. 163-70 Economic Development on
H. B. No. 1510-70**

The purpose of **H. B. No. 1510-70** is to appropriate the sum of \$25,000 for the planning, coordination, and convening of a conference in Hawaii to plan the Pacific Region Portion of the International Decade of Ocean Exploration. The conference will be attended by the representatives of government, science and industry from the nations of the Pacific Basin.

Your Committee finds that the conference to be funded by this bill is in keeping with a systematic and progressive program which will enable Hawaii to assume leadership in the marine sciences field.

Since participation of the Federal government in the International Decade of Ocean Exploration is scheduled to begin in July of this year, it is most important that a planning conference be convened in the near future so that the resulting recommendations can be included in planning for the overall IDOE.

The appropriation will be expended for the planning and coordinating of a major conference to include appropriate staff support, meeting rooms, printing, transportation, mailings, communications and other conference logistical support.

Your Committee is in accord with the intent and purpose of **H. B. No. 1510-70** and recommends its passage on second reading and its referral to your Committee on Finance.

Signed by all members of the Committee.

**SCRep. 164-70 Economic Development on
H. B. No. 1512-70**

The purpose of **H. B. No. 1512-70** is to appropriate the sum of \$30,000 for the initiating, planning and coordinating of activities necessary to hold an International Marine Exposition in Hawaii in 1976.

Your Committee finds that the marine assets of the State of Hawaii are not as

well known nor as appreciated as they could be. There is a need, therefore, to promote Hawaii as an excellent location in which to carry out marine research and to establish ocean related industries. The exposition will provide an excellent opportunity to display Hawaii's scientific and technological capabilities and facilities in the marine sciences field. The exposition will focus world attention on Hawaii as a center of marine activity in the Pacific.

The appropriation of \$30,000 will make possible the creation of an Exposition Commission with staff support in the form of an Executive Secretary. The Commission and the Executive Secretary will initiate planning and determine the various sources of Federal and other monies which would be available for such an exposition.

Your Committee is in accord with the intent and purpose of **H. B. No. 1512-70** and recommends its passage on second reading and its referral to your Committee on Finance.

Signed by all members of the Committee.

**SCRep. 165-70 Public Health, Youth and
General Welfare on H. B. No. 1161**

The purpose of this bill is to broaden the rights of a minor in obtaining medical care and services.

The bill would give a married minor the legal capacity to consent to medical, surgical and dental examination or treatment for any disease or physical or mental condition. Put another way, it would give a physician, hospital or clinic the right to proceed with treatment without waiting for consent from the parents of a married minor. This provision would recognize the mobility of our times which separates many young persons from their parents.

This bill would also expand the medical care and services in the treatment of venereal diseases and pregnancy which a minor may obtain without parental consent. Existing law limits the definition of "medical care and services" which a minor may obtain in the treatment of venereal

diseases and pregnancy to diagnosis, examination and "administration of medication." This bill would broaden the definition to include diagnosis, examination and "treatment" of venereal diseases and pregnancy. Treatment of venereal diseases and pregnancy often require more than the mere administration of medications.

This bill also makes it unnecessary to withhold treatment of venereal disease or pregnancy when a minor's parents cannot be located to give them the necessary information concerning pregnancy or affliction with venereal disease. Maternity clinics from time to time receive a pregnant girl needing service but who does not know her parents' whereabouts. This provision would correct this situation.

As presently worded, this bill amends Act 58, Session Laws of Hawaii 1968, and does not comply with House Rule 24(2). It also provides that the term "medical care and services" does not include treatment to induce abortion except as permitted under Section 309-4, Revised Laws of Hawaii 1955. Your Committee has amended this bill by: 1) rewording the form of this bill to amend Chapter 577A, Hawaii Revised Statutes; 2) converting the form of the bill to comply with House Rule 24(2); and 3) deleting the clause "except as permitted under Section 309-4, Revised Laws of Hawaii, 1955" in the last two lines on page 1 of the bill.

Your Committee is in accord with the intent and purpose of **H. B. No. 1161** as amended herein, and recommends its passage on second reading and its referral to the Committee on Judiciary in the form attached hereto as **H. B. No. 1161, H. D. 1.**

Signed by all members of the Committee.

SCRep. 166-70 Public Health, Youth and General Welfare on **H. B. No. 1484-70**

The purpose of this bill is to reduce the pollution of the environment by regulating the use of lead, nickel, boron and other additives in gasoline.

Metallic additives are presently compounded with gasoline fuel to increase the combustion quality of the gasoline and is desirable for the efficient operation of high compression automobiles. The regular grade gasoline usually contains from 1½ to 2 milliliters of lead tetraethyl per gallon of gasoline while the premium gasoline has 2½ to 3 milliliters per gallon of gasoline.

Lead is found in the air chiefly as a result of automobile emissions. Epidemiological studies reveal that the mean lead level of the blood of urban dwellers is higher than that of their rural counterparts, especially those urbanites who live near heavily travelled roads. Lead in sufficient amounts has been implicated in anemia, liver and kidney damage, mental retardation in children, and in abnormalities of fertility and pregnancy.

The Federal Government, by setting Air Quality Control Standards has compelled both automobile manufacturers and oil companies to make drastic changes in automobile and gasoline production. Beginning with the 1975 model year, Federal standards will sharply lower limits on exhaust emission of carbon monoxide and hydrocarbons that went into effect on 1970 model vehicles. Also, the new standards will set limits on exhaust emission of nitrogen oxides, beginning with the 1973 model year, and will set limits on exhaust emission of particulates such as lead beginning with the 1975 model year.

The main objection to this bill, voiced by Dr. Gordon J. Stopps of E. I. du Pont de Nemours and Company, was that there was no medical evidence that lead in gasoline presents any health hazard. In answer to this contention, Louis Dickinson, M.D., Associate Professor of Public Health, University of Hawaii, states that:

1) studies of the effect of lead in gasoline have been inadequate;

2) the effects of lead poisoning may have very long induction (or latent) periods, as long as 30 to 40 years.

Autopsy studies, such as described in the du Pont testimony, concluding that

lead had no adverse effect on health often have misleading conclusions, partly because of the selective nature of the material and partly because of the impossibility of controlling for confounding variables.

Second, there is sound scientific evidence that lead-induced illness may not appear until 30 to 40 years after exposure. Around 1930 a high incidence of chronic nephritis was noticed in Queensland, Australia. By application of cohort analysis, it was inferred that exposure of the affected population began around 1885 and diminished after 1926. After further historical and clinical investigation, the exposure proved to be from an increase of lead poisoning which occurred following the turn of the century.

Your Committee finds that experts disagree whether air lead can be considered a hazard to the health of well individuals. However, experts do agree that air lead is detrimental to the health of a susceptible minority in the community, such as children and pregnant women. This suggests that if the health of susceptible people is impaired by breathing in air lead, that in time healthy people may be affected in unforeseen ways.

In order to protect the public from the possible adverse effects of air lead and to accommodate the divergent views outlined above, your Committee has amended this bill to authorize the Department of Health to regulate the use of lead, nickel, boron and other additives in gasoline if found to be desirable for the health of the public.

Your Committee has also amended this bill by converting the form of the bill in compliance with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 1484-70**, as amended herein, and recommends its passage on second reading and its referral to the Committee on Judiciary in the form attached hereto as **H. B. No. 1484-70, H. D. 1**.

Signed by all members of the Committee.

SCRep. 167-70 Public Health, Youth and General Welfare on H. B. 1374-70

The purpose of this bill is to permit voluntary admission of a mentally retarded adult to Waimano Training School and Hospital while commitment is being processed but not yet completed. This bill would allow the admission of a mentally retarded adult to Waimano in crisis situations, expediting his treatment and care.

In emergency situations involving mentally retarded adults, it is necessary presently to use Hawaii State Hospital as a "holding" facility and place the patient there. Since the patient does not have psychiatric illness, the placement is inappropriate and the hospital is reluctant to accept him. In addition, the adjustment is difficult for patient and family, and run-aways and discharges against advice are frequent. This bill would eliminate or ease many of the difficulties now being experienced concerning the retarded adult. The bill has been amended to conform to House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 1374-70**, as amended herein, and recommends its passage on second reading and its referral to your Committee on Judiciary in the form attached hereto as **H. B. No. 1374-70, H. D. 1**.

Signed by all members of the Committee except Representatives Kimura and Lum.

SCRep. 168-70 Finance on S. B. No. 1190-70

The purpose of this bill is to raise from six per cent to eight per cent the ceiling imposed on the annual rate of interest that can be paid on general obligation bonds of the State. The eight per cent ceiling shall be effective for twelve months from the date of approval of this Act.

Your Committee is in accord with the intent and purpose of **S. B. No. 1190-70, S. D. 1**, and recommends its passage on second reading and that it be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 169-70 Public Utilities on H. B. No. 1922-70

The purpose of **H. B. No. 1922-70**, as amended herein, is to amend the Hawaii Revised Statutes by adding a new chapter thereto which will establish a comprehensive framework for the licensing and regulation of cable television systems. The bill empowers the Director of the Department of Regulatory Agencies to administer and enforce the new chapter until such time as the Legislature empowers some other agency or commission to assume this function.

H. B. No. 1922-70 is the result of a comprehensive study by your Interim Committee created pursuant to **H. R. No. 229**, 1969 Session. Your Committee is in complete accord with the findings and recommendations of that Committee as set forth in **Special Committee Report No. 9**, dated March 6, 1970. Accordingly, the findings and recommendations contained in that report will not be repeated here.

Your Committee has amended **H. B. No. 1922-70** in several minor respects as follows:

1. Section 5 of the proposed new chapter has been amended to provide that pending the issuance of a CATV permit an existing CATV system may be allowed to continue construction of its facilities when in the Director's opinion the public interest would be served by allowing such construction. In the absence of this amendment, Section 5 might be interpreted to mean that upon the effective date of the act all construction work on CATV systems must stop until permits are issued. Where existing systems are in the process of construction, the effects of such a freeze might produce unintended and harmful results. Significant delays might occur in providing service to prospective CATV subscribers. Therefore, Section 5 has been amended to allow such construction to continue pending the issuance of the CATV permit when the Director determines that the continuation is in the public

interest.

2. Section 6(b)(5) of the proposed new chapter has been amended to exempt lessors of leased CATV facilities who are also public utilities from submitting a performance bond prior to commencing construction of a CATV system. Public utilities presently are not required to post performance bonds in providing authorized services, and such a requirement would impose a needless burden on them.

3. Sections 8(a)(2) and 8(a)(3) have been amended to provide that the use of highways and other public places by CATV companies shall be subject to welfare regulations which have been or may be adopted by the counties in which such highways or public places are located. It is the intent of your Committee that the use of highways and public places by CATV companies shall be subject to county welfare regulations but shall not be subject to revenue producing measures enacted by the counties.

4. Section 12(b) of the proposed new chapter has been amended to allow the Director to approve or disapprove provisions of contracts on other agreements between CATV companies and public utilities except for those matters which are regulated by either the Public Utilities Commission or the Federal Communication Commission. This provision has been clarified so that it will not be construed as authorizing the Director to regulate matters already regulated by the Federal Communications Commission.

5. Your Committee has amended Section 2 of the bill to provide for an appropriation of \$40,000 for the purposes of the Act. Your Committee finds that the Director will require this amount in his monumental task of determining and implementing franchising and regulating procedures.

Your Committee is in accord with the intent and purpose of **H. B. No. 1922-70**, as amended herein, and recommends its passage on second reading and its referral to your Committee on Finance in the form attached hereto as **H. B. No. 1922-70, H.**

D. 1.

Signed by all members of the Committee except Representative Oshiro.

SCRep. 170-70 Printing and Revisions

Informing the House that **House Resolution Nos. 214 to 220** and **Standing Committee Report Nos. 171-70 to 180-70** have been printed and distributed.

Signed by all members of the Committee except Representative Lee.

SCRep. 171-70 Harbors, Airports and Transportation on **H. C. R. No. 45**

The purpose of this Concurrent Resolution is to support the concept of a self-propelled water transportation system between the Honolulu International Airport and Waikiki and other related points and to urge the Public Utilities Commission to issue a certificate of public necessity and convenience under the applicable statutes and rules and regulations of the Commission.

The House Concurrent Resolution also requests the Department of Land and Natural Resources and the Department of Transportation to explore the availability of land at both Keehi Lagoon and at or near the Waikiki area for terminal and repair facilities for self-propelled water transportation system, and to provide, as available and in the manner provided by law, such lands to effectuate the intent of this Concurrent Resolution. Your Committee feels that there is a great need for alternate means of transportation to relieve traffic congestion and to decrease environmental and air pollution. This would be accomplished by a self-propelled water transportation system to be instituted by a private enterprise.

Your Committee concurs with **H. C. R. No. 45** and recommends that it be referred to your Committee on Lands.

Signed by all members of the Committee.

SCRep. 172-70 Select Committee of Oahu

Representatives on **H. B. Nos. 1674-70, 1827-70, 1866-70, 1950-70, 1951-70, 1959-70, 1982-70, 1983-70, 1984-70, 1985-70, 1986-70, 1987-70, 1988-70, 1990-70, 1991-70, 1992-70, 1994-70, 2010-70, 2014-70, 2015-70, 2016-70, 2031-70, 2044-70, 2051-70, 2053-70, 2055-70, 2058-70, 2059-70, 2060-70, 2062-70, 2063-70, 2100-70**

The purpose of each of the bills is to make an appropriation for or relating to capital improvements as set forth in the title of the bill.

Your Committee is in accord with the intent and purpose of **H. B. No. 1674-70, H. B. No. 1827-70, H. B. No. 1866-70, H. B. No. 1950-70, H. B. No. 1951-70, H. B. No. 1959-70, H. B. No. 1982-70, H. B. No. 1983-70, H. B. No. 1984-70, H. B. No. 1985-70, H. B. No. 1986-70, H. B. No. 1987-70, H. B. No. 1988-70, H. B. No. 1990-70, H. B. No. 1991-70, H. B. No. 1992-70, H. B. No. 1994-70, H. B. No. 2010-70, H. B. No. 2014-70, H. B. No. 2015-70, H. B. No. 2016-70, H. B. No. 2031-70, H. B. No. 2044-70, H. B. No. 2051-70, H. B. No. 2053-70, H. B. No. 2055-70, H. B. No. 2058-70, H. B. No. 2059-70, H. B. No. 2060-70, H. B. No. 2062-70, H. B. No. 2063-70, H. B. No. 2100-70**, and recommend that they pass second reading and that they be referred to your Committee on Finance.

Signed by all members of the Committee except Representative Oshiro.

SCRep. 173-70 Education on **H. C. R. No. 11**

The purpose of this Concurrent Resolution is to request the promulgation of Federal administrative policies, rules or legislation to increase federal milk subsidy for Hawaii under the National School Lunch Program and the Special Milk Program of the United States Department of Agriculture from 4 cents per one-half pint of fresh milk to 5½ cents per one-half pint of fresh milk.

The National School Lunch Program and the Special Milk Program are two ongoing projects whereby the United States Department of Agriculture provides cash reimbursement to States and local educa-

tional agencies which support participating public and nonprofit private schools of high school grade or under, settlement houses, homes for children and summer camps. This Federal assistance enables educational agencies to lower the price of milk to children and, in areas of severe need, can cover the entire cost of the milk served.

Your Committee finds that while Hawaii has been receiving a reimbursement of 4 cents per one-half pint under both the National School Lunch Program and the Special Milk Program, it is evident that the system of a single rate reimbursement for all States is not fully accomplishing the objects of the two programs in Hawaii. Children in Hawaii are being denied milk for nutritional needs under the Federal lunch and milk programs because of the high price. Here in Hawaii the charge to the children (difference between the cost of the milk and the federal subsidy) is six (6) cents per half-pint, while in Minnesota, for example, it is one (1) cent per half-pint.

Your Committee is in accord with the intent and purpose of **H. C. R. No. 11, H. D. 1** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 174-70 Public Utilities on **H. R. No. 107**

The purpose of **H. R. No. 107**, as amended herein, is to request the Public Utilities Commission to take necessary steps for the testing and use of exhaust noise control devices on the public highways of Hawaii.

Your Committee finds that there are various devices which may successfully reduce vehicular exhaust noise. Appropriate steps shall be taken at the earliest practicable time to test such devices and encourage or require their use.

Your Committee has amended **H. R. No. 107** by deleting specific references to the dynavac muffler manufactured by American Metal Products in Portland, Oregon. Your Committee finds that the dynavac muffler may not be as efficient an exhaust

noise control device as may be desirable. Accordingly, it is the intent of your Committee that the Public Utilities Commission investigate the use of as many of these devices as possible.

Your Committee has also amended **H. R. No. 107** to request the Public Utilities Commission to conduct its investigations in this regard in conjunction with interested industry organizations.

Your Committee is in accord with the intent and purpose of **H. R. No. 107**, as amended herein, and recommends its adoption in the form attached hereto as **H. R. No. 107, H. D. 1**.

Signed by all members of the Committee except Representative Oshiro.

SCRep. 175-70 Finance on **H. B. No. 1448-70**

The purpose of this bill is twofold: (1) to provide for the three year limitation period on assessments to begin from the filing date or due date, whichever is later; and (2) to allow the Department of Taxation a one-year extension of the present three year limitation period in which to make an income tax assessment.

Under the present law, the period of limitation for tax assessments or refunds begin from the date of filing. Thus, when taxpayers file amended returns or seek refunds, they must file within the three-year period that begins from the date of filing the original return. This tends to discourage taxpayers from filing their returns early. To begin the three-year period from the filing date or due date, whichever is later, will not only conform State law to the Federal law but will also encourage the early filing of returns.

With regard to the one-year extension of the three year limitation period, the present law prevents the taxpayer from claiming any credit and the Department of Taxation from making any additional assessment after the three year limitation period. There is concern that cases being audited by the Internal Revenue Service will not be referred to the Department of

Taxation until after the three year limitation period has expired. A one-year extension, therefore, will allow the Department sufficient time to make its assessment following the Internal Revenue assessment as well as allow taxpayers to claim credit where applicable.

Your Committee is in accord with the intent and purpose of **H. B. No. 1448-70** and recommends its passage on second reading and that it thereafter be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 176-70 Harbors, Airports and Transportation on H. B. No. 2150-70

The purpose of this bill is to permit the State to sell Special Obligation Bonds to finance the construction of aviation facilities on land set aside for airport purposes and harbor facilities on land set aside for harbor purposes. This would be accomplished by adding new sections to Chapter 39, Hawaii Revised Statutes, to permit the sale of Special Obligation Bonds. The Special Obligation Bonds would let the users of airport or harbor lands pay their own costs for constructing facilities and the bonds will be repaid by these tenants. The Department of Transportation would lease such Special Facility under a net lease under which the lessee will pay the department fixed rentals during the term thereof which will be sufficient to pay the principal of and interest on any Special Obligation Bonds to be issued; to pay the cost of construction or acquisition of the Special Facility; and to pay, in addition, all costs connected with the ownership, operation, maintenance, repair, renewals and rehabilitation of the Special Facilities. The buyers of the Special Obligation Bonds must look to the lessees only in case of default; there will be no recourse against the State. These bonds will not be included in the debt ceiling of the State and will not effect the Airport Funds, the Harbor Funds or the State General Obligation Bonds.

Your Committee is in accord with the intent and purpose of **H. B. No. 2150-70**

and recommends that it pass second reading and that it be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 177-70 Harbors, Airports and Transportation on H. B. No. 2042-70

The purpose of this bill is to amend Section 36, Hawaii Revised Statutes, so that the 5 per cent surcharge on special fund receipts is applied on receipts to the Airport Revenue Fund on the same basis as it presently applies to receipts from the State Highway Fund and the Harbor Special Fund.

Sections 36-28 and 36-29, Hawaii Revised Statutes, provides a 5 per cent surcharge on the receipt of the State Highway Fund and the Harbor Special Fund. This present amendment would make the laws similar to that relating to highways and harbors. It is your Committee's belief that it is desirable and only proper that the surcharge be applied uniformly on all special funds including the Airport Revenue Fund.

Your Committee has converted the form of the bill to comply with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 2042-70** and recommends its passage on second reading and that it be referred to your Committee on Finance in the form attached hereto as **H. B. No. 2042-70, H. D. 1.**

Signed by all members of the Committee.

SCRep. 178-70 Public Health, Youth and General Welfare on H. B. No. 1292-70

The purpose of this bill is to make an appropriation for site acquisition and construction of City and County of Honolulu sewage system projects, supplementing the appropriation of the Water Pollution Control Act (Act 117/69).

The basic State grant for any sewage system would be 25% of the cost of the

project. The City and County sewer system projects would cost approximately \$40,000,000, of which the State's share would be approximately \$10,000,000.

As presently worded, this bill would appropriate \$10,000,000 for City and County sewer system projects on the condition that the City and County commence construction of a tertiary treatment sewage project at Sand Island on or before December 31, 1971. Testimony from the City and County of Honolulu indicated that the design of the Sand Island Treatment Plant will not be completed until April, 1972 and construction is scheduled to commence in May, 1972. Since construction grants will not be needed until 1972, the City and County intends to ask for the construction funds at the 1971 legislative session. Your Committee has therefore amended this bill by deleting the condition that the City and County commence construction of the Sand Island Treatment Plant on or before December 31, 1971 and by reducing the appropriation amount from \$10,000,000 to \$3,000,000. The \$3,000,000 appropriation is a phase of the required \$10,000,000. Your Committee believes that the grant made in phases would be preferable to one lump sum grant in 1971.

Your Committee is in accord with the intent and purpose of **H. B. No. 1292-70**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 1292-70, H. D. 1** and its referral to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 179-70 Public Health, Youth and General Welfare on **H. B. No. 1483-70**

The purpose of this bill is to establish cooperative programs between the State and county governments to control pollution by motor vehicles on public highways.

The emission of pollutants from motor vehicles is a major source of air pollution in Hawaii. These emissions are responsible for damage such as: formation of oxidants, haze, foul odor, plant damage, soi-

ling of property and metallic pollution.

To effectively control pollution from motor vehicles, it would be desirable for police officers to issue citations for motor vehicles discharging excessive amounts of pollutants as soon as the violations are noted. Since police officers are county employees, this bill proposes to establish cooperative programs between the State and the counties to control air pollution. Under this bill, the State Department of Health would develop regulations to control pollution from motor vehicles and would assist in training police officers to enforce these regulations.

Your Committee has converted the form of the bill in compliance with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 1483-70**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 1483-70, H. D. 1** and its referral to the Committee on Judiciary.

Signed by all members of the Committee except Representative Iha.

SCRep. 180-70 Finance on **H. B. No. 1922-70**

The purpose of this bill is to establish a comprehensive framework for the licensing and regulation of cable television systems. The bill empowers the Director of the Department of Regulatory Agencies to administer and enforce the provisions of this bill until otherwise decided by the Legislature. This period of temporary authority will allow the Legislature to further study the growth, practices, and potential of this industry to determine the proper regulatory body.

Under this bill the Director will have the authority to (1) issue non-exclusive permits to construct and operate facilities for a CATV system in specified geographic areas; (2) receive and investigate complaints as to the operation of a CATV system, including complaints as to rates charged customers; (3) revoke, alter or sus-

pend permits; (4) issue rules and regulations as are necessary to carry out the provisions of this bill; and (5) file suit to compel compliance with the provisions of this bill. To aid the Director in these tasks, provisions have been made for an advisory committee made up of one person from the CATV industry, one person from the utility company servicing the industry and three persons not connected with either the industry or the utility company.

The appropriation of \$40,000 will be used to implement the franchising and regulatory procedures of this Act.

Your Committee is in accord with the intent and purpose of **H. B. No. 1922-70, H. D. 1**, and recommends its passage on third reading.

Signed by all members of the Committee except Representative Kunimura.

SCRep. 181-70 Printing and Revisions

Informing the House that **House Resolution Nos. 221 to 228, House Concurrent Resolution Nos. 85 and 86, Standing Committee Report Nos. 182-70 to 185-70 and Special Committee Report No. 11** have been printed and distributed.

Signed by all members of the Committee except Representative Morioka.

SCRep. 182-70 Lands on H. B. No. 1678-70

The purpose of this bill is to appropriate a sum of money for the acquisition of the Island of Niihau as a natural preserve. Acquisition by the State would prevent or forestall any conveyance to others or the development of the island for commercial or other non-conservation purposes.

It has been said that the island of Niihau offers unparalleled opportunity for the preservation of Hawaiian flora and fauna and to return unique environmental areas to their original pre-European condition. It has also been reported that extensive forests once covered the island, providing an environment necessary to support rare and indigenous birds. In a public hearing on Kauai, Catherine Stauder, a historian

engaged in research from primary sources, testified that in the course of her studies she failed to come across any mention of extensive forests on Niihau. In fact, she quoted Cook on Niihau (February, 1778) as saying, "The ground through which I passed was in a state of nature, very stony, and the soil seemed poor." Others in the expedition had time to inspect the entire island and they gave the same report. There was no appearance of any running stream, and though they found some small wells in which the fresh water was tolerably good, it seemed scarce. About all that covered the land were stunted vegetables and small trees and shrubs. She further testified that the 1840 U.S. Exploring Expedition reported the following on the island: "Its eastern side is rocky and unfit for cultivation; the inhabitants, therefore, reside on its western side and are for the most part miserably poor." Portlock and Dixon (1786 and 1787) also reported: "Indeed this place produces no great plenty of anything besides yams and ti."

From the preceding it is debatable as to whether Niihau is or was an island endowed with rich botanical and animal life. Therefore, to purchase Niihau for the purpose of restoring and/or preserving its once abundant flora and fauna population may be misleading. More appropriate may be to purchase it as a replica of old Hawaii, perpetuating a culture and way of life which have since disappeared from other islands in the state, and in this respect preserving it from encroaching urbanization and commercialization. However, the committee found at the public hearing on Kauai that the owners of Niihau do not intend to sell and further that the owners have publicly stated that they have no intention of selling Niihau now or in the foreseeable future. In addition, former residents of Niihau, who were living on Kauai but who presumably represented the residents of Niihau, stated that the residents preferred their present mode of living — no unemployment, welfare, or housing problems — and did not desire a change. They also stated that the paternalistic relationship existing between the owners of the island and the residents did not hinder travel between islands nor did it prevent them from living in some other locality.

In fact, under this relationship the residents were never in want and felt that a change at this time would not be to their benefit.

Accordingly, to protect the interests of the state and at the same time protect the interest of the residents of Niihau, the title of the bill has been amended to read: "MAKING AN APPROPRIATION FOR ACQUIRING AN OPTION TO PURCHASE THE ISLAND OF NIIHAU." Section 1 has also been amended to provide that the state should immediately negotiate for an option to purchase the land to forestall any conveyance to others or the development of the island for commercial or other non-conservation purposes, and that the option should be for a 25-year period and the purchase price of Niihau should be settled during the negotiation of the option. Section 3 has been amended to provide that the sum appropriated shall be expended by the governor for the purposes of this act.

Your Committee is in accord with the intent and purpose of **H. B. 1678-70**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. 1678-70, H. D. 1**, and its referral to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 183-70 Government Efficiency and Public Employment on H. B. No. 1594-70

The purpose of this bill is to allow public employees from and after January 1, 1971, to use his three highest years of credited service to determine his average final compensation. However, since he is allowed to use his three highest years of credited service, no payment of salary in lieu of vacation shall be included in the computation.

The old provision relating to the five highest paid years of credited service is retained in the bill to protect those individuals that have left public service and are waiting to retire under the provisions

of Chapter 88. Under the five highest paid years of credited service vacation accumulated would be included in computing his five highest paid years of credited service.

The bill was amended to eliminate the option clause since your Committee felt that if an option were granted between the five highest paid years of credited service or to select his three highest years of credited service provided that no payment of salary in lieu of vacation shall be included in the computation, that it would defeat the purpose of granting the privilege of the three highest years of credited service.

Your Committee has converted the form of the bill to comply with House Rule 24(2).

Your Committee is in accord with the intent and purposes of **H. B. No. 1594-70** as amended herein and recommends its passage on second reading and that it be referred to your Committee on Finance in the form attached hereto as **H. B. No. 1594-70, H. D. 1**.

Signed by all members of the Committee.

SCRep. 184-70 Hawaiian Homes on H. B. No. 1620-70

The purpose of **H. B. No. 1620-70**, is to appropriate out of the general revenues of the State of Hawaii the sum of \$15,000 for the development of a playground facility at the Hawaiian Homes Panaewa subdivision in Hilo. This appropriation is in addition to any other monies which the Department of Hawaiian Homes lands is entitled to receive under the Hawaiian Homes Commission Act of 1920, as amended.

Your Committee finds that a playground facility at Panaewa Subdivision will greatly benefit both Hawaiian homestead children and all children in the Panaewa area.

Your Committee is in accord with the intent and purpose of **H. B. No. 1620-70**, and recommends its passage on second reading and its referral to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 185-70 Lands on H. C. R. No. 20

The purpose of the concurrent resolution is to request the President of the United States and the Congress of the United States to amend the Federal Surplus Property Act so as to make available federal surplus lands in Hawaii to public agencies for housing purposes at low or no cost.

The Executive Director of the Hawaii Housing Authority stated that he was aware of Section 414 of the Housing and Urban Development Act of 1969, but was not informed as to how this was to be applied except that lands will be transferred from the General Services Administration to the Department of Housing and Urban Development for disposition to housing authorities.

In view of this statement, your Committee has amended **H. C. R. No. 20** by deleting the last four paragraphs and substituting the following in lieu thereof:

WHEREAS, Section 414 of the Housing and Urban Development Act of 1969 provides that federal surplus land can be transferred to the federal Department of Housing and Urban Development for sale to housing authorities for housing purposes at no less than its acquisition cost; and

WHEREAS, the Department of Housing and Urban Development will adopt rules and regulations to cover transfer of lands to local housing authorities; now, therefore,

BE IT RESOLVED by the House of Representatives of the Fifth Legislature of the State of Hawaii, Regular Session of 1970, the Senate concurring, request that the Department of Housing and Urban Development adopt rules which will set the price of disposition of federal surplus lands to housing authorities at the Government's original acquisition cost; and

BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolu-

tion be transmitted to George Romney, Secretary of the Department of Housing and Urban Development, Senators Hiram L. Fong and Daniel K. Inouye, and Representatives Spark M. Matsunaga and Patsy T. Mink.

Your Committee is in accord with the intent and purpose of **House Concurrent Resolution No. 20** as amended herein, and recommends its referral to your Committee on Federal, State and County Relations in the form attached hereto as **H. C. R. 20, H. D. 1** for further consideration.

Signed by all members of the Committee.

SCRep. 186-70 Printing and Revisions

Informing the House that **House Resolution Nos. 229 and 230** and **Standing Committee Report Nos. 187-70 to 203-70** have been printed and distributed.

Signed by all members of the Committee.

SCRep. 187-70 Labor and Employment Problems on H. R. No. 21

The purpose of this resolution is to request the Director of Regulatory Agencies to re-examine all residence, citizenship, and American educational requirements imposed by law on employment, office holding, or the practice of professions in Hawaii in order to determine the relevance of such requirements to competence and to study the legal and constitutional implications of such requirements. The resolution further requests the Attorney General and the Director of Personnel Services to assist the Director of Regulatory Agencies in the study.

The Governor's conference on Immigration which was held in December of 1969 discussed the many problems faced by immigrants to Hawaii. Among the problems discussed was that created by requirements of residence, citizenship, and American education imposed by the laws of the state on employment, office holding, and the practice of professions. These requirements effectively bar many immi-

grants from positions they may be qualified to fill. Your Committee agrees with the members of the Governor's conference on Immigration that the problem merits further study. The requirements may be unfair if they bear no relevance to competence and may also be unconstitutional for the same reason.

Your Committee concurs with the purpose of **H. R. No. 21** and recommends that it be referred to your Committee on Government Efficiency and Public Employment.

Signed by all members of the Committee.

SCRep. 188-70 Select Committee of Hawaii Representatives on **H. C. R. No. 34**

The purpose of this concurrent resolution is to honor the former State Representative Akoni Pule, a man who has served twenty-one years in the House of Representatives and has resigned his House seat. In order that the House of Representatives honor the Honorable Akoni Pule, **House Concurrent Resolution 34** provides that the Kawaihae-Mahukona Highway be renamed as the Akoni Pule Highway.

Your Committee concurs with the purpose of **H. C. R. 34** and recommends that it be referred to your Committee on Harbors, Airports and Transportation.

Signed by all members of the Committee.

SCRep. 189-70 Select Committee of Maui Representatives on **H. B. No. 2005-70**

The purpose of **H. B. No. 2005-70** is to amend the Hawaii Revised Statutes by adding a new chapter thereto which provides for the election of prosecuting attorneys in counties with a population of less than 500,000. The bill provides for the prosecuting attorney's term of office, qualifications and removal. It also establishes his powers, duties and functions.

Your Committee is in accord with the intent and purpose of **H. B. No. 2005-70** and recommends its passage on second

reading and its referral to your Select Committee of Kauai Representatives.

Signed by all members of the Committee.

SCRep. 190-70 Lands on **H. B. No. 1481-70**

The purpose of the bill is to transfer the authority to acquire private lands for housing development under the provisions of Chapter 206, Hawaii Revised Statutes, from the Department of Land and Natural Resources to the Hawaii Housing Authority. It also amends the provisions in the chapter making it applicable to the entire state instead of only to the island of Oahu.

The Director of the Department of Land and Natural Resources and the Executive Director of the Hawaii Housing Authority both testified that they have no objections to this bill since the Hawaii Housing Authority is already responsible for the implementation of the "Maryland Land Law," which means that the authority has power to acquire private lands and resell to individuals.

Your Committee finds that the responsibility of acquiring private lands for housing purposes should not be divided amongst several departments, instead it should be concentrated in one agency. Also, the application of Chapter 206 should be to all counties since all islands are experiencing housing shortages.

Your Committee is in accord with the intent and purposes of **H. B. 1481-70** and recommends its passage on second reading and referral to the Committee on Finance for further consideration.

Signed by all members of the Committee except Representative Heen.

SCRep. 191-70 Harbors, Airports and Transportation on **H. B. No. 1679-70**

The purpose of this bill is to appropriate \$50,000 annually or so much thereof as may be necessary from the airport revenue funds for the actual necessary expenses of the Hawaii wing, Civil Air Patrol. Further, the bill provides the sum appro-

priated would be expended on a statewide basis. The bill changes the sum of \$30,000 to \$50,000 annually. The increase is necessary since the funds will be used on a statewide basis.

Your Committee has also amended subsection (b) of Section 261-6 by allowing the Civil Air Patrol to expend funds for upkeep, replacement or purchase of communications equipment provided that such expenditures are necessary and otherwise unobtainable by grants or gifts from any other source. The purpose of the amendment to subsection (b) is to eliminate the provisions which states: “. . . for upkeep of communication systems which on June 7, 1951, have been or were in the process of being installed throughout the State . . .”. Equipment purchased in the year 1951 is obsolete and there is a need for upgrading the communication systems.

Your Committee has also amended subsection (c) of Section 261-6 by allowing the wing commander to employ salaried assistants. The old provision provided for only one assistant. If the Civil Air Patrol is to be operated on a statewide basis then it may be necessary that assistants be appointed for the various major islands.

Your Committee has converted the form of the bill to comply with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 1679-70**, as amended herein, and recommends its passage on second reading and that it be referred to your Committee on Finance in the form attached hereto as **H. B. No. 1679-70, H. D. 1**.

Signed by all members of the Committee.

SCRep. 192-70 Judiciary on H. B. No. 1028

The purpose of this Act is to amend Sec. 53-60, Hawaii Revised Statutes (formerly Sec. 143-60, Revised Laws of Hawaii 1955, as amended) which enables the counties to adopt an ordinance requiring the repair, closure or demolition of dwellings in urban areas which are unfit for human habitation due to dilapidation or other specified con-

ditions, rendering them detrimental to the health, safety and welfare.

Presently, the statute provides that the ordinance shall provide that a public officer be designated to exercise the powers prescribed, authorizing him to issue a complaint whenever it appears that a dwelling is so unfit. Any party in interest therein (be he owner, mortgagee or person in possession) may then file an answer to the complaint and present testimony at a hearing held **before the public officer**. Thus, he serves as complainant, prosecutor and judge, and therein, basically, is the “injustice” which **H. B. No. 1028** seeks to remedy. It does so by amending the statute so as to require that the ordinance shall provide for the creation of a board of appeals to conduct such hearings, instead of the very same public officer who issued the complaint and then is required to sit in judgment thereof under the present law.

The board, which is by the Act authorized to administer oaths, affirmations, examine witnesses and receive evidence, thereby succeeds to the hearing function of the public officer, who continues to issue complaints and to enforce the repair, closure or demolition of dwellings regarding which the owner fails to comply with an order to repair, subject, of course, to appeal to the circuit court.

Subsection (c) details certain conditions which render the dwelling subject to the ordinance as unfit for human habitation, and provides that the ordinance may prescribe additional standards. Presently, the statute provides that the public official shall determine whether such conditions exist. **H. B. No. 1028** would provide for the board of appeals to determine the existence of such conditions. Your Committee, having considered the testimonies of representatives of the building department of the city and county of Honolulu (which, under an ordinance enacted pursuant to the statute, administers the same) recommends that **H. B. No. 1028** be amended so as to retain the public officer as one who may determine the fitness of a dwelling, in addition to the board of appeals, as provided by the amendment. The net result is a single amendment to the statute

by adding the board of appeals created pursuant to the ordinance.

Your Committee further recommends that “morals”, as that word is used in conjunction with “health” and “safety”, the detriment to which renders a dwelling unfit, be replaced by the word “welfare”, as morality, or the lack thereof, is a matter for criminal sanction rather than administrative redress. Also, the word “council” referring to the legislative branch of county government (in which is reposed the authority to adopt ordinances relating to unfit dwellings) has been substituted for the word “board” (and, further, to avoid confusion with the board of appeals created thereunder).

Your Committee further amended the Act’s references to the Hawaii Revised Statutes, and has converted the form thereof in compliance with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 1028** as amended and converted herein, and recommends that it pass second reading in the form attached hereto as **H. B. No. 1028, H. D. 1**, and that it thereafter be referred to the Committee on Finance for further consideration.

Signed by all members of the Committee except Representative Oshiro.

SCRep. 193-70 Labor and Employment Problems on **H. B. No. 1479-70**

The purpose of this bill is to appropriate an unstated amount as an additional appropriation to aid and further the apprenticeship program under the department of labor and industrial relations.

The shortage of skilled workers in the construction industry has been a contributing factor to our housing crisis. Since a substantial number of skilled construction tradesmen are trained through the apprenticeship program, an improvement, as well as an expansion, of the program will undoubtedly alleviate part of the problem.

The department of labor and industrial relations has requested an appropriation of \$52,235 to further the purpose of this bill. It has informed your Committee that the foregoing sum would be allocated in the following manner:

1. To meet established objectives, anticipated workloads and to improve efficiency and productivity of the clerical staff: \$11,775.

2. A sum of \$20,460 for a Special Assistant to the Director of Labor who will assess and evaluate the Apprenticeship Program — laws, standards, operations, and make recommendations to the Director for program improvement.

3. The sum of \$20,000 for expenses of the Advisory Committee on Apprenticeship which the Director is in process of appointing, and for such expenses as the Special Assistant may require.

Your Committee concurs with the purpose of the bill and the proposal of the department of labor and industrial relations. It has therefore amended the bill by inserting the recommended sum of \$52,235.

Your Committee is in accord with the purpose and intent of the bill, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 1479-70, H. D. 1**, and that it be referred to your Committee on Finance for further consideration.

Signed by all members of the Committee.

SCRep. 194-70 Agriculture on **H. B. No. 1916-70**

The purpose of this bill is to amend Chapter 421, H.R.S. by providing that agricultural cooperative associations with capital stock may merge or consolidate pursuant to Part I of Chapter 417. The bill also provides for agricultural cooperative associations without capital stock to merge or consolidate pursuant to Part III of the same chapter. The voting in each case will be two-thirds of the voting power

voting thereon.

Your Committee finds that agri-business in Hawaii seeks to keep pace with the highly competitive and complex nature of financial transactions and business methods. While other sectors of the business community have been able to merge and consolidate to facilitate the marshaling of assets, resources, managerial talent and manpower, Chapter 421, H.R.S., has prevented agricultural cooperative associations from doing so resulting in undue economic hardship to the cooperatives involved. For example, to accomplish such a consolidation or merger under the present law, coops concerned must first voluntarily dissolve then reorganize as a new cooperative association. This process is time consuming and costly due to time required for filing for dissolution, the appointing of trustees to close the business commitments of the coop, and the completing of the trustee's responsibilities in settling the various debts and obligations of the dissolved coop. An even greater expense is represented by the various costs incurred in the process of dissolution. Such costs as trustees fees, publication expenses for required public notices, and miscellaneous legal and administrative expenses incurred by the trustees in fulfilling their statutory obligations are unavoidable and payable from the assets of the dissolved coop.

In summary, the present law places costly and timeconsuming requirements on agricultural coops by requiring dissolution prior to merger or consolidation. After reviewing the relative ease with which corporations may merge or consolidate, your Committee feels that the various agricultural cooperative associations should be afforded the same degree of facility as is provided for in this bill.

Your Committee recommends, however, that the bill be amended by deleting the reference to Part III of Chapter 417 for associations without capital stock, as Part III refers to charters of incorporation, and also refers to allowance of the consolidation and merger by the director of regulatory agencies. Since the requirements for voluntary dissolution are applicable to

associations with or without capital stock, mergers and consolidations may be accomplished in the same manner as provided by Part I of Chapter 417.

Furthermore, since Chapter 421 provides that both types of cooperatives are non-profit, your Committee feels that Section 3 of the bill is unnecessary. The amendments recommended by your Committee have been incorporated in **H. B. No. 1916-70, H. D. 1.**

Your Committee is in accord with the intent and purpose of **H. B. No. 1916-70** as amended and recommends its passage on second reading in the form attached hereto as **H. B. No. 1916-70, H. D. 1** and that it thereafter be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 195-70 Judiciary on H. B. No. 1801-70

The purpose of this bill is to eliminate the necessity of notarizing pleadings and other documents filed in the Family Court, and replaces notarization with a declaration that statements made therein are true under "penalty of perjury".

There has been, in recent years, a national trend toward eliminating the notarization concept as both archaic and conducive to ethical problems which may arise when attorneys notarize documents and pleadings signed by their own clients.

For example, federal and state tax laws do not require notarization; neither do the civil laws of most states.

Your Committee amended **H. B. No. 1801-70** to correct a typographical oversight in its drafting by adding thereto, commencing at line 3, the phrase "to be on oath or affirmation, the person so required or", referring to the matter of certification otherwise required.

Your Committee is in accord with the intent and purpose of **H. B. No. 1801-70** as amended herein, and recommends that

it pass second reading and be placed on the calendar for third reading in the form attached hereto as **H. B. No. 1801-70, H. D. 1.**

Signed by all members of the Committee except Representative Oshiro.

SCRep. 196-70 Judiciary on H. B. No. 1805-70

The purpose of this Act is to effectuate the purposes of **H. B. Nos. 1798-70 and 1799-70**, which eliminate concurrent jurisdiction of the Family Court and the criminal courts in cases involving minors 18 years of age or older, specifically, herein, with regard to youthful probationers.

Section 711-77, Hawaii Revised Statutes, which deals with criminal procedure in the circuit courts (not the Family Court) provides that where the ends of justice warrant, sentence following conviction may be suspended and the defendant placed on probation. Said section then provides that for the doing or failure to do certain acts, the court may revoke or modify the condition of probation, and further that if the defendant is a minor, the court may direct, as one of the terms and conditions of his probation, that he be committed to the Hawaii youth correctional facility for his minority, and that if paroled during his minority, he will be returned to the court which committed him.

The status of the present law has resulted in the incongruous commitment of 18 and 19 year old offenders to the youth correctional facility who have never before during their minorities been subject to the jurisdiction of the Family Court, which otherwise makes commitments of offenders under 18 years of age for the term of their minority pursuant to sections 352-11, -12. Moreover, and for the reasons stated in the Standing Committee Reports reporting out **H. B. Nos. 1798-70 and 1799-70**, "little, if anything, can be done to ameliorate incorrigibility in the case of 18 and 19 year old minors."

H. B. No. 1805-70 amends section 711-77 by deleting reference to the youth correctional facility, thereby clearing the way for

such minors to be treated, for purposes of probation, as adults, including as a condition thereof, periodical or intermittent confinement in the county jail.

Your Committee recommends the following technical amendments:

(a) That the first and third paragraphs of Sec. 711-77 be included within the Act in strict compliance with House Rule 24(2).

(b) That the word "minors" be deleted from the sub-heading of the amended section to conform with the deletion of references to youthful probationers therein.

Your Committee is in accord with the intent and purpose of **H. B. No. 1805-70** as amended in the form attached hereto as **H. B. No. 1805-70, H. D. 1**, and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Oshiro.

SCRep. 197-70 Judiciary on H. B. No. 1807-70

The purpose of this bill is to amend Sections 579-1, -2, Hawaii Revised Statutes, by deleting therefrom provisions for a preliminary hearing in paternity proceedings and providing instead for the issuance of process upon the filing of a petition.

Under the present law, process issues only after a preliminary hearing at which the judge examines the mother in order to determine the existence of probable cause to believe that the child was begotten by the defendant; and, so finding, authorizes the issuance of process.

As a practical matter, however, this area is fully explored by the Office of the Corporation Counsel at the time the petition is prepared for filing, and its reiteration in the Family Court as an **ex parte** proceeding is a time-consuming, unnecessary procedural step in the course of causing process to issue. The Family Court referee presiding over paternity proceedings testified before your Committee that in the past several years there was not a single

case which came before the Court in which probable cause was not determined to exist.

The amendments proposed by **H. B. No. 1807-70** bring Hawaii in line with mainland jurisdictions which have uniformly omitted the preliminary hearing stage by providing that process in the form of a summons and order directing the defendant to appear and show cause why the prayer of the petition should not be granted, shall issue upon the petition and without the necessity of the preliminary hearing. Needless to say, perhaps, the amendments leave unaffected any defenses which the defendant may presently raise regarding the truth of the allegations of the petition at the trial upon the merits.

Your Committee is in accord with the intent and purpose of **H. B. No. 1807-70** and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee except Representatives Heen, Oshiro and Aduja.

SCRep. 198-70 Judiciary on H. B. No. 1432-70

The purpose of this bill is to eliminate ambiguous and obsolete terms and redefine or clarify the same, thereby enhancing enforceability of Section 188-25, Hawaii Revised Statutes.

“Firearms”, the fishing with which is unlawful, is presently defined to include “arrow guns and sling-shot guns” which may not be used except by persons over the age of sixteen years, and except in kuuna fishing grounds, which are considered as such vintaged terms as no longer have enforceable meaning. The amendment proposed by **H. B. No. 1432-70**, redefines “firearms” and “spear-gun” in more contemporary terms, lowers the age for persons permitted to fish therewith without adult supervision to fourteen years, and eliminates the term “kuuna fishing grounds”, which to the ancient Hawaiians were certain migratory routes of fish, which, if they were indeed able

to identify, have no present day significance except by literal translation which means “where the fish swim”, which would make spear-fishing in the whole ocean therefore illegal.

Your Committee is in accord with the intent and purpose of **H. B. No. 1432-70**, and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Shigemura.

SCRep. 199-70 Judiciary on H. B. No. 1436-70

The purpose of this bill is to amend Sec. 501-116, Hawaii Revised Statutes, by deleting therefrom reference to the creation of separate security interests in fixtures upon real property pursuant to the Uniform Commercial Code, so as to return said section to substantially the same form and content which it had under the Revised Laws of Hawaii 1955, prior to adoption of the Code. At the time of its adoption, said section, which dealt with recordation of mortgage deeds upon registered land, only, was amended so as to refer to fixtures thereon, and, in turn, to refer to the registration thereof under the Code in the Bureau of Conveyances.

Now that the Code has been in force for several years, and the amendment has served its informational purpose, the Land Court feels that such reference to registration of security interests in the Bureau of Conveyances is not the proper subject of the Chapter dealing with Land Court registration. The bill deletes the same.

Your Committee is in accord with the intent and purpose of **H. B. No. 1436-70**, and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Shigemura.

SCRep. 200-70 Judiciary on H. B. No. 1430-70

The purpose of this bill is to amend Sec-

tion 187-16, Hawaii Revised Statutes, in order to correct an inadvertent error made in the compiling thereof, wherein the Revisor of Statutes limited the application of the seizure and forfeiture of fishing and hunting gear provision to "this chapter", whereas said provision, as was the case in the Revised Laws of Hawaii 1955, as amended, should have been made applicable to all of the chapters in Subtitle 5.

In order to allow such seizure and forfeiture, at least one district magistrate, upon conviction of the person using or having possession of such gear, has, for the record, required the prosecution to prefer and relate to a change embodying the provisions of Act 16, Session Laws of Hawaii 1968, relating to references to previously existing law in order to resolve conflicts, and to the appropriate former section under the Revised Laws of Hawaii 1955, as amended.

Enactment of **H. B. No. 1430-70** will cure this defect.

Your Committee is in accord of intent and purpose of **H. B. No. 1430-70**, and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Shigemura.

SCRep. 201-70 Finance on H. B. No. 1444-70

The purpose of this bill is to amend a provision in the law which prohibits the expenditure of amounts in excess of \$100 for the burial of an indigent.

The Department of Social Services has said that the cost of funeral services and internment has increased proportionately with the cost of living and that the \$100 limitation is now too low. The bill as introduced would have removed the \$100 limitation and permitted the Department to pay the "customary" mortuary, crematory, cemetery and other services.

Your Committee has amended the bill to increase the limitation to \$250. This amount is sufficient to provide the above

services and is more in consonance with legislative supervision over State expenses. Should the Department find in the future that the limitation is too low, it should come to the Legislature for amendments.

Your Committee is in accord with the intent and purpose of **H. B. No. 1444-70** as amended herein and recommends its passage on second reading in the form attached hereto as **H. B. No. 1444-70, H. D. 1**, and that it be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 202-70 Finance on H. B. No. 1274-70

The purpose of this bill is to appropriate the sum of \$100,000 or so much thereof as may be necessary for the Hawaii Development Revolving Fund for housing as authorized by Act 25, Session Laws of Hawaii 1968.

The Fund was established to make loans for the planning, development and initial costs for commencing projects to provide non-profit, low and middle cost housing through the use of federal funds. The Hawaii Housing Authority which administers the Fund has testified that the \$100,000 initial appropriation to the Fund has been committed and that an additional appropriation is necessary to accommodate the new applications that have been received.

Your Committee is concerned that loans that have been made from the Fund have not contained a definite date for repayment. Since the Fund is a revolving fund, it will be better utilized if loans are repaid promptly. More loans can be made without the necessity of requesting additional appropriation to augment the Fund. Accordingly the Hawaii Housing Authority is requested to include a definite repayment date in all loans.

Your Committee is in accord with the intent and purpose of **H. B. No. 1274-70** and recommends its passage on second reading and that it thereafter be placed on

the calendar for third reading.

Signed by all members of the Committee.

SCRep. 203-70 Lands on H. B. No. 1741-70

The purpose of this bill is to amend Section 171-79, Hawaii Revised Statutes, to change the waiting period for a lessee to exercise his option to purchase fee title of state land from ten to five years. It also provides residential lands at the appraised value which is determined as of the date of the exercise of the lessee's option to purchase or determined as of the date of the issuance of his residential lease.

Your Committee finds that the relationship between the availability of land and the supply of housing is a critical one. Because of the scarcity of supply, the cost of land is affected in a manner which raises the price of the total housing cost. Land improvement costs are also high although this component of total land costs varies considerably with the location of the parcel and the character of the terrain. While available figures on land improvement costs tend to be general, these costs are most often cited by developers and contractors as major contributors to housing costs. Some representative figures on Oahu are given in the following table which illustrate these points.

Table I
ON-SITE/OFF-SITE IMPROVEMENT
COSTS OF SUBDIVISIONS IN
HONOLULU

Development Features	Construction Cost (per sq. ft.)
Level lot, no off-site improvement required	\$.65-\$.75
Level lot with an off-site improvement, FHA-VA loan commitment	.75- .90
Semi-level lot, water reservoir tank or sewage treatment plant required, FHA-VA loan commitment	.90- 1.05
Extensive on-site and off-site improvements	1.05- 1.25

Source: Figures provided by Planning

Department, City and County of Honolulu, based on a telephone survey of subdivision tract developers and consultants.

Statistics from the Federal Housing Administration also confirm the high land costs in Hawaii. The average market price of the site for FHA homes in Hawaii in 1967 was 39.4 per cent of total property value for new homes and 42.0 per cent of the total for existing homes. In contrast, the national averages were 19.7 and 21.1 per cent, respectively. Since 1960 the site cost in Hawaii has increased 81.5 per cent for new homes and 95.9 per cent for existing homes.

In view of the high, and still rising, land costs your Committee finds that the lower moderate income group, sometimes referred to as the "gap group," (whose family income is in excess of that permitted for entry in public housing but still too low to achieve home ownership due to high prices) is unable to afford the cost of complete home ownership which includes both home and the land. Therefore, in order to make more land available, land within the price range of the "gap group," your Committee finds that the state has to take the initiative and liberalize its existing public land laws to develop a systematic program for the disposition of public lands. By doing so it is strongly felt that a greater number of residents will be able to take advantage of opportunities of acquiring land for residential use.

Under existing public land laws, individuals are able to lease public lands with an option to purchase after a period of ten years. In order to make the program meaningful and to make home ownership more widespread, Section 171-79, Hawaii Revised Statutes, was amended to shorten the waiting period for lessees to exercise such options from ten to five years. It also provides that the sale price be determined as the fair market value at the date of the exercise of the lessee's option to purchase in which case the cumulative total of lease rental paid by the lessee to the date of the exercise of the option shall be deducted from the purchase price. However, if the lessee desires he can select the option to

purchase at the fair market value existing at the date of the issuance of the residential lease. If he selects this method then the purchase price will be that fair market value without any deductions.

Your Committee on Lands is in accord with the intent and purpose of **H. B. 1741-70** and recommends its passage on second reading and that it thereafter be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 204-70 Printing and Revisions

Informing the House that **House Resolution Nos. 231 to 234, House Concurrent Resolution Nos. 87 to 89 and Standing Committee Report Nos. 205-70 to 215-70** have been printed and distributed.

Signed by all members of the Committee.

SCRep. 205-70 Select Committee on Hawaii Representatives on H. B. Nos. 1927-70, 2024-70, 2099-70

The purpose of each of the bills is to make an appropriation for or relating to capital improvements as set forth in the title of the bill.

Your Committee is in accord with the intent and purpose of **H. B. No. 1927-70, H. B. No. 2024-70, and H. B. No. 2099-70** and recommends that they pass second reading and that they be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 206-70 Agriculture on H. B. No. 1687-70

The purpose of this bill is to exempt crop shelters of specified construction in determining and assessing taxable real property.

Your Committee finds that the primary industries affected by this bill are the ornamental horticulture and vegetable crop industries. As diversified agriculture has

developed in Hawaii, these enterprises have offered promising potentials for economic growth.

Your Committee finds that significant capital investments by flowers and vegetable growers in the form of artificial crop shelters have proven to be essential factors for successful and profitable operations. The installation and subsequent real property tax expenses of these structures, however, add considerably to the high operating expenses which have been a factor in restricting these industries' growth.

Your Committee recognizes that the degree of success of the ornamental horticulture and vegetable crop industries in Hawaii is largely dependent upon their success in attaining the following objectives:

- a. Protecting against variable weather conditions and the damage caused thereby;
- b. Increasing the uniformity of quality and quantity of product;
- c. Attaining higher yields per acre resulting from more intensive and technologically efficient management practices; and
- d. Decreasing the cost of capital improvements which serve primarily to maximize the utility of such natural factors of agricultural production as land and weather.

Your Committee feels that this bill would significantly assist the two industries in attaining each of the above objectives and thereby encourage their development. However, inasmuch as the bill is designed to encourage vegetable and flower producers who use "temporary structures," but is very restrictive in its present form, an amendment was made to better satisfy this intent. Thus, **H. B. No. 1687-70, H. D. 1** was made to read:

Sec. 246- Crop shelters. Any other law to the contrary notwithstanding, any structure constructed or installed on any taxable real property consisting of wooden or metal frames or supports and covered by flexible plastic

or **fiber glass** material for the protection of crops shall be exempted in determining and assessing the value of such taxable real property.

Your Committee on Agriculture is in accord with the intent and purpose of **H. B. No. 1687-70**, as amended herein, and recommends that it pass second reading and be referred to your Committee on Finance for further consideration as **H. B. No. 1687-70, H. D. 1**.

Signed by all members of the Committee.

SCRep. 207-70 Agriculture on H. B. No. 1845-70

The purpose of this bill is to appropriate funds to the department of agriculture to operate a three-year program to provide standard sized produce shipping containers to farmers throughout the State. The bill requires the department to sell the cartons and crates at cost thereby permitting farmers to enjoy any cost savings which might result from the department's large volume purchasing and distributing operations of these containers.

Since the intent of **H. B. No. 1845-70** is limited to assisting vegetable and fruit producers, your Committee saw fit to amend this bill. Thus, Section 1 now reads.

There is appropriate out of the general revenues of the State of Hawaii the sum of \$ _____, or so much thereof as may be necessary, for a three-year program for purchasing standard sized crates and cartons **for farm produce**, required for farmers to ship agricultural products.

Your Committee is in accord with the intent and purpose of **H. B. No. 1845-70** and recommends this bill pass second reading and be referred to your Committee on Finance for further consideration as **H. B. No. 1845-70, H. D. 1**.

Signed by all members of the Committee except Representative Oshiro.

SCRep. 208-70 Labor and Employment Problems on H. C. R. No. 64

The purpose of this concurrent resolution is to request the department of labor and industrial relations to collect and maintain detailed and reliable data relating to the manpower situation in the travel industry, taking into consideration such factors as labor supply, job openings, wages, average annual hours, hiring practices, and other relevant factors.

Your Committee finds that necessary detailed and reliable data on the manpower situation in the travel industry is indeed lacking and this has hampered the initiation and effectuation of manpower programs in said industry.

Your Committee concurs with the purpose of the resolution and recommends its adoption.

Signed by all members of the Committee.

SCRep. 209-70 Public Health, Youth and General Welfare on H. C. R. No. 12

The purpose of this resolution is to request the Legislative Reference Bureau to study the matter of lowering the age of majority, including the correlative relationships of the rights and responsibilities involved, analysis of pertinent demographic information, and investigation of all state and federal laws which set minimum qualifying ages.

Today's children mature earlier physiologically and intellectually than did their ancestors, resulting in impatience by youth to remove the disabilities of "infancy" and to participate in shaping and directing social changes. In considering the matter of lowering the age of majority, a careful study is needed to consider the far-reaching effects of changing the age of majority, which may have fundamental significance for the entire State.

Your Committee is in accord with the purpose of **H. C. R. No. 12** and recommends its referral to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 210-70 Public Health, Youth and General Welfare on **H. B. No. 1791-70**

The purpose of this bill is to restrict the sale and use in the State of certain compounds which induce an intoxicated condition in the user.

This bill would restrict the use of intoxicant compounds by making it unlawful for a person to breathe, inhale or drink certain compounds for the purpose of inducing a condition of intoxication. This bill would restrict the sale of intoxicant compounds by making it unlawful for any person to sell these compounds to any person under 20 years of age.

Certain aerosol paints and compounds containing inhalant chemicals are being abused by minors in this State and this bill would provide a means to control the abuse. The provision in this bill prohibiting the sale of these intoxicant compounds would give legal sustenance to many businessmen who would like to refrain from selling intoxicant compounds to youth.

Your Committee has corrected a technical error in this bill by amending "17 years of age" in section 3 of this bill to read "20 years of age".

Your Committee is in accord with the intent and purpose of **H. B. No. 1791-70**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 1791-70, H. D. 1** and that it thereafter be referred to your Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 211-70 Government Efficiency and Public Employment on **S. B. No. 1194-70**

The purpose of this bill is to relieve the Department of Accounting and General Services of the statutory duty to "perform the function of data processing." The responsibility will therefore not be placed on any department by law but will be determined by executive choice and legislative funding.

Your Committee on Government Efficiency and Public Employment is in accord with the intent and purpose of **S. B. No. 1194-70** and recommends its passage on second reading, and its referral to the Committee on Finance for further consideration.

Signed by all members of the Committee except Representative Oda.

SCRep. 212-70 Government Efficiency and Public Employment on **H. B. No. 1405-70**

The purpose of this Act is to correct the existing statutes by eliminating a function which is duplicated and redundant in the Hawaii Revised Statutes by Chapter 274, HRS (Radio Board) and Section 269-4 (Radio Inspector).

The last appropriation for the Radio Board was granted in the 1949-1951 biennium, a period of over 20 years ago. The Legislative records also disclosed that the budget request for 1951-1953 biennium was disallowed by the Governor indicating the dissolution of the Board. Records also indicate that the last appointment to the Board was made in 1943.

The repealing of Chapter 274, Hawaii Revised Statutes, will not remove the function of inspection of radio interferences but merely correct the statutes to reflect the proper assignment of this function under the Department of Regulatory Agencies.

Your Committee on Government Efficiency and Public Employment is in accord with the intent and purpose of **H. B. No. 1405-70**, and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Oda.

SCRep. 213-70 Government Efficiency and Public Employment on **H. B. No. 1406-70**

The purpose of this Act is to reduce the minimum retention period for vouchers in the Comptroller's files from ten years to six years.

Vouchers are currently kept on file for ten years, as required by Section 40-10, Hawaii Revised Statutes; however, reference is seldom made to vouchers more than three years old. Because of the shortage of space in State office buildings and in other storage areas, and because of the high cost of records storage and handling, the retention period could be lowered to a more reasonable duration that reflects the useful life of vouchers. A six-year retention period should be adequate, since that is generally the period of limitation on actions for recovering debts (Section 657-1, Hawaii Revised Statutes).

Your Committee on Government Efficiency and Public Employment is in accord with the intent and purpose of **H. B. No. 1406-70**, and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Oda.

SCRep. 214-70 Select Committees of Maui, Hawaii, Kauai and Oahu Representatives on **H. B. No. 1930-70**

The purpose of this bill is to correct deficiencies in the existing laws relating to improvements by assessments in the neighbor islands and to provide discretionary power to the county councils which, if utilized, can increase the marketability of improvement district bonds.

Chapter 67 of the Hawaii Revised Statutes is amended by this bill as follows:

1. Section 67-15 is amended to provide that in case where 100 percent of the property owners petition the county council to create an improvement district the appraised value of each parcel of land within the improvement district appraised upon the assumption that all of the proposed public and private improvements have been completed must be twice the amount to be assessed against each parcel. Further, if the appraised value of each parcel is less than twice the amount to be assessed, then the property owners may make up the difference in cash without jeopardizing the district.

2. Section 67-25, as contained in **H. B. 1930-70**, amends the maximum allowable interest rate on assessments which property owners pay from 6% to 7%. To more accurately reflect current economic conditions, your Committees feel the interest rate should be increased from 7% to 8%, and the bill has been amended accordingly. Similarly, your Committees have amended said bill to provide that the interest rate on the bonds shall be increased from 7% to 8%. The amendment merely establishes a maximum rate which need not be utilized if interest rates subsequently are lowered. Each county council will have the discretion to set interest rates up to a maximum of 8%.

3. Section 67-29 is clarified to set forth a specific time limit within which the Finance Director of the county must institute proceedings to sell the property after a default has occurred and further to set forth the procedure the Finance Director must follow if no bids are received.

4. Section 67-32.3 is added to provide for the advancement of funds in the event the Finance Director receives no bids at his foreclosure sale. If there are no funds available then Section 67-32.4 provides that the county council shall include in the budget for the next fiscal year an amount sufficient to cover any deficiency up to a maximum for any one improvement district of ten cents per one hundred dollars of real property assessed valuation. Section 67-32.5, however, limits the utilization of the supplemental appropriation to the county council's discretion after receiving a report from a screening committee composed of the Corporation Counsel, Finance Director and County Engineer following the procedures set forth in Section 67-32.6.

5. Section 67-31 has also been amended to provide for bond interest rate of 8%; to provide for bond payments from the revolving fund; to clarify the councils' discretion with respect to application of the supplemental appropriation; and to provide for temporary advancements out of the County treasury in payment of principal.

6. Your Committees have also amended Section 67-32.2 to make the replenishment of the reserve fund discretionary rather than mandatory and Section 67-38 to conform said section to the amendments proposed in **H. B. No. 1930-70**.

7. Your Committees have added an effective date which was inadvertently omitted from the original bill.

Your Committees are in accord with the intent and purpose of **H. B. No. 1930-70** as amended herein, and recommend its passage on second reading, in the form attached hereto as **H. B. No. 1930-70, H. D. 1**, and that it be placed on the calendar for third reading.

Signed by all members of the Committees.

SCRep. 215-70 Public Health, Youth and General Welfare on **H. B. No. 1907-70**

The purpose of this bill is to delete the present 18-month limitation on limited and temporary licenses issued to applicant physicians employed by the State or county and instead provide for annual re-registration of these applicant physicians during the period of employment with government.

Government agencies, especially the Department of Health, have much difficulty in recruiting and retaining physicians for their programs. In fact, there are now 15 vacancies out of 32 physician positions in the Department of Health.

Existing law provides that all medical doctors in order to be fully licensed must pass either the national board examination or the local state board examination. However, there is a provision for temporary licenses for those who have not passed the national board or state board examination. In such cases, these applicant physicians must take and pass the state board examination if they intend to be employed beyond the 18-month period.

One area of recruitment for the physician positions consists of those applicant physicians who are licensed in another

state but have not taken or passed the national board examination. Most of the applicant physicians hired by the Department of Health are specialists, such as psychiatrists, who may have practiced their specialty for over twenty years and may not have kept up on general medical developments. Therefore, they are not willing to take a general medical examination, but could do well in a specialty examination.

A major obstacle to such recruitment by the Department of Health of applicant physicians is the applicant's concern that, if he fails to pass the required examination for a regular license, he will be required to leave his job after the expiration of his temporary license.

This bill would remedy the situation by allowing the applicant physician who has not passed the national board examination to continue to work for a government agency for an indefinite period, subject to renewal of his license annually by the Board of Medical Examiners. The Department of Health believes that this bill will ease the present recruitment difficulties.

As presently worded, this bill may be construed as permitting the applicant physician on temporary license to enter the private practice of medicine. Your Committee has eliminated this possibility by amending this bill to provide that the temporary license is valid only while the applicant physician is in the employ of a governmental agency and that the license does not authorize the private practice of medicine on a fee-for-service basis.

Your Committee is in accord with the intent and purpose of **H. B. No. 1907-70**, as amended herein, and recommends its passage on third reading in the form attached hereto as **H. B. No. 1907-70, H. D. 1**.

Signed by all members of the Committee.

SCRep. 216-70 Printing and Revisions

Informing the House that **House Resolution Nos. 235 to 238, House Concurrent**

Resolution Nos. 90 and 91, Standing Committee Report Nos. 217-70 to 226-70 and Conference Committee Report No. 4 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 217-70 Lands on H. B. No. 1555-70

The purpose of **H. B. No. 1555-70, H. D. 1**, is to appropriate the sum of \$62,500 to be expended by the Department of Land and Natural Resources for the development of bait-seining methods for the harvest of skipjack tuna in Hawaiian waters. The sum so appropriated will be subject to matching funds from private industry.

Your Committee finds that in the last decade aku fishery in Hawaii has steadily declined in the number of vessels and fishermen participating in the fishery. Part of the decline stems from the fact that operating costs have increased to a greater extent than financial returns and there hasn't been any material increase in the average catch of the vessels to offset the rising costs. The point has been reached where drastic action is now necessary to reverse this continuing decline if the fishery is to survive.

Studies of skipjack tuna schools in Hawaiian waters show that fishermen using the live bait and pole method catch a low percentage of schools they encounter. Some other method, therefore, must be devised to capture a greater portion of each school contacted.

The conventional purse-seine net method, which requires a system of locating the tuna school and setting the net around the school, has proven to be successful in the Eastern Pacific tuna fishery; so successful in fact that the Hawaiian fishing industry feels the same method, with appropriate modifications, would produce greater harvests of skipjack tuna in Hawaiian waters.

Your Committee is of the opinion that purse-seine net, modified by addition of live bait, will prove successful in harvesting aku. In order to prove this, experiments

and tests will have to be conducted. This opinion is based upon not only the experience of other areas, but of tests that have been conducted in the past in Hawaiian waters with antiquated fishing gear.

In further support of this proposal, the 1969 report of the Governor's task force on oceanography, entitled, "Hawaii and the Sea," recommends that, "the state should increase its commitment to participate with industry and to encourage the Bureau of Commercial Fisheries in developing the live bait purse-seine method of fishing for skipjack tuna to benefit Hawaiian fishermen and to improve the state's economic base." The implementation of this proposal will be in conformity with the recommendation of the task force.

Representatives of private industry have testified before your Committee that they are willing to match on an equal basis the sum appropriated by this bill. Accordingly, as reflected in the bill, both the state and private industry shall contribute in the amount of \$62,500. Also, the bill provides that the contributions of the state and private industry shall be proportionately reduced in the event that funds become available for the purposes of this bill from other resources and that sale of fish caught on the chartered vessel shall be credited to the state and private industry, in proportion to the amount contributed by each.

There is also an agreement that the Federal Bureau of Commercial Fisheries will loan a modified hybrid purse-seine net, the most recent and up to date in terms of fishing gear and valued between \$50,000 to \$60,000, as the federal government's contribution to the experiment. Further, the bureau is assisting in the production of bait fish for the experiment.

As an incentive to the owner of the chartered vessel and the crew, Section 2 has been amended to provide that any revenues from sale of fish that exceed the expenses involved in the experiment shall be given to them in expectation that this will intensify their fishing efforts and subsequently result in an increase in the success of the experiment. **H. B. 1555-70, H.**

D. 1, has also been amended in Section 3 to provide that a written report of the experiment, to include a detailed account of the factors involved in its success or failure, shall be submitted to the Legislature not later than October 1, 1970.

Your Committee is in accord with the intent and purpose of **H. B. No. 1555-70, H. D. 1**, as amended herein, and recommends that it be referred to your Committee on Finance as **H. B. 1555-70, H. D. 2**.

Signed by all members of the Committee.

SCRep. 218-70 Lands on H. B. No. 2021-70

The purpose of **H. B. No. 2021-70** is to effect a closer liaison and rapport between the state agency managing the fish and wildlife resources and the people utilizing these resources through the establishment of fish and wildlife advisory committees in the several counties of the state. These committees and a central fish and wildlife advisory council are intended to reflect and express the sentiments and needs of the people concerning the management of fish and wildlife resources of the state.

Your Committee finds that there is, and will continue to be, an increasing demand for recreational fishing and hunting throughout the state. In addition, with the increasing demands being made on the limited land and water areas available in the state, the entire ecological complex may be threatened. Therefore, there is an urgent need to develop guidelines for the orderly development of a fish and wildlife program to meet the present and projected demands for recreational fishing, hunting and other uses and to provide for the preservation and enhancement of fish and wildlife habitats. It is also essential that steps be taken to integrate the over-all fish and wildlife plan with the environmental needs of the state and thus preserve the integrity of our ecosystem.

It is the opinion of the Committee that the establishment of the county committees and the central council, composed of members knowledgeable in the fishing,

hunting and conservation of fish and wildlife, will facilitate the orderly development and management of the limited resources in the state. Coupled with this will be the committees' and council's ability to cope with problems unique to the individual counties, such as preservation of the freshwater oopu on Kauai. Most important, however, is that the committees and council will serve as a sounding board for the individual hunters, fishermen, conservationists, etc. and in turn be the means for insuring that the actions taken by the division of fish and game reflect the needs and sentiments of the people. They will also serve to educate the public on matters pertaining to fish and wildlife.

Section 3 has been amended to provide that the Director of the Division of Fish and Game shall serve as an ex-officio, voting member of the advisory council.

Your Committee is in accord with the intent and purpose of **H. B. No. 2021-70** as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 2021-70, H. D. 1** and its referral to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 219-70 Education on H. B. No. 1418-70

The purpose of this bill is to increase the per diem rate for Board of Education members from \$25.00 to \$40.00 while attending board meetings on an island other than the island on which his board district is located or while traveling abroad on official business.

Your Committee has amended the bill to provide for personal expenses at the following rates:

1. \$10.00 a day for a board member attending a board meeting held on the island on which he resides.

2. \$30.00 a day for a board member attending a board meeting which is held on an island other than the island in

which his board district is located, provided, however, that he remains away from the island on which he resides overnight or longer.

3. \$45.00 a day while traveling outside the State of Hawaii on official business authorized by the Chairman of the Board of Education.

Your Committee has made the preceding amendments in light of the need to update the personal expense allowances of members of the Board of Education. The per diem rate for Board Members was set at \$25.00 in 1966, and has not been raised since. The cost of board and lodging has increased considerably since 1966, and your Committee believes that the members of the Board of Education, as elected officials, should receive the same per diem rates as members of the Legislature. Therefore, the amendments were made to conform to the rates set for Legislators in Act 5, Session Laws of Hawaii 1969.

Your Committee is in accord with the intent and purpose of **H. B. No. 1418-70**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 1418-70, H. D. 1**, and its referral to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 220-70 Government Efficiency and Public Employment on **H. B. No. 377**

The purpose of this bill is to enable a member of the employees retirement system of the State of Hawaii who served in the armed forces of the United States after December 7, 1941, and prior to becoming a member of the retirement system, to obtain credit, by means of purchase pursuant to Section 88-59, Hawaii Revised Statutes, for one year of membership service for each five years of employment with the State or county.

Your Committee is in accord with the theory of this bill, that a member of the retirement system should be allowed to purchase credit toward his retirement for

service in the armed forces of the United States prior to his becoming a member of the retirement system. Existing law allows those members who served from 1941 to 1945 with federal defense agencies where the member was employed by the State or county government before the wartime service, went into defense work at the direction of his employer, and returned to his regular job at the end of wartime service to purchase credit toward membership service. Credit may also be purchased by members who served in the armed forces of the United States from 1941 to 1945 if the employee was employed by the territorial or county governments prior to his induction into the military and subsequently returned to government employment following discharge. This bill will enable a member to purchase credits in the retirement system if he served in the armed forces prior to his becoming a member, with certain limitations.

Your Committee finds that it would be more equitable to allow the purchase of credit for any and all service by a member in the armed forces prior to membership, regardless of when the service was rendered. Therefore, your Committee has amended the bill to delete the limitation to credit for service rendered after December 7, 1941.

The bill as introduced provides that members eligible under the bill to purchase additional membership service shall be limited to purchasing one year of membership service for each five years of employment with the State or county. Your Committee has further amended the bill to limit the member's right to purchase retirement membership service credits to the purchase of four years of credit.

Your Committee has converted the form of the bill in compliance with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 377** as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 377, H. D. 1**, and that it be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 221-70 Labor and Employment Problems on H. R. No. 115

The purpose of this resolution is to request the Congress of the United States to amend a section of the Taft-Hartley Act as proposed in a pending bill in order to permit employer contributions to trust funds established for purposes of providing educational scholarships for employees and their dependents and providing child care centers for dependents of employees.

Section 302 of the Federal Taft-Hartley Act, as amended by the Landrum-Griffin Act, makes it unlawful for an employer to make payments to any representative of his employees. The purpose of this ban on payments is to discourage bribery, shakedowns, and other corrupt practices in the area of labor-management relations. There are, however, a number of specific exemptions from this ban on employer payments. These exemptions are:

- (1) compensation paid to a union officer or employee by reason of his services as an employee of the employer and payments to any employee whose duties include acting openly for the employer in labor relations or personnel matters;
- (2) payments to satisfy or settle a legal judgment, administrative agency order, or arbitration award;
- (3) the purchase of an article at the prevailing market price;
- (4) the deduction and payment over of union dues pursuant to a checkoff agreement;
- (5) payments into an employee-benefit trust fund that meets certain specifications; and
- (6) payments to a trust fund established for the purpose of pooled vacation, holiday, severance, or similar benefits or to defray the costs of apprenticeship or other training programs, provided certain conditions are met.

Senate Bill 2068, now pending in Congress, proposes to amend the law by adding another exemption from the general prohibition on on employer payments. The proposed legislation is intended to permit employer contributions to certain scholarship funds for employees and their dependents and to funds established to provide child care centers for dependents of employees. The proposed exemption is in the same general category as the exemptions described in (5) and (6) above. It would undoubtedly benefit many workers and their families and the passage of Senate Bill 2068 would not weaken the Taft-Hartley Act in any way.

Your Committee concurs with the purpose of the resolution and recommends its adoption.

Signed by all members of the Committee except Representative Iha.

SCRep. 222-70 Hawaiian Homes on H. R. No. 17

The purpose of **H. R. No. 17** is to request the Department of Hawaiian Home Lands to increase the portion of lands subject to its jurisdiction available for lease as residential lots.

Your Committee finds that there is an ever increasing need for residential lots among those native Hawaiians who qualify. Your Committee further finds that there are sufficient lands subject to the jurisdiction of the Hawaiian Homes Commission which can be made available for lease as residential lots. It will further the intent of the Hawaiian Homes Commission Act of 1920, as amended, if the portion of Hawaiian Home Lands available for residential purposes is increased.

Your Committee is in accord with the intent and purpose of **H. R. No. 17** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 223-70 Education on H. B. No. 1423-70

The purpose of this bill is to amend Sections 298-19 and 298-20, Hawaii Revised Statutes, relating to record keeping, release from attendance and transfers.

The proposed amendments would make each school, rather than the individual teacher responsible for record keeping and releases from attendance and transfers. The proposed amendments would further amend Sections 298-19 and 298-20 to conform to the compulsory attendance age specified in Section 298-9, Hawaii Revised Statutes.

The teachers may be the agents who actually perform the function of record keeping, depending on the system used by the Principal.

Your Committee has converted the form of the bill in compliance with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 1423-70**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 1423-70, H. D. 1**, and that it thereafter be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 224-70 Education on **H. B. No. 1369-70**

The purpose of this bill is to amend Section 297-3, Hawaii Revised Statutes, which calls for the Department of Education to revoke any certificate in accordance with the provisions of Section 297-2, Hawaii Revised Statutes.

The amendment provides for the substitution of the word "qualifications" in the place of "ideals or knowledge". Section 297-2, Hawaii Revised Statutes, entitled "Teachers; Qualifications; Certificates," authorizes the Department to issue certificates, but no-where is there any reference to ideals or knowledge. The Department by practice issues certificates to qualified applicants based on their educational and work experience. Such certificates may be

revoked when it is determined that the holder does not possess the necessary qualifications which entitle him to said certificate.

Your Committee has converted the form of the bill in compliance with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 1369-70**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 1369-70, H. D. 1**, and that it thereafter be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 225-70 Education on **H. B. No. 1421-70**

The purpose of this bill is to remove the lack of availability of commercial or free transportation as a reason for exclusion from the compulsory school attendance law.

Your Committee feels that no child should be deprived of the right to free public education merely on the basis that no transportation is available. Some means of providing bussing or tutoring services should be provided to insure that each and every child will receive the education necessary to prepare him to take his place as an effective member of our society.

Your Committee has converted the form of the bill in compliance with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 1421-70**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 1421-70, H. D. 1**, and that it thereafter be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 226-70 Education on **H. B. No. 1424-70**

The purpose of this bill is to amend the law on sale of merchandise in schools to apply to all public schools rather than only to Honolulu District Schools.

The law should apply to all public schools equally. Honolulu District has no unique characteristics that requires the application of this law only within the Honolulu District.

The bill provides for the Department of Education with the advise of the comptroller to promulgate the necessary rules and regulations in conformance with the administrative procedures.

Your Committee is in accord with the intent and purpose of **H. B. No. 1424-70** and recommends its passage on second reading and that it thereafter be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 227-70 Government Efficiency and Public Employment on **H. B. No. 1870-70**

The purpose of this bill is to effect certain adjustments in the compensation of public officers and employees to assure government employees fair and reasonable compensation for the work they perform and in a manner consistent with competitive positions within the community. As introduced, this bill adopts the recommendations of the Conference of Personnel Directors (hereafter called the Directors) relating to adjusting the wage board schedule to reflect the findings of the wage board survey conducted pursuant to section 77-5; changing the timetable set by law for completing the wage board survey and clarifying the law on the payment of increments.

Your Committee has amended this bill by (1) providing that the average of prevailing wages be reflected at step two of the schedule instead of step three and (2) adjusting the pay qualification and appointing authority of the family court referees. These changes are explained in detail below.

Reflecting the average of prevailing wages at step two instead of step three. After conducting a comprehensive review of the blue-collar compensation plan, your Committee finds that the plan is still in its development stages with several major problems unresolved.

The blue-collar wage plan was first enacted in 1967. A schedule, separate from the white-collar schedule, was adopted for several reasons:

(1) Comparisons of government blue-collar wages and community wages consistently demonstrated that government blue-collar wages were relatively low, particularly at the entry level;

(2) Publicity about increases in construction wages and other blue-collar wages led to comparison with government blue-collar wages but there was no way to recognize and pay prevailing wages under the SR schedule;

(3) Adjustments for blue-collar workers within the SR schedule would have disrupted relationships with other non-blue-collar classes in the SR schedule;

(4) The success and acceptance of the federal wage board system for blue-collar workers demonstrated the advantages of a separate salary schedule for blue-collar workers;

(5) In private industry, there is a pattern of having separate schedules for blue-collar and clerical workers.

Act 307 as enacted in 1967 provided for biennial wage adjustment studies and an eight-step schedule with five increment steps and three longevity steps. It also provided that the average of prevailing wages would be reflected at step two of the schedule. In making the wage survey, construction wages and wages of other governmental jurisdictions were to be excluded.

The federal wage board system was not followed in two respects: (1) Act 307 called for biennial reviews instead of the annual surveys carried out under the federal wage

board system and (2) Act 302 incorporated a total of eight steps in order to ease problems of transition from the ten steps of the SR schedule to the new blue-collar schedule.

A wage survey was conducted pursuant to Act 302 and in 1968 a blue-collar schedule was presented to the Legislature. Recognizing that the high cost of the proposed schedule and after reviewing many plans to revise the schedule, the Legislature passed Act 72 in 1968. This Act:

(1) reduced the blue-collar schedule from eight steps to four steps;

(2) provided for the inclusion of federal wages in the survey of prevailing wages;

(3) made step three of the wage board schedule the step at which prevailing wages are reflected; and

(4) adopted a schedule which provided wages that were generally above the prevailing wage as determined by the 1967 survey.

In 1969, since the conversion process to the four-step wage board schedule resulted in many old-time employees receiving only a token increase, a justifiable fifth step was added to the schedule by Act 127.

Pursuant to the provisions of the blue-collar compensation law, the Directors conducted a wage survey in late 1967 and presented to the 1970 session a new blue-collar schedule to be implemented on July 1, 1970. Under the Directors' proposal, 5,278 employees out of a total of 7,734 employees or 68 per cent of the blue-collar employees would receive no adjustment during the fiscal year 1970-71. Had the Directors pursued the strict policy of prevailing wages, these persons would have fared even worse, with employees in Wage Board 1 taking a 7.7 per cent reduction in pay, persons in Wage Board 2 taking a 6.2 per cent reduction in pay, persons in Wage Board 3 taking a .5 per cent reduction in pay and persons in Wage Board 9 taking a .9 per cent reduction in pay. However, the Directors did not propose

any reduction in pay but recommended that the above persons retain their present salary. This position was explained by the Directors in its **Recommendations on the Blue Collar Pay Plan for the State of Hawaii and its Political Subdivisions** as follows:

“The factors provided by law for the construction of the Wage Board Schedules have been consistently amended since its original adoption by Act 302, S.L.H. 1967, i.e., deletion of the number of steps and wage board grades, modification to the “straight line”, addition of steps, inclusion of industrial categories, etc., so that it is evident that firm policies on a Blue Collar Compensation Plan have not been established. Moreover, the Compensation Plan has only undergone a single review so that the aforementioned changes coupled with this short experience in this area indicates a course of minimal change.

So as to prevent serious disruptions and controversy regarding the Blue Collar Compensation Plan and mindful of the aforementioned changes, the Conference recommends adoption of the attached Wage Board Schedules in which the wage rates for Wage Board Grades 1, 2, 3 and 9 in the Wage Board Schedules have not been changed from that of the existing (1968) Wage Board Schedules.

This recommendation also appears to be in concert with prior Legislative policies wherein it has consistently acted to protect employees from adverse salary actions in considering salary proposals.”

The possible pay reductions, the Directors' action and their explanation led your Committee into a detailed study of the blue-collar compensation plan which produced the following observations:

(1) the possible pay reductions at WB 1, 2, 3 and 9 was primarily a result of the 1968 schedule being above the prevailing wage as determined by the 1967 survey and the inability of the prevailing wage in two years to catch up and exceed the rates found in the schedule.

(2) there is a time lag between the conduct of the wage survey and the implementation of the new schedule. The proposed July 1, 1970 schedule is based on information collected in July of 1969. This time lag unnecessarily prevents the compensation plan from being a prevailing wage plan.

(3) the reflection of the average of prevailing wages at step three results in new employees being hired at a rate 10 per cent below the prevailing wage. This factor plus the time lag mentioned in (2) above results in many employees being paid less than the prevailing wage.

(4) blue-collar wages under this system are still substantially below the rates paid by the federal government.

(5) in the Committee's discussion of the survey techniques and the utilization of collected wage data, it became apparent that there are many variables in the conduct of the survey which should be examined more carefully. For example the Directors used the "Method of Least Squares" with a straight line in constructing the Wage Board Schedule. The U.S. Department of the Navy and the Air Force use a straight line with one or more "kinks" or "elbows". The "Method of Least Squares" using a non-linear line could also have been utilized. The lack of classes in certain levels, especially the lower and the higher pay levels had the tendency of influencing the slope of the line. Similarly the inclusion of the federal government in the survey had the effect, especially where that jurisdiction is the major employer, to raise the slope of the line. The lack of time and money prevented the Directors from conducting a thorough wage survey. Since the needed data could not be tabulated with the appropriations granted and in the time granted, the Directors had to rely on existing data which were not always appropriate to the survey needs.

In view of these observations your Committee recommends the following:

(1) reflect the average of prevailing wages at step two instead of step three.

This will result in a greater number of employees being paid at or above the prevailing wage. It will also provide a 5 per cent adjustment to all blue-collar employees including the 5,278 employees who under the Directors' recommendations would not have any adjustment in the next fiscal year. Your Committee concurs with the Directors that these employees should not be adversely affected because in the short experience of this plan, firm policies have not been established. By changing the prevailing wage step to step two, serious disruptions and controversy can be avoided while a comprehensive review of the blue-collar compensation plan is conducted as requested below.

(2) the Directors are requested to review the following areas and to submit its findings and recommendations on these topics along with its report setting forth the compensation plan and wage board schedule for fiscal year 1972-73:

Prevailing Wage Concept

Is the present modified prevailing rate plan effective? Is it realistic for purposes of recruiting and retaining qualified blue-collar employees? Are there serious deficiencies, technical or otherwise, that require immediate attention? If corrective actions are necessary, what are the Directors' short and long range proposals in this regard?

Survey Techniques and Utilization of Collected Wage Data

Is the present straight line method of calculating the prevailing rates equitable? Can the survey samples be made more stable whereby the exclusion or inclusion of one company or class will not adversely affect the survey results? Should more classes be included in the survey especially for levels that are represented by only one or very few classes? Should surveys be conducted on a biennial or annual basis for salary adjustment? What are the money and time requirements for conducting a wage survey which would more closely reflect prevailing wages in the community?

Your Committee recommends that the

sum of \$1,795,802 be appropriated for the purposes of this Act to be allocated in the following manner:

Jurisdiction	Amount
State	\$1,303,288
City and County of Honolulu	352,701
County of Hawaii	57,059
County of Maui	49,197
County of Kauai	33,557
	Total
	\$1,795,802

Of the \$1,303,288 appropriated for State employees, \$331,744 is to defray the repricing and adjustment costs for State general fund positions as recommended by the Directors. No appropriation is made for the repricing costs of the county jurisdictions since under the blue-collar compensation law, pay adjustments should have been anticipated for fiscal year 1970-71. Recognizing, however, that the changes in the prevailing wage step will result in substantial salary requirements, your Committee proposes that in order to aid the counties, sufficient funds be appropriated to cover one-half of the first year costs thereof except for the blue-collar employees of the Board of Water Supply of the City and County of Honolulu. The latter is expected to absorb the resultant added cost. It is the intent of your Committee that State support to the counties for the increase terminate on December 31, 1970.

The Department of Budget and Finance is expected to allot the funds appropriated by this Act only as may be necessary, with surpluses being returned to the general fund as of June 30, 1971.

Changing the pay, qualification and appointing authority of family court referees. Your Committee has made three changes with regard to family court referees. In order to create a uniform system of appointment within the judiciary, the Chief Justice is made the appointing authority for referees instead of the judge of the family court. The Chief Justice is, under the Constitution, the administrative head of the court. As such, he assigns judges from one circuit court to another for temporary

services. He designates the family court judge of the first circuit. He appoints the district magistrates and the administrative director of the courts. Accordingly, your Committee feels he should be the appointing and replacing authority with regard to family court referees. This change has been recommended by the Interim Committee on the Judiciary. The qualification of a family court referee is amended to require that the referee be a licensed attorney. The pay of the referee is set by this bill at the salary of a full-time district magistrate. Under existing law, your Committee believes that the two positions have comparable responsibilities and therefore, no fruitful comparison can be made with regard to the relative importance of the two positions involved. Accordingly, both positions are paid equally under this bill.

Your Committee is in accord with the intent and purpose of **H. B. No. 1870-70** as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 1870-70, H. D. 1**, and that it be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 228-70 Printing and Revisions

Informing the House that **House Resolution Nos. 239 to 242, House Concurrent Resolution Nos. 92 to 94, Standing Committee Report No. 227-70 and Standing Committee Report Nos. 229-70 to 263-70** have been printed and distributed.

Signed by all members of the Committee.

SCRep. 229-70 Harbors, Airports and Transportation on H. B. No. 1749-70

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii sums for the repair to the Keehi Lagoon Boat Harbor, Oahu, Hawaii.

Your Committee is in accord with the intent and purpose of **H. B. No. 1749-70** and recommends that it be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 230-70 Harbors, Airports and Transportation on **H. B. No. 1597-70**

The purpose of this bill is to provide authorization to make relocation assistance for persons, businesses, firms and non-profit organizations displaced for airport purposes. Relocation allowances are provided for in Hawaii Revised Statutes in the case of highway projects. The same provisions are provided in cases of airport projects under the provisions of this bill. Additionally, the federal government will also require that provisions be made for relocation on projects funded through federal-aid programs. The present bill will help assure the State's ability to meet its obligations in receiving federal grants on future federal-aid to airport projects.

Your Committee has amended the provision relating to when the bill shall become effective. It has made the bill effective upon approval, but has also provided for payments to those individuals that have been displaced due to airport expansion. The retroactivity is made effective as of September 1, 1969 for the primary reason that in September, 1969, certain people living on property to be acquired by the Airports Division were informed of the State's plan for expansion and that some of these individuals, in anticipation of the State's planned acquisition, have expended funds to relocate themselves to other areas.

Your Committee has converted the form of the bill to comply with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. 1597-70**, as amended herein, and recommends its passage on second reading and that it be referred to your Committee on Judiciary in the form attached hereto as **H. B. 1597-70, H. D. 1.**

Signed by all members of the Committee.

SCRep. 231-70 Harbors, Airports and Transportation on **H. B. No. 2061-70**

The purpose of this bill is to make an appropriation for the continuance of the Waikiki Erosion Control Project in the event that Federal funds for this purpose becomes unavailable. Your Committee has amended the bill by eliminating the amount appropriated in order that the Committee on Finance may be able to put in an appropriate figure if sufficient funds are available. The Department of Transportation has recommended that **H. B. No. 2061-70** be deferred. However, if there is sufficient funds it may be appropriate for your Committee on Finance to make funds available should Federal funds become unavailable.

Your Committee is in accord with the intent and purpose of **H. B. No. 2061-70**, as amended herein, and recommends that it pass second reading and that it be referred to your Committee on Finance in the form attached hereto as **H. B. No. 2061-70, H. D. 1.**

Signed by all members of the Committee.

SCRep. 232-70 Harbors, Airports and Transportation on **H. B. No. 2151-70**

The purpose of this bill is to authorize the Department of Transportation to establish, maintain, operate, manage and control energy corridors for the economical transmission of sources of energy while maximizing the use of available lands necessary therefor.

At the present time, Dillingham Petroleum Corporation and Hawaiian Independent Refinery have announced plans to build oil refineries in the Barbers Point area. Honolulu Gas Company has also expressed an interest in utilizing the corridor for gas transmission lines. The energy corridor concept will provide the State a means of controlling the design and style of lines in which sources of energy will be transmitted from the Barbers Point area to the main consumption areas. Further, the Navy, over whose property any pipeline between Barbers Point and Honolulu must cross, has indicated that it would be disinclined to grant any easements except to a central governmental agency

that would regulate the use of the corridor in order to insure the public interest.

All current privileges of specified utilities to occupy the highway right-of-way will be continued at the same cost to those utility companies as at present. Your Committee has amended Section 2 of the bill by providing that the utilization of such energy corridors shall be permissive and not mandatory. The reason for this amendment is to clarify the intent of the law, since mandatory action may raise certain legal problems.

Your Committee is in accord with the intent and purpose of **H. B. 2151-70**, as amended herein, and recommends that it pass second reading and that it be referred to your Committee on Judiciary in the form attached hereto as **H. B. 2151-70, H. D. 1**.

Signed by all members of the Committee.

SCRep. 233-70 Judiciary on H. B. No. 1559-70

The purpose of this bill is to amend Part V of Chapter 351, Hawaii Revised Statutes, by allowing the criminal injuries compensation commission to make emergency payments to victims of criminal acts who are in need of immediate funds in order to meet expenses incurred as a result of the injuries sustained, pending a final determination and award, the amount of which reduces the victim's claim for legislative relief sought thereafter. The bill also appropriates out of the general revenues the sum of \$100,000, or so much thereof as may be necessary, for the purpose of making such emergency payments.

Your Committee received testimony from the chairman of the criminal injuries compensation that there is often a span of two years between the time of such injury and legislative appropriation of the funds necessary to pay the award, i.e., the year in which the injury occurs, the year following in which it is processed, heard and awarded by the commission, and the year thereafter following in which the funds necessary to pay the award are

appropriated by the legislature. Frequently, and particularly where the victim dies or is so seriously injured that he is unable to pursue gainful employment, his dependents are rendered destitute until the time of legislative relief. The amendment proposed by **H. B. No. 1559-70** would authorize emergency payments in such situations which shall not exceed the total amount of the victim's award and shall serve to reduce the amount of the claim.

Two further amendments were suggested by the chairman of the criminal injuries compensation commission, with which your Committee is in accord: (1) That emergency payments as provided therein be made available not only to the victim but also to dependents of deceased victims, (2) That the amount by which the victim's award is reduced upon his claim for legislative relief be redeposited into the emergency payments fund rather than back into the general revenues, thereby maintaining the same at a rotating level sufficient to meet current needs without the necessity for annual legislative reappropriation for the emergency fund. Your Committee has amended the bill accordingly.

Your Committee is in accord with the intent and purpose of **H. B. No. 1559-70** as amended in the form attached hereto as **H. B. No. 1559-70, H. D. 1**, and recommends that it pass second reading and thereafter be referred to your Committee on Finance for further consideration.

Signed by all members of the Committee.

SCRep. 234-70 Judiciary on H. B. No. 1812-70

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii the sum of \$26,748.00, or so much thereof as may be necessary, to study and review the Probate laws of the State of Hawaii, and to prepare for enactment in Hawaii, with appropriate conforming amendments, the Uniform Probate Code.

The Uniform Probate Code ("UPC")

was approved by the National Conference of Commissioners on Uniform State Laws and the American Bar Association in August, 1969. The Code project had been under way since 1962, as a joint effort with the Section of Real Property, Probate and Trust Law of the American Bar Association to update and replace the Model Probate Code published in 1947. The work-product of a panel of law school professors, its policy guidance came from a special committee of the National Conference and participation by committees of the American Bar Association and the American Bankers Association.

During the drafting period since 1962, a widespread public demand has developed for modernization of probate laws, and a number of states have engaged in extensive probate law revision. A study of the Model Probate Code was conducted by a committee of a proposed revision of the Hawaii probate laws. This revision has not been offered to the Hawaii legislature because of the progress being made on the UPC and the belief that the Hawaii law revision should have the benefit of the very large amounts of effort and skill being expended in the UPC project. The work of the Hawaii Bar Association committee furnishes a foundation for appraisal of the UPC by Hawaii.

The most significant feature of the UPC is a flexible system for administering decedents' estates, with procedures of varying degrees of formality available to fit the needs of the particular estate. Certain changes are made in the rules of descent and distribution governing in cases of intestacy, the chief of which would give the surviving spouse a larger share in most cases and the whole of small estates. Dower and curtesy are replaced by a spouse's elective share of one-third, applicable to property passing by various forms of will substitutes as well as property subject to administration in probate.

The UPC also includes new procedures for the protection of minors and persons under legal disabilities, including provisions for the appointment of conservators of the property of protected persons. Provisions governing trust administration

were included to promote uniformity and simplify judicial procedures applicable in many states, define trustees' liabilities and permit foreign corporate trustees to act. The formalities for execution of wills are simplified and the age at which a will may be made is lowered to eighteen.

Except as to the smallest estates, the Hawaii probate laws make no distinction as to the required procedures based on the size of the estate, the relationships of the beneficiaries or the complications of administration. The UPC would enable the interested parties to make choices as to the procedures to be followed, and thereby to minimize the expense and time of administration. Whenever desired, at any stage of administration, the personal representative (executor or administrator) may use a formal procedure similar to the present *in rem* proceeding under Hawaii law, obtaining the same certainty and protection. On the other hand, where no need is seen for using formal procedures, the will may be given effect substantially as a deed and the beneficiaries may receive and deal with the property without court action. Where informal procedures are used, notice of the transfer of the property is given by registering the will and the beneficiaries assume the duty to discharge the decedent's obligations. Any interested party can obtain court supervision of the administration, however.

The UPC does not fix the compensation of the personal representative or the attorney for the estate. A personal representative is entitled to reasonable compensation for his services and both employs and fixes the compensation of the attorney, subject to judicial review.

The UPC provides that it applies to any probate proceeding pending on its effective date.

The sum of \$26,748.00 shall be expended by the judicial branch under the direction of the judicial council which shall cause the legislation prepared pursuant thereto to be submitted to the Sixth State Legislature at its regular session of 1971.

A breakdown of the estimated budget

for the Uniform Probate Code project is as follows:

July 1, 1970 to February 28, 1971 (8 months)	
Project Director, professional services	
\$2,000 monthly	\$16,000
Legal Secretary	
\$781 monthly	6,248
Printing and supplies	4,500
	Total: \$26,748

The estimated budget assumes that office space, machines, and furnishings will be made available at no cost for the project. Compensation for professional services is estimated at an amount consistent with compensation for attorneys hired by the legislature. Compensation for the legal secretary is estimated at the minimum 1970 rate for SR 20 for public employees. Printing and supplies costs are based on a publication of 1,500 copies at \$3. Copies for non-governmental distribution could be sold at cost to reduce this expense.

Your Committee is in accord with the intent and purpose of **H. B. No. 1812-70** and recommends that it pass second reading and thereafter be referred to your Committee on Finance for further consideration.

Signed by all members of the Committee.

SCRep. 235-70 Lands on H. B. No. 1433-70

The purpose of this bill is to amend Chapter 178, Hawaii Revised Statutes, Relating to Artesian Wells, to refer to all types of wells rather than be restricted to artesian wells, generally. The existing statute is primarily concerned with the waste of water from artesian wells, whereas, the proposed amendments are intended to broaden the scope of the law to wells of all types, including wells which can affect, pollute or threaten to pollute Hawaii's ground water resources.

Your Committee finds that many wells are being drilled in locations other than in artesian basins and for various purposes

such as water supply for municipal, agricultural and industrial uses; disposal of waste waters and storm waters; and recharge of ground water aquifers. Present statutes prevent the state from collecting data and managing water resources on such a broad front. Because of this restriction, the state has not been able to adequately maintain a sound water management program and further it has not been able to control the possible pollution of our underground water resources. The amendments in this bill will clarify and broaden the scope of the law and it will also make available more complete ground water information from not only water wells but also disposal wells and test holes.

During the course of the hearing on the bill and the subsequent discussion, several questions were raised as to the effect that this bill would have on the power of the City and County of Honolulu, specifically the Board of Water Supply, in regulating wells in the City and County of Honolulu as provided under the charter. The possibility of misinterpretation of the intent resulting in confusion between the two levels of government over the responsibility and authority of regulating wells was such that the city and county proposed to have the original bill amended by inserting: "The provisions of this act shall not be construed as amending the provisions of the Charter of the City and County of Honolulu relating to wells."

In view of this the office of the Attorney General rendered an opinion in regard to the proposed city and county amendment. The opinion stated: "If the amendment proposed by the Board of Water Supply becomes a part of **House Bill No. 1433-70**, since the bill covers all ten sections comprised in Chapter 178, the city and county would be totally exempted from the scope of the bill." A subsequent opinion further stated, ". . . the Legislature may enact a statute relating to wells only if it does by means of a general law; the same may not be accomplished by legislation which excludes the City and County of Honolulu only." The original opinion also stated, "The efforts of both the state and the board are directed toward a similar end except for one basic difference of scope in use

and territory. The board is confined to the domestic needs of the City and County of Honolulu while the state's role is concerned with the domestic, military, agricultural and industrial water needs of the entire state." Thus the proposed city and county amendment was considered unnecessary.

Furthermore, to prevent legal speculation on the words "except as otherwise provided" which appear in four sections of the existing chapter, the words have been eliminated from the original bill. Again this is in view of the Attorney General's opinion which stated ". . . the term may be defined and interpreted to mean that the city and county is excluded from the scope of the coverage of the matters enumerated." The same reasoning applied to the proposed amendment is applied here.

Other amendments to the existing chapter are as follows:

(a) The proposed title is intended to refer to all types of wells rather than be restrictive to artesian wells, generally.

(b) The proposed change in definition of "well," and as further defined in **H. D. 1**, clarifies and includes the various types of wells being constructed in Hawaii. The definition will make available more complete ground water information from not only water wells but also disposal wells and test holes.

(c) The wording defines the well under artesian condition for which this section is applicable.

(d), (e), (f) The changes in these sections make the wording consistent with the amendment proposed under item (b).

(g) Authorizes the Board of Land and Natural Resources to obtain pertinent records.

(h) Increases the penalty for violation from \$50 to \$100.

(i) The wording describes a well under artesian conditions for which this section applies.

(j), (k) Amendments make the wording in these sections consistent with the amendment proposed under item (b).

Your Committee is in accord with the intent and purpose of **H. B. No. 1433-70** as amended herein and recommends that it pass second reading and be referred to your Committee on Judiciary in the form attached hereto as **H. B. No. 1433-70, H. D. 1**.

Signed by all members of the Committee.

SCRep. 236-70 Lands on H. B. No. 1611-70

The purpose of this bill is to appropriate the sum of \$24,216, or so much thereof as may be necessary, to the Department of Land and Natural Resources for continuing the archaeological investigation of the Lapakahi Coastal and Upland Village on the island of Hawaii. The work that will be accomplished with funds appropriated by this bill will allow for the continuation of archaeological work at Lapakahi which has extended over three summers, the past two of which have seen excavation producing a wealth of material that will allow the Department of Land and Natural Resources to reconstruct the site into a historical park.

The Lapakahi Coastal Village lies immediately to the south of Mahukona on the western coast of the Kohala District, Hawaii, and is unusually well preserved. Excavations to date have yielded much information about this marine oriented community. Inland from the coast is an agricultural settlement area occupied pre-historically and historically. According to previous researchers of the area, the upland sites are extremely valuable as they are among the few non-coastal occupation areas remaining in the state.

The research projects of 1968 and 1969 centered on study of the ecological adaptation of the ancient Hawaiians, their settlement and community patterns and several aspects of their social organization. Survey of the area, detailed mapping and excavation were also accomplished in 1968 and 1969. Plans for 1970 call for further study

of the Upland Village and agricultural areas, including examination of burial sites, clearing of house sites, collection of floral and fauna data and the association of occupation units, agricultural features and religious structures will be tested and described.

Funds appropriated by this bill will support five student excavators, three field supervisors, one laboratory supervisor, one computer-clerical assistant, one cook and one cook's helper for the summer excavation. In addition, the funds will also provide consultant support, partial payment of radio-carbon dating fees, computer services and equipment.

Your Committee finds that the completion of the project this summer will enable the researchers to compile accurate and in-depth interpretative data which will assist the Department of Land and Natural Resources in their efforts to reconstruct the area as a state historical park. Publications, maps and manuscripts produced as a result of the research will also help to provide an explanation of the area and in this respect encourage the understanding and appreciation of the area by individuals visiting the historical park.

Your Committee is in accord with the intent and purpose of **H. B. No. 1611-70** and recommends that it pass second reading and be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 237-70 Lands on H. B. No. 2041-70

The purpose of this bill is to appropriate the sum of \$1,115,000 to be expended by the Department of Land and Natural Resources for the planning and construction of the following four state parks on the island of Oahu; subject, however, to the availability of federal funds for such purposes:

Nuuanu Pali State Park	\$400,000
Waimanalo Bay Recreation Area	230,000
Makiki Tantalus State Park Complex	335,000
Wahiawa Freshwater Park	150,000

Your Committee finds that state parks on the islands of Oahu are not adequate in number and facilities to meet the greatly expanded recreational needs of the people of this island. Only in recent years has attention been focused on servicing the recreational needs for the 81% of our population living on Oahu. This emphasis has been mainly the efforts of the Division of State Parks, Outdoor Recreation and Historic Sites which has initiated a program for the acquisition and development of diversified recreational sites.

In line with the state's emphasis in the development of parks has been the federal government's introduction of its "peoples park" program through which an estimated \$1,000,000 could be made available for park development in densely populated areas, provided that the parks are within forty-five minutes' drive of the urban center. The proposed parks in this bill meet the requirement. Therefore, considering the need for further development of state parks on Oahu and the federal government's willingness to participate in meeting these needs, a more substantial park development program is in order.

Your Committee is in accord with the intent and purpose of **H. B. No. 2041-70** and recommends that it pass second reading and be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 238-70 Lands on H. B. No. 1378-70

The purpose of this bill is to appropriate the sum of \$150,000, or so much thereof as may be necessary to enable the Department of Planning and Economic Development to prepare a comprehensive state-wide open-space plan. This will permit the implementation of Act 182, passed by the Fifth Legislature, 1969 Session, which requested the Department of Planning and Economic Development to prepare such a plan. The plan will be prepared through consultant aid with appropriate direction, coordination and technical participation by departmental staff.

Your Committee finds that the plan is timely relative to the imminent development of state-wide lands. Furthermore, the counties must program their open-space land acquisition projects in accordance with a state-wide open-space plan in order to maintain eligibility for federal funding assistance. The recent Department of Housing and Urban Development policy mandating this plan became effective in January, 1970. Another factor necessitating immediate development of the plan is that undue delay may result in acquisition of open space becoming prohibitive due to rising cost and urbanization.

The open-space plan will be prepared to meet all the objectives and criteria set forth in Act 182. In addition, it will be done in cooperation with the counties and citizen organizations. The plan will include the intensive studies of existing conditions, influences, implementing methods and techniques and policy matters in providing for public use or enjoyment of certain lands for open-space purposes. A major output will be recommendations for designating such land uses on a state-wide basis. The plan will also build on the State-Wide Comprehensive Outdoor Recreation Plan and will be complimentary in its formulation and implementation. It will be further coordinated and integrated with the recent emphasis on planning for environmental quality, the preservation of the integrity of the ecosystem.

Your Committee is in accord with the intent and purpose of **H. B. 1378-70** and recommends this bill pass second reading and be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 239-70 Lands on **H. B. No. 1452-70**

The purpose of this bill is to eliminate the present requirements to obtain a permit prior to utilizing a vessel for commercial fishing and to pay a fee for such a permit to the Department of Land and Natural Resources. The bill would also authorize the Department of Transportation to collect the normal vessel registration fee for

issuing a Certificate of Number to a fishing vessel required to be numbered by federal and state laws.

The Department of Land and Natural Resources presently issues permits, pursuant to statutes authorizing the use of certain vessels for commercial fishing, and collects fees for issuing such permits. In addition, certain boat owners, including motorboats and commercial fishing vessels, are required to obtain a Certificate of Number from the Department of Transportation. Considerable administrative costs are involved in issuing these Certificates of Numbers, but the owners of commercial fishing vessels are currently not paying fees to the Department of Transportation since they are already paying a fee to the Department of Land and Natural Resources for a permit authorizing use of their vessels for commercial fishing.

This bill would eliminate the current requirement to obtain a permit and pay a fee to the Department of Land and Natural Resources. Instead, the vessel would only be registered with the Department of Transportation and the department would be authorized to collect a fee in the same amount as is paid by all other vessel owners for this service.

This bill would not only eliminate the current inconvenience of registering a fishing vessel with two state agencies but also will be less expensive for the owners. In issuing a permit the Department of Land and Natural Resources presently requires a payment of \$.25 for each foot of vessel length. Therefore, it currently costs \$3.75 to obtain a permit from the Department of Land and Natural Resources for a 15-foot boat. Under the provisions of this bill it would only cost \$1 to obtain a Certificate of Number from the Department of Transportation. Savings would result in registering all size commercial fishing vessels.

Your Committee has converted the form of this bill in compliance with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 1452-70** and recommends that it pass second read-

ing and be referred to your Committee on Harbors, Airports and Transportation in the form attached hereto as **H. B. No. 1452-70, H. D. 1.**

Signed by all members of the Committee.

SCRep. 240-70 Lands on H. B. No. 2039-70

The purpose of this bill is to appropriate the sum of \$150,000, or so much thereof as may be necessary, to be expended by the Department of Land and Natural Resources to complete the restoration of Hanauma Bay on Oahu and Kealakekua Bay on Hawaii as underwater parks.

Hanauma Bay and Kealakekua Bay have been declared marine life conservation districts by regulations of the Board of Land and Natural Resources for the purpose of preserving, protecting and conserving the marine resources and geological features within these bays. Both of these bays are suited for development as underwater parks, thus in order that the full beauty and educational value of the marine environment may be presented to Hawaii's residents and visitors, shoreside display facilities and underwater trails with markers and interpretive signs are required. Approximately \$50,000 is required to complete the restoration of Hanauma Bay and \$100,000 to complete the restoration of Kealakekua Bay.

Your Committee is of the opinion that the establishment and maintenance of these underwater parks will not only add substantially to the over-all outdoor recreation plan of the state, but it will also be of great benefit to the scientific community. These bays could easily serve as underwater laboratories for furthering man's understanding of the sea and the myriad of animal and plant life that inhabit its waters.

Your Committee is in accord with the intent and purpose of **H. B. No. 2039-70** and recommends that it pass second reading and be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 241-70 Lands on H. B. No. 2040-70

The purpose of this bill is to appropriate the sum of \$50,000, or so much thereof as may be necessary, to be expended by the Department of Land and Natural Resources for the development of a comprehensive, long-range fish and wildlife plan for the State of Hawaii.

Your Committee finds that there is an urgent need to develop a comprehensive, long-range fish and wildlife plan to serve as a guide for the orderly development of a fish and wildlife program to meet the projected demands for recreational fishing, hunting and other uses and to provide for the preservation and enhancement of fish and wildlife habitats. Such a plan would provide a framework for future programs, such as the following:

1. Preservation of rare and endangered wildlife habitat through an expanded refuge, sanctuary and wilderness preserve system.
2. Acquisition of additional public fishing and hunting areas and accesses through purchases, leases or cooperative agreements.
3. Introduction and/or transplantation of fishes, birds and mammals to fill vacant ecological niches consistent with maintaining the integrity of our native ecosystems.
4. Orderly and systematic development, maintenance and management of State and private lands and water areas used by fishermen, hunters and other recreationists.
5. Conduct of coordinated fish and wildlife research, including the collection and interpretation of life history information vital to the scientific management of the fish and wildlife resources.

The long-range implications of such a plan are manifold, including establishment of guidelines so other natural resource managers can coordinate their programs to avoid duplication of efforts and conflicts. In addition, the proper preparation and implementation of such a plan will con-

tinuously provide long-term benefits to sportsmen, conservationists and the academic and scientific communities.

Your Committee is in accord with the intent and purpose of **H. B. No. 2040-70** and recommends that it pass second reading and be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 242-70 Public Institutions and Social Services on H. B. No. 1305-70

The purpose of **H. B. No. 1305-70**, as amended herein, is to appropriate the sum of \$75,000 for the establishment of a service center for immigrants. The sum appropriated is to be expended by the Department of Planning and Economic Development through the Advisory Commission on Manpower and Full Employment.

Your Committee finds that there is an urgent need for a service center to assist immigrants in overcoming the myriad of problems with which they are faced upon arrival in Hawaii. More specifically, it is intended that the center will accomplish the following functions:

1. Operate an information center for immigrants.
2. Coordinate the activities of public and private agencies which provide services to immigrants.
3. Compile data and information concerning immigrants in Hawaii and prepare or contract for, with the approval of the Advisory Commission on Manpower and Full Employment, the preparation of studies and reports pertinent to problems faced by immigrants in Hawaii, including language, health, housing, employment, and social adjustment problems.
4. Recommend in an annual report to the Governor and the Legislature legislative and administrative action to improve services to immigrants in Hawaii.

H. B. No. 1305-70, as originally drafted, established a service center for immigrants and a service center for immigrants committee within the Department of Social Services. Your Committee finds that the establishment of a center and a committee by statute is unnecessary. The same purposes can be accomplished by merely providing an appropriation for the establishment of a center and the bill has been amended accordingly.

Your Committee further finds that the center can best be administered by the Advisory Commission on Manpower and Full Employment. Under Section 202-5, Hawaii Revised Statutes, that Commission is placed within the Department of Planning and Economic Development. Therefore, the bill has been amended to provide that the sum appropriated shall be expended by that Department.

In view of the foregoing, the title of the bill has been amended to read as follows: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE ESTABLISHMENT OF A SERVICE CENTER FOR IMMIGRANTS."

Your Committee is in accord with the intent and purpose of **H. B. No. 1305-70**, as amended herein, and recommends its passage on second reading and its referral to your Committee on Finance in the form attached as **H. B. No. 1305-70, H. D. 1.**

Signed by all members of the Committee.

SCRep. 243-70 Public Institutions and Social Services on H. B. No. 1380-70

The purpose of **H. B. No. 1380-70**, as amended herein, is to empower the Department of Social Services to establish, maintain and operate intermediate care facilities and care homes for the care of medical indigents, and to enter into contracts with private corporations for the maintenance and operation of such facilities. The bill makes an appropriation of \$280,000 for the planning of such facilities.

Your Committee finds that there are as

many as 200 patients in Hawaii State Hospital and Waimano Training School and Hospital who could be discharged to care homes if such homes were available. Further, there are many patients presently in skilled nursing facilities who could be discharged to intermediate care facilities if such were available. Because of the lack of intermediate care facilities and care homes, skilled nursing facilities are severely overcrowded. As a result, many times patients who are ready for skilled nursing care must be kept in hospitals longer than necessary. Thus, there is a substantially higher cost for the care such patients receive but do not require. This is true with respect to patients in both skilled nursing homes and hospitals. As was pointed out in the "Audit of the Medical Assistance Program of the State of Hawaii", prepared by Greenleigh Associates, Inc., the medical costs to the State for providing care to indigents could be substantially reduced if intermediate care facilities and care homes were available.

H. B. No. 1380-70, as originally drafted, provided for an appropriation of \$4,000,000 for the construction of intermediate care facilities and care homes. Your Committee finds that this amount could not be spent within the next fiscal year for the construction of such facilities. Further, extensive planning should be accomplished before such an appropriation is made. Accordingly, the bill has been amended to provide for an appropriation of \$280,000 for the planning of such facilities.

The bill has also been amended to allow the Department of Social Services to enter into contracts with profit as well as non-profit corporations for the maintenance and operation of such facilities. Under Federal guidelines, Federal money is available as long as the operating agency is a private corporation, either profit or non-profit. Therefore, there is no sound reason for excluding profit corporations if they can bid competitively.

Your Committee has further amended the form of the bill to comply with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 1380-70**, as amended herein, and recommends its passage on second reading and its referral to your Committee on Finance in the form attached hereto as **H. B. No. 1380-70, H. D. 1**.

Signed by all members of the Committee.

SCRep. 244-70 Select Committee of Oahu Representatives on **H. B. No. 1265-70**

The purpose of this bill is to make a blank appropriation for the construction of a stadium and related facilities in the City and County of Honolulu.

Your Committee is in accord with the intent and purpose of **H. B. No. 1265-70**, and recommends that it pass second reading and it be referred to your Committee on Finance.

Signed by all members of the Committee except Representatives Ushijima and Pacarro.

SCRep. 245-70 Higher Education on **H. B. No. 1485-70**

The purpose of this bill is to appropriate money out of the general revenues of the State of Hawaii for the resurfacing of the tract field located on the University of Hawaii Manoa Campus.

During its hearing on this bill, your Committee has been made amply aware that the present surface of the tract at the University is so hard and in such deteriorated condition as to be unserviceable and in fact unsafe for use. In addition to servicing the track and field program, which is an integral part of the athletic program of the University, the track facility also accommodates intra and extra mural sports and the jogging and recreational community as well. Therefore, the provision of a safe and serviceable track is extremely important.

Your Committee has made note of the fact that the track was resurfaced as recently as 1965, and would indicate its

reluctance to advocate a resurfacing project every five years. In this regard, this Committee expects that great care will go into the resurfacing of this track, with emphasis not only on safety, but durability as well. Also to be included in this project is an adequate provision for the necessary pit areas as are required for track and field events, with attention likewise being given to durability.

Your Committee is in accord with the intent and purpose of **H. B. No. 1485-70** and recommends its passage on second reading and its referral to Finance for further consideration.

Signed by all members of the Committee.

SCRep. 246-70 Education on H. B. No. 1819-70

The purpose of this bill is to provide the sum of \$90,000 for the development of text materials relating to the historical, cultural, sociological, political and ecological aspects of the evolution of Hawaii's multi-ethnic society.

The use of such text materials in Hawaii's public schools would make educational experiences more relevant and meaningful by incorporating many aspects of Hawaii's rich heritage into our present school curriculum. This project would develop new materials, as well as consolidate and integrate many existing "special purpose" materials into a series of basic textbooks suitable for all grade levels, thereby providing the basic resources needed to incorporate Hawaii's history and culture into the classroom.

The Department of Education is in full accord with the intent and purpose of this bill and will cooperate fully with any individual or agency designated to design and develop said text materials.

Your Committee has been assured that testing of the effectiveness of the text materials will be an integral part of the development.

Your Committee is in accord with the

intent and purpose of **H. B. No. 1819-70** and recommends its passage on second reading and its referral to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 247-70 Agriculture on S. B. No. 1239-70

The purpose of this bill is to allow the State department of agriculture to compensate hog farmers under the Hog Cholera Eradication Program in an amount equal to that paid by the Federal government.

The Hog Cholera Eradication Program is a cooperative State-Federal program designed to control and eventually eradicate a highly infectious and potentially disastrous disease affecting the hog industry throughout the nation. The program recognizes slaughtering those animals infected with or exposed to hog cholera as the best method of stopping the spread of the disease. The program further provides for compensation in the form of indemnity payments to the owners of hogs required to be destroyed. Such payments provide a form of insurance to hog producers against losses under this program. Thus far, no losses or subsequent indemnity payments have been required in the State.

Indemnity payments are paid on a per head basis whereby the Federal and State governments, severally, contribute toward indemnifying the owner for his loss. In September of 1969, the Federal government increased the maximum amount authorized to be paid through the U. S. Department of Agriculture in indemnity payments for grade animals from \$40.00 to \$50.00 per head, and for purebred animals from \$50.00 to \$100.00. However, Section 142-23.1, Hawaii Revised Statutes, limits the maximum amount authorized to be paid by the State in indemnity payments to \$40.00 for grade animals and \$50.00 for purebred swine.

Your Committee finds that an amendment to Section 142-23.1 is needed to allow the Hawaii department of agriculture to

make indemnity payments in amounts equal to the maximum amount of indemnity payments authorized by the Federal government. Since the actual amounts paid per head are variable and administered separately by State and Federal agencies, your Committee feels that the proposed amendment requires a clarification of its intent. Thus your Committee amended **S. B. No. 1239-70, S. D. 2** to read that the State be allowed to pay up to **“the maximum amount authorized to be paid for such swine by the Federal government”**, rather than being dependent upon the actual “amount paid” by the Federal government. This change has been included in **S. B. No. 1239-70, S. D. 2, H. D. 1** which is attached. The proposed amendment further provides sufficient flexibility so that similar amendments would not be necessary should the Federal government again adopt changes to the indemnity payment schedule.

Your Committee on Agriculture is in accord with the intent and purpose of **S. B. No. 1239-70, S. D. 2** as amended, and recommends the bill pass second reading and be referred to your Committee on Finance for further consideration as **S. B. No. 1239-70, S. D. 2, H. D. 1**.

Signed by all members of the Committee except Representative Roehrig.

SCRep. 248-70 Public Health, Youth and General Welfare on **H. B. No. 2037-70**

The purpose of this bill is to expand the community physician program established under Act 299/1967. This bill would enable the Director of Health to recommend, with the approval of the Governor, the hiring of physicians for whatever communities in this State determined to be in need of subsidized resident physicians. This bill would also loosen the present subsidy limitation on a resident physician's income.

The provision enabling the Director of Health to recommend to the Governor the extension of these services to communities other than the ones now named under Act 299 will make it possible for medical services to be provided to rural areas heretofore not adequately served.

The provision allowing for an unspecified number of physicians will allow sufficient latitude to the Director of Health to make recommendations to the Governor concerning the establishment of acceptable physician-population ratios in rural areas of the State.

The provision loosening the subsidy limitation on a resident physician's income will help in the recruitment of physicians for the resident physician program. Existing law allows a guaranteed compensation to each resident physician of \$36,000 from “all sources”. The State would pay to the physician a subsidy for any difference between \$36,000 and medical payments and other income the physician receives, thus allowing the physician to earn a gross income of \$36,000 a year. This is in effect a penalty on any prospective resident physician if he had income from investments and other sources. This bill would correct this situation by making a guarantee to resident physicians of a gross income of \$36,000 a year strictly “from the practice of medicine and surgery”.

Your Committee is in accord with the intent and purpose of **H. B. No. 2037-70** and recommends its passage on second reading and recommends its referral to your Committee on Finance.

Signed by all members of the Committee except Representative Roehrig.

SCRep. 249-70 Public Health, Youth and General Welfare on **H. B. No. 1461-70**

The purpose of this bill is to reduce the charge for the possession of marijuana from a felony to a misdemeanor.

Some experts state that marijuana is not a narcotic, is not physically addictive, does not lead to crime, sexual excess or narcotic addiction. This is well and good.

However, your Committee will not argue the justification for the use of marijuana. Rather it is concerned with the person, usually a young person, who must pay the penalty of being branded a felon for the possession of as little as a “joint” of marijuana. The penalty will cloud his

future and block the door to many job opportunities. It may well warp his personality and become a stigma which may push him into a criminal culture. This penalty is too severe. The punishment does not fit the crime; the penalty is more dangerous than the drug itself.

Enlightened legislation is already in effect in approximately seven states reducing the penalty for possession of marijuana to misdemeanors. Hawaii should be in step and join the ranks.

Your Committee wishes to make it clear that in supporting this bill it is not advocating that the use of marijuana should be legalized. Your Committee believes that restriction on the availability and use of marijuana should be retained, but the aim is to bring about a situation where a young man's future will not be ruined and that he ordinarily will not go to prison for an offense involving only possession for personal use.

Your Committee is in accord with the intent and purpose of **H. B. No. 1461-70** and recommends its passage on second reading and its referral to the Committee on Judiciary.

Signed by all members of the Committee except Representative Roehrig.

SCRep. 250-70 Public Health, Youth and General Welfare on **H. B. No. 1327-70**

The purpose of **H. B. No. 1327-70**, as amended herein, is to amend Chapters 235, 237, 238 and 246, Hawaii Revised Statutes, to provide tax incentives with respect to the State income tax, the general excise tax, the use tax and real property taxes which will encourage the development and use of certified pollution control facilities.

Your Committee finds that air and water pollution have become grave threats to the health and safety of the people of Hawaii. Prompt action to alleviate these problems is necessary to preserve the quality of life which our people have enjoyed in the past. One of the most practicable methods by which the State can lessen air and water pollution is the creation of tax incentives

which will encourage the development and use of facilities to control pollution.

Your Committee has amended the title of **H. B. No. 1327-70** to read as follows: "A BILL FOR AN ACT RELATING TO AMORTIZATION AND EXEMPTION OF CERTIFIED POLLUTION CONTROL FACILITIES." This bill as amended herein and as originally drafted provides for tax benefits with respect to the amortization of pollution control facilities. The benefit, however, is not a tax exemption but a deduction. Accordingly, the title of the bill has been amended to include the word "amortization" in the interests of clarity.

Section 1 of the bill, as amended, adds a new section to Chapter 235 which will allow a taxpayer, at his election, to take a deduction with respect to the amortization of the amortizable basis of any certified pollution control facility in the manner, for the period, and to the extent set out in Section 169 of the Internal Revenue Code of 1954, as amended by the Tax Reform Act of 1969. The deduction is available only with respect to facilities constructed after December 31, 1969 or acquired after December 31, 1969 if the original use commences after that date and the facility is placed in service before January 1, 1975. Your Committee finds that the adoption of the federal statute by the State in this regard will encourage the use of such facilities and will simplify administration of Hawaii's income tax laws.

Section 2 of the bill, as amended, adds a new section to Chapter 237 which will exempt from the general excise tax all of the gross proceeds arising from, and all of the amount of tangible personal property furnished in connection with, the construction, reconstruction, erection, operation, use or maintenance of certified pollution control facilities.

Section 3 of the bill, as amended, adds a new subsection to Section 238-3 which will exempt from the use tax the use of certified pollution control facilities.

Section 4 of the bill, as amended, adds

a new section to Chapter 246 which will exempt from real property taxes imposed by that chapter the value of all property actually and solely used as a certified pollution control facility. This section adopts the definition of pollution control facility contained in Section 169 of the Internal Revenue Code of 1954, as amended by the Tax Reform Act of 1969. The definition, however, shall not include air conditioners, fans, or other facilities used solely for the comfort of persons. The exemption is applicable only to facilities constructed after June 30, 1969, or acquired by the taxpayer after that date if the original use commence with the taxpayer after June 30, 1969 and the facility is placed in service before July 1, 1975.

The foregoing amendments do not change the intent of the bill as originally drafted and merely specify with particularity amendments to the Hawaii Revised Statutes which will encourage the use of pollution control facilities by providing tax exemptions and deductions with respect to their use.

Your Committee is in accord with the intent and purpose of **H. B. No. 1327-70**, as amended herein, and recommends its passage on second reading and its referral to your Committee on Finance in the form attached hereto as **H. B. No. 1327-70, H. D. 1.**

Signed by all members of the Committee except Representative Roehrig.

SCRep. 251-70 Higher Education on H. B. No. 1475-70

The purpose of this bill is to appropriate money out of the General Revenues of the State of Hawaii, and authorize the sale of revenue bonds to finance the planning, land acquisition, engineering, and construction of student housing for the University of Hawaii, including Hilo Campus and the Community College System.

In 1966 when the University-Community Plan determined the dormitory needs for the Manoa Campus of the University of Hawaii, the decisions were based on the assumption that the maximum

of 25,000 students at the campus would be reached by 1980 or 1985. Now, however, it is evident that the maximum will be reached as early as 1973. While the growth of the student body has accelerated sharply, the construction of facilities to accommodate these increased numbers has not increased correspondingly.

The need for immediate construction of dormitory facilities for the University of Hawaii System therefore cannot be overstated. Presently, there are a total of 1,438 beds in the University operated housing system at Manoa, of which 600 are permanently reserved for East-West Center students. This leaves a total of 838 beds for a general student population at Manoa in excess of 18,000. It is estimated that when the 25,000 enrollment for the Manoa campus is reached in 1973, there will be a critical need for approximately 12,500 student housing accommodations of various types for the Manoa campus alone. It must be noted that while Manoa campus is in the throes of a housing crisis, the other segments of the University System are likewise experiencing burgeoning growth, and by 1975 it is estimated that the total system, including Manoa campus, Hilo campus, the new four year Leeward campus, and the community colleges will have a combined total of more than 50,000 students.

I. Manoa Campus

In 1966, when the University determined the need for 12,500 beds for the Manoa campus by 1973, it was the position of the University Board of Regents that half of this number 6,250 beds should be provided by the University, and the remaining 6,250 beds should be provided by private developers. Since this time, the Board of Regents has conducted serious negotiations with various developers for the provision of off campus dormitories in Manoa, however, high interest rates, zoning problems, and other difficulties have doomed these attempts to limited success. At this time, four years after it was decided that private enterprise should provide 6,250 beds for the Manoa campus there is only one private developer who has submitted a definite proposal which would yield only 850 beds.

1970 being slightly more than equidistant between the planning projections in 1966 and the magical demand year of 1973, it would seem logical to assume that by now, more than half of the anticipated 12,500 beds would be already provided. The fact is that since 1965, only 140 new beds have been added to the system at Manoa, and if they continue with its present projection, it will reach the desired goal in 1982. During this same 4 year period, student enrollment at Manoa has increased by more than 4,500.

The University itself is belatedly attempting to come up with its share of the ante, with an additional 4,000+ beds currently in various stages of planning or imminent construction. At this rate, by 1974, the Manoa campus should have a total of 4,788 beds, assuming that the University building program proceeds without impediment, and that the SCOPE project gets a green light. While this represents a substantial increase over today's facilities, it nonetheless provides fewer than half of the beds required, thus continuing to force Manoa campus students onto the capricious and over inflated housing market which they can ill afford.

II. Leeward Community College

A housing crisis has likewise arisen at Leeward Community College, where the requests for housing far outstrips the supply of accommodations available in the area. This demand comes primarily from outer island students, self-supporting students who do not have transportation, students from Windward Oahu, foreign students, and students whose parents have moved to the mainland. Housing facilities in the area of Leeward Community College are virtually nonexistent, with those few units that are available priced beyond the means of most of the students.

In addition to servicing the demand for student housing at Leeward Community College, a dormitory facility at the college could be a part of the vocational/technical program of the college, and the dormitory could serve as an outlet for food service, hotel management, and other courses at the college.

III. Financing

One of the major impediments to University dormitory construction in the past has been difficulty in selling revenue bonds in an inflated money market, and the corresponding hike in dormitory cost to the students which this necessitates. If anything, the money market has become even more inflated in the last year, thus increasing the difficulty of working solely with revenue bonds. This Committee therefore recommends that student dormitories be financed by a combination of cash appropriation or general obligation bonds and general revenue bonds. In this regard, this Committee recommends a General Fund appropriation of \$3,292,000, plus an authorization of revenue bonds in the amount of \$4,315,000 for the balance of the cost. It is hoped that this combination of cash and revenue bonds will expedite the construction of dormitories, while allowing for a minimum increase in dormitory fees to students. If the cash appropriation is not funded, it will result in an additional hike of at least \$130.00 over and above the anticipated 10% increase next year in the cost of dormitory facilities to the students. An additional appropriation of \$100,000 is recommended for planning dormitory facilities for Leeward Community College. This Committee also recommends an appropriation in the amount of \$192,000 from the general revenues of State of Hawaii, for planning for Phase III of the dormitory facilities for the Hilo Campus.

IV. Planning

This Committee has been concerned to note during its hearings, that while the problem of lack of dormitory facilities and the resulting crisis has been sufficiently identified and documented, the solutions for the problem are apparently being undertaken on an ad hoc basis, with no comprehensive plan in mind. The result of this approach is that less than half of the anticipated need is being provided for. The University of Hawaii, therefore, must place high priority on the development of a comprehensive and viable plan delineating the source and location of future dormitories to fulfill the requirements. Not to

be overlooked in this plan should be provision for a variety of types of housing facilities, including dormitories for single students, married student housing, and faculty housing. The University must explore all viable alternatives for providing this housing in the shortest possible amount of time.

V. Recommendations

There are several hard facts which must be faced at this juncture. The fact that four years of negotiations with private enterprise has produced only the possibility of 850 beds out of 6,250 should be an omen to the Board of Regents and to the State that private enterprise does not hold the key to solving the dormitory crisis. Further dalliance with private enterprise for off campus housing must be considered to be exactly that, and thus the 6,250 beds which have been quietly reposing solely in the domain of the private sector, must be reallocated elsewhere, with their expeditious provision being of prime importance.

While this Committee has been discouraged by the snail's paced progress of dormitory construction for the Manoa campus, and frustrated by the apparent lack of a comprehensive master plan for housing, we can perhaps take heart in the knowledge that all of the alternatives for obtaining dormitory facilities for Manoa have not yet been exhausted. The Board of Regents has recently altered its policy prohibiting private developers from constructing on University owned property. The University should embark immediately upon a follow through of this policy change by making an inventory of all University land which could be utilized for dormitory construction, and then encouraging private developers to construct dormitory projects on University owned land. One effective means for accomplishing this is through performance bidding, whereby the University would designate a specific piece of land and basic specifications, and private developers would then compete for the entire project. For example, the University could invite developers to build a 500 room dormitory on 2½ acres above the quarry at a lease rental of \$1.00 per year. The University would set the basic criteria

for the maximum number of students per room, height limitations, etc. The developer would have the freedom to design, and select such materials and building systems as it finds most desirable. The developer would then submit to the University its design and specifications for the entire project, including the cost to the students for lodging and/or meals. The University would then select among the various projects submitted, presumably opting for the entry which would yield the student the most facilities for a reasonable amount of money. The provision of land at a nominal cost, plus an additional proviso by which the developer could give the dormitory to the University free and clear at the end of the amortization period, with attendant tax advantages should serve as additional inducements to private developers.

The University should also attempt to woo private, quasi-public, and public developers to construct housing facilities in communities adjacent to Manoa, such as McCully, Moiliili, and Lower Manoa, which have been designated for high and medium density apartments respectively and are well served by public transportation. The University of Hawaii must also, without delay accelerate its dormitory construction program, and at the same time explore all possible alternatives, including the Hawaii Housing Authority, the Federal Government, and private developers, and including the possibility that any or all of these agencies construct dormitories on University lands as turnkey projects, in order to meet the University's needs for dormitories as soon as possible.

Your Committee is in accord with the intent and purpose of **H. B. 1475-70**, as amended herein, and recommends its passage on second reading, and its referral to your Committee on Finance as **H. B. 1475-70, HD 1**.

Signed by all members of the Committee except Representative Roehrig.

SCRep. 252-70 Education on **H. B. No. 1664-70**

The purpose of this bill is to correct cer-

tain inequities in the compensation of principals and vice-principals of larger schools which have developed because of the tremendous growth in enrollment in many of the larger schools in the State.

The present compensation structure for principals and vice-principals which makes their salary level a function of the number of pupils enrolled in their schools was devised in 1962. The highest salary level for principals was based on a student enrollment of 1500 pupils. Since 1962, the enrollment in some of our larger schools has increased to over 2000 pupils. In two schools the present student enrollment exceeds 3000 pupils.

Under present law, the principal of a school with an enrollment in excess of 3000 pupils is paid the same as a principal of a school whose enrollment is 1500 pupils. By creating two additional principal salary classifications, this bill will eliminate the inherent inequity. The cost of this salary classification restructuring is estimated to be \$4400 per year.

This bill further changes existing law by repealing the requirement that when two vice-principals are assigned to a school with a large student enrollment one vice-principal is classified in a lower salary range than the other. Your Committee finds that the duties of each of the vice-principals in these larger schools are substantially identical. Since the duties and responsibilities are shared equally by the two vice-principals, they should be compensated at the same level. This bill provides that all vice-principals assigned to schools whose enrollment exceeds 1500 are to be classified, for salary purposes, in the higher Vice-Principal II category.

The annual cost of implementing this change in the salary structure is estimated to be \$3200 per year. The total cost of implementing the revisions of the salary structure provided for in this bill is \$7600 per year.

Your Committee has converted the form of this bill to conform to the requirements of House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. 1664-70** and recommends its passage on second reading in the form attached hereto as **H. B. 1664-70, H. D. 1** and that it be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 253-70 Judiciary on H. B. No. 741

The purpose of this bill is to repeal the section of the Workmen's Compensation Law covering employment rights of injured employees and to re-enact similar provisions into Part III of Chapter 378, which governs employment practices.

Section 386-141 of the Workmen's Compensation Law makes it unlawful for an employer to discharge an employee who has suffered a work injury unless such employee is no longer capable of performing his work because of the injury and there is no other work available that he is capable of performing. The section provides penalties against offending employers, re-employment preferences for aggrieved employees, and for collective bargaining agreements which prevent continued employment and re-employment of injured employees.

However appropriate these provisions may be, they are inappropriately part of the Workmen's Compensation Law, the Workman's Compensation Division being principally concerned with determining entitlement to benefits by injured employees thereunder. On the other hand, the Labor Law Enforcement Division is principally concerned with investigation and prosecution of unlawful employment practices. The Workmen's Compensation Division is neither concerned with nor staffed to carry on an enforcement program, while the Labor Law Enforcement Division is structured so as to implement the policy and purpose of the law, and to prefer sanctioning for violations thereof in the event of unlawful suspension or discharge, which is the subject matter of Part III of Chapter 378.

H. B. No. 741, in effect, places that

responsibility where it properly belongs. Moreover, an aggrieved employee gains, under Part III, the remedy of reinstatement in employment, provided for therein, as against the present remedy of preference for reemployment, only.

Your Committee has converted the form of the bill in compliance with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 741** as converted herein, and recommends that it pass second reading and be placed on the calendar for third reading in the form attached hereto as **H. B. No. 741, H. D. 1**.

Signed by all members of the Committee except Representative Oshiro.

SCRep. 254-70 Judiciary on H. B. No. 894

The purpose of this Act is to provide that in counties with a population of 100,000 or more persons, the zoning board of appeals shall consist of five members.

In the City and County of Honolulu, which presently has a three-member board, the board is empowered to hear and determine appeals from actions of the planning director in the administration of subdivision and zoning ordinances and any regulations adopted pursuant thereto, and to hear and determine petitions for varying the application of the zoning ordinance on the ground of unnecessary hardship (Sec. 5-507, Charter, City and County of Honolulu 1959). When one of the three members is absent from a hearing and differences of opinion arise between the remaining two members, such appeals are frequently delayed for want of a quorum.

Your Committee is satisfied that the public interest ought not be subverted thereby. The requests of citizens, which are numerous and in many cases urgent, and whose administrative remedies are not exhausted until the board has acted, must be acted upon as quickly and expeditiously as possible. Your Select Committee of Oahu Representatives is reported to have found that the Mayor of the City and

County of Honolulu has indicated his support of an enlarged zoning board of appeals; and your Committee on Judiciary has found that the City and County Planning Department also strongly favors the passage of this bill.

Your Committee is in accord with the intent and purpose of **H. B. No. 894**, and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Oshiro.

SCRep. 255-70 Judiciary on H. B. No. 1799-70

The purpose of this bill is to eliminate Family Court jurisdiction over persons in need of supervision once they have attained the age of 18 years.

The present law, which gives the court jurisdiction until the minor reaches the age of 20 years, is considered no longer consonant with the facts of life by both the National Council on Crime and Delinquency (N.C.C.D.) and the Legislative Guide for Drafting Juvenile and Family Court Acts. It has been established scientifically that children develop to maturity several years earlier in life than they did a half a century ago, in consequence of which little, if anything, constructive can be done to ameliorate incorrigibility in the case of 18 and 19 year old minors.

As a result of the amendment, therefore, the Family Court will no longer undertake supervision of a "non law-violating" minor once he attains the age of 18 years.

Your Committee further converted the form of the bill in compliance with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 1799-70** as amended herein and recommends that it pass second reading in the form attached hereto as **H. B. No. 1799-70, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Oshiro.