

FIFTY-THIRD DAY

Wednesday, April 5, 1978

The Senate of the Ninth Legislature of the State of Hawaii, Regular Session of 1978, convened at 11:30 o'clock a.m., with the President in the Chair.

The Divine Blessing was invoked by Reverend Melvin R. Walter of the First Baptist Church Windward, after which the Roll was called showing all Senators present.

The President announced that he had read and approved the Journal of the Fifty-Second Day.

The following introductions were then made to the members of the Senate:

Senator Chong introduced the Mark Keppel Aztec Singers from the Mark Keppel High School of Alhambra, California, with their director, Mr. Mike Reynolds and chaperones, Mr. D. A. Nissle and Ms. Gisela Adams.

Senator Yee then introduced 49 students from the eighth grade at Hawaiian Mission Elementary School, with their teachers, Linn Uechi, Yaeko Shimada and Mr. Carvalho (Aide), and parents, Mrs. Uyehara, Mrs. Mew, Mrs. Kovarick and Mrs. McDunnah.

Senator Anderson introduced 50 members from the Kahuku Senior Citizens club.

Senator Soares introduced a good friend of his from Los Angeles, Mr. John Barr.

HOUSE COMMUNICATIONS

The following communications from the House (Hse. Com. Nos. 421 to 447) were read by the Clerk and were disposed of as follows:

A communication from the House (Hse. Com. No. 421), transmitting House Concurrent Resolution No. 4, H.D. 1, which was adopted by the House of Representatives on April 4, 1978, was placed on file.

By unanimous consent, H.C.R. No. 4, H.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING AN INCREASE IN CETA APPROPRIATIONS AND GREATER FLEXIBILITY IN DETERMINATION OF ELIGIBILITY REQUIREMENTS", was referred to the Committee on Ways and Means.

A communication from the House (Hse. Com. No. 422), transmitting

House Concurrent Resolution No. 35, which was adopted by the House of Representatives on April 4, 1978, was placed on file.

By unanimous consent, H.C.R. No. 35, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING ADDITIONAL SUPPORT FOR THE STATE ARCHIVES", was referred to the Committee on Ways and Means.

A communication from the House (Hse. Com. No. 423), transmitting House Concurrent Resolution No. 66, H.D. 1, which was adopted by the House of Representatives on April 4, 1978, was placed on file.

By unanimous consent, H.C.R. No. 66, H.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE FEDERAL GOVERNMENT TO TRANSFER THE TITLE OWNERSHIP OF THE LAND AND BUILDING IN MAILE, OAHU, POPULARLY KNOWN AS THE 'VOICE OF AMERICA' LAND, OVER TO THE STATE OF HAWAII FOR USE BY ITS SENIOR CITIZENS", was referred to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 424), transmitting House Concurrent Resolution No. 87, H.D. 1, which was adopted by the House of Representatives on April 4, 1978, was placed on file.

By unanimous consent, H.C.R. No. 87, H.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION EXPRESSING THE SUPPORT OF THE HAWAII STATE LEGISLATURE FOR DEVELOPMENT OF A FAIR, FIRM, WORKABLE, AND CLEAR ARTICULATION POLICY FOR THE UNIVERSITY OF HAWAII SYSTEM", was referred to the Committee on Higher Education.

A communication from the House (Hse. Com. No. 425), transmitting House Concurrent Resolution No. 147, which was adopted by the House of Representatives on April 4, 1978, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.C.R. No. 147, entitled: "HOUSE CONCURRENT RESOLUTION EXPRESSING MAHALO (THANK YOU) TO STATE LEGISLATIVE LEADERS WHO HAVE RALLIED TO SUPPORT EFFORTS TO OBTAIN EMERGENCY OIL RESERVES FOR HAWAII", was adopted.

A communication from the House (Hse. Com. No. 426), informing the Senate that the House had reconsidered its action taken on April 3, 1978 in disagreeing to the amendments made by the Senate to House Bill No. 617, H.D. 1, was placed on file.

In consequence thereof, the President discharged the Managers on the part of the Senate.

A communication from the House (Hse. Com. No. 427), informing the Senate that the House had reconsidered its action taken on April 3, 1978 in disagreeing to the amendments made by the Senate to House Bill No. 1870-78, H.D. 1, was placed on file.

In consequence thereof, the President discharged the Managers on the part of the Senate.

A communication from the House (Hse. Com. No. 428), informing the Senate that the House has requested a conference on House Bill No. 490, H.D. 2, and on April 4, 1978, the Speaker appointed Representatives Mizuguchi, Chairman, Abercrombie, Aki, Dods, Kawakami, Toguchi and Evans as Managers on the part of the House for the consideration of said amendments, was placed on file.

A communication from the House (Hse. Com. No. 429), informing the Senate that the House has requested a conference on House Bill No. 491, H.D. 2, and on April 4, 1978, the Speaker appointed Representatives Mizuguchi, Chairman, Campbell, Mina, Say, Shito and Poepoe as Managers on the part of the House for the consideration of said amendments, was placed on file.

A communication from the House (Hse. Com. No. 430), informing the Senate that the House has requested a conference on House Bill No. 1838-78, H.D. 2, and on April 4, 1978, the Speaker appointed Representatives Aki and K. Yamada, Co-Chairmen, Baker, Cobb, Garcia, Shito, Ikeda, Medeiros and Sutton as Managers on the part of the House for the consideration of said amendments, was placed on file.

A communication from the House (Hse. Com. No. 431), informing the Senate that the House has requested a conference on House Bill No. 1876-78, and on April 4, 1978, the Speaker appointed Representatives Garcia, Chairman, K. Yamada, Ueoka and Ikeda as Managers on the part of the House for the consideration of said amendments, was placed on file.

A communication from the House (Hse. Com. No. 432), informing the Senate that the House has requested a conference on House Bill No. 1879-78, H.D. 1, and on April 4, 1978, the Speaker appointed Representatives

Garcia, Chairman, Nakamura, Uwaine and Medeiros as Managers on the part of the House for the consideration of said amendments, was placed on file.

A communication from the House (Hse. Com. No. 433), informing the Senate that the House has requested a conference on House Bill No. 1885-78, H.D. 2, and on April 4, 1978, the Speaker appointed Representatives Garcia, Chairman, Blair, Morioka, Nakamura, Uechi, K. Yamada and Ikeda as Managers on the part of the House for the consideration of said amendments, was placed on file.

A communication from the House (Hse. Com. No. 434), informing the Senate that the House has requested a conference on House Bill No. 2095-78, H.D. 1, and on April 4, 1978, the Speaker appointed Representatives Garcia, Chairman, Cobb, Nakamura, Ueoka and Ikeda as Managers on the part of the House for the consideration of said amendments, was placed on file.

A communication from the House (Hse. Com. No. 435), informing the Senate that the House has requested a conference on House Bill No. 2118-78, H.D. 1, and on April 4, 1978, the Speaker appointed Representatives Garcia, Chairman, Nakamura, Ueoka, K. Yamada and Ikeda as Managers on the part of the House for the consideration of said amendments, was placed on file.

A communication from the House (Hse. Com. No. 436), informing the Senate that the House has requested a conference on House Bill No. 2173-78, H.D. 3, and on April 4, 1978, the Speaker appointed Representatives Kiyabu, Chairman, Abercrombie, Cayetano, Dods, Kunimura, Machida, Mina, Mizuguchi, Peters, Suwa, Ikeda and Medeiros as Managers on the part of the House for the consideration of said amendments, was placed on file.

A communication from the House (Hse. Com. No. 437), informing the Senate that the House has requested a conference on House Bill No. 2239-78, H.D. 2, and on April 4, 1978, the Speaker appointed Representatives Garcia, Chairman, Blair, Takamura and Fong as Managers on the part of the House for the consideration of said amendments, was placed on file.

A communication from the House (Hse. Com. No. 438), informing the Senate that the House has requested a conference on House Bill No. 2312-78, H.D. 1, and on April 4, 1978, the Speaker appointed Representatives Garcia, Chairman, Ueoka, K. Yamada and Ikeda as Managers on the part of the House for the consideration of said amendments, was placed on file.

A communication from the House (Hse. Com. No. 439), informing the Senate that the House has requested a conference on House Bill No. 2319-78, H.D. 1, and on April 4, 1978, the Speaker appointed Representatives Garcia, Chairman, Blair, Cobb, Lunasco and Medeiros as Managers on the part of the House for the consideration of said amendments, was placed on file.

A communication from the House (Hse. Com. No. 440), informing the Senate that the House has requested a conference on House Bill No. 2687-78, H.D. 1, and on April 4, 1978, the Speaker appointed Representatives Garcia, Chairman, D. Yamada and Medeiros as Managers on the part of the House for the consideration of said amendments, was placed on file.

A communication from the House (Hse. Com. No. 441), informing the Senate that the House has requested a conference on House Bill No. 2764-78, H.D. 2, and on April 4, 1978, the Speaker appointed Representatives Garcia and Morioka, Co-Chairmen and Medeiros as Managers on the part of the House for the consideration of said amendments, was placed on file.

A communication from the House (Hse. Com. No. 442), informing the Senate that the House has requested a conference on House Bill No. 2850-78, H.D. 1, and on April 4, 1978, the Speaker appointed Representatives Say, Chairman, Toguchi, Ushijima and Poepoe as Managers on the part of the House for the consideration of said amendments, was placed on file.

A communication from the House (Hse. Com. No. 443), informing the Senate that the House has requested a conference on House Bill No. 3011-78, H.D. 1, and on April 4, 1978, the Speaker appointed Representatives Segawa, Chairman, Shito, Ueoka, Ushijima and Sutton as Managers on the part of the House for the consideration of said amendments, was placed on file.

A communication from the House (Hse. Com. No. 444), informing the Senate that the House has requested a conference on House Bill No. 3012-78, H.D. 1, and on April 4, 1978, the Speaker appointed Representatives Segawa, Chairman, Aki, Shito and Sutton as Managers on the part of the House for the consideration of said amendments, was placed on file.

A communication from the House (Hse. Com. No. 445), informing the Senate that pursuant to the disagreement of the Senate to the amendments proposed by the House to Senate Bill No. 1820-78, S.D. 2, and the request for a conference on the subject matter of said amendments, the Speaker appointed on April 4, 1978, Representatives Stanley and Garcia, Co-Chairmen, Cayetano, Kunimura, Uwayne, D. Yamada, Fong and Ikeda as Managers on the part of the House for the consideration of said amendments, was placed on file.

A communication from the House (Hse. Com. No. 446), informing the Senate that pursuant to the disagreement of the Senate to the amendments proposed by the House to Senate Bill No. 2114-78 and the request for a conference on the subject matter of said amendments, the Speaker appointed on April 4, 1978, Representatives Mizuguchi and Stanley, Co-Chairmen, Kiyabu, Machida, Mina, Segawa, Uwayne, Ikeda and Poepoe as Managers on the part of the House for the consideration of said amendments, was placed on file.

A communication from the House (Hse. Com. No. 447), informing the Senate that pursuant to the disagreement of the Senate to the amendments proposed by the House to Senate Bill No. 2523-78, S.D. 2, and the request for a conference on the subject matter of said amendments, the Speaker appointed on April 4, 1978, Representatives Machida, Chairman, Blair, Dods, Mizuguchi, D. Yamada and Medeiros as Managers on the part of the House for the consideration of said amendments, was placed on file.

SENATE CONCURRENT RESOLUTION

A concurrent resolution (S.C.R. No. 129), entitled: "SENATE CONCURRENT RESOLUTION URGING THE SELECTION OF HAWAII AS THE SITE FOR THE 1983 LIONS INTERNATIONAL CONVENTION", was jointly offered by Senators Kuroda, Hulten, Ching, Henderson, Saiki, George, Hara, Yamasaki, Chong, Young, Taira, F. Wong, Takitani, Leopold, R. Wong, O'Connor, Yee, Soares, Nishimura and King and was read by the Clerk.

On motion by Senator Kuroda, seconded by Senator Hulten and carried, S.C.R. No. 129 was adopted.

SENATE RESOLUTIONS

The following resolutions (S.R. Nos. 425 to 431) were read by the Clerk and were disposed of as follows:

A resolution (S.R. No. 425), entitled: "SENATE RESOLUTION EXTENDING

CONGRATULATIONS AND EXPRESSING BEST WISHES TO THE HAWAII STATE CHAPTER OF NATIONAL SUDDEN INFANT DEATH SYNDROME FOUNDATION ON THEIR CHARTER AND FOR THEIR EFFORTS TO COMBAT SUDDEN INFANT DEATH SYNDROME", was jointly offered by Senators Chong, King, Yim, Young, Hulten, Kuroda, Taira, F. Wong, Takitani, Leopold, R. Wong, O'Connor, Yee, Soares, Yamasaki, Hara, Saiki, George, Henderson and Nishimura.

On motion by Senator Chong, seconded by Senator Takitani and carried, S.R. No. 425 was adopted.

A resolution (S.R. No. 426), entitled: "SENATE RESOLUTION COMMENDING IOLANI LUAHINE FOR HER PRICELESS CONTRIBUTIONS TO HAWAIIAN DANCING AND CHANTING", was jointly offered by Senators Henderson, Hara, Ushijima, King, Chong, Saiki, George, Leopold, Nishimura, Hulten, R. Wong, Ching, Taira, Yamasaki, Kuroda, Young, Takitani, O'Connor, F. Wong, Yee, Toyofuku, Soares and Anderson.

On motion by Senator Henderson, seconded by Senator Hara and carried, S.R. No. 426 was adopted.

A resolution (S.R. No. 427), entitled: "SENATE RESOLUTION CONGRATULATING THOMAS H. CREIGHTON, F.A.I.A. FOR HIS BOOK, THE LANDS OF HAWAII: THEIR USE AND MISUSE", was jointly offered by Senators King, Chong, Taira, Kuroda, Yamasaki, Nishimura, Ching, Henderson, Saiki, Leopold, Takitani, Hulten, Yim, George, Young, F. Wong, Kawasaki, O'Connor, Anderson, Ushijima, Yee, Toyofuku, Soares and R. Wong.

On motion by Senator King, seconded by Senator Chong and carried, S.R. No. 427 was adopted.

A resolution (S.R. No. 428), entitled: "SENATE RESOLUTION RECOGNIZING AND COMMENDING CLARA L. KAKALIA FOR HER OUTSTANDING CONTRIBUTIONS TO THE STATE OF HAWAII", was jointly offered by Senators Ushijima, Yamasaki, Taira, Kuroda, Hulten, Nishimura, King, Yim, F. Wong, Soares, Henderson, Young, Hara, Toyofuku, O'Connor, Chong, Takitani, Leopold, Kawasaki, Saiki and George.

On motion by Senator King, seconded by Senator George and carried, S.R. No. 428 was adopted.

A resolution (S.R. No. 429), entitled: "SENATE RESOLUTION RECOGNIZING AND COMMENDING RUTH M. TABRAH FOR HER OUTSTANDING CONTRIBUTIONS TO THE STATE OF HAWAII", was

jointly offered by Senators Ushijima, Hara, Yamasaki, Taira, Kuroda, Hulten, Toyofuku, Nishimura, O'Connor, King, Yim, F. Wong, Soares, Leopold, Chong, Takitani, Kawasaki, Saiki, George, Henderson and Young.

On motion by Senator King, seconded by Senator George and carried, S.R. No. 429 was adopted.

A resolution (S.R. No. 430), entitled: "SENATE RESOLUTION COMMENDING PATRICIA PUTMAN, RECIPIENT OF THE 1977 OUTSTANDING ACHIEVEMENT AWARD IN THE PROFESSIONS", was jointly offered by Senators Ushijima, Taira, Yamasaki, Kuroda, Saiki, Hulten, Hara, Toyofuku, Nishimura, King, O'Connor, Chong, Yim, Takitani, F. Wong, Kawasaki, Soares, Leopold, George, Henderson and Young.

On motion by Senator King, seconded by Senator George and carried, S.R. No. 430 was adopted.

A resolution (S.R. No. 431), entitled: "SENATE RESOLUTION RECOGNIZING AND COMMENDING MARGARET S. USHIJIMA FOR HER OUTSTANDING CONTRIBUTIONS TO THE STATE OF HAWAII", was jointly offered by Senators Hara, Ushijima, Henderson, Taira, Yamasaki, Kuroda, Hulten, Leopold, Toyofuku, Nishimura, Soares, O'Connor, King, Chong, Yim, Takitani, Ching, F. Wong, Kawasaki, Saiki, George and Young.

On motion by Senator King, seconded by Senator George and carried, S.R. No. 431 was adopted.

Senator King then introduced to the members of the Senate the following honorees: Clara L. Kakalia, Ruth M. Tabrah, Patricia Putman and Margaret S. Ushijima. The President then presented each of them with a certified copy of the resolution honoring them.

At 11:45 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 11:47 o'clock a.m.

STANDING COMMITTEE REPORTS

Senator Yamasaki, for the Committee on Legislative Management, presented a report (Stand. Com. Rep. No. 782-78), informing the Senate that Senate Resolution Nos. 424 to 431 and Standing Committee Report Nos. 783-78 to 802-78 have been printed and are ready for distribution.

On motion by Senator Yamasaki, seconded by Senator Henderson and carried,

the report of the Committee was adopted.

Senator Yim, for the Committee on Energy/Natural Resources, presented a report (Stand. Com. Rep. No. 783-78), recommending that Senate Concurrent Resolution No. 91, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 783-78 and S.C.R. No. 91, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION RELATING TO ACTIONS REQUIRED BY PUBLIC AGENCIES AND PRIVATE INDUSTRY TO ENHANCE HAWAII'S POTENTIAL ROLE IN THE MANGANESE NODULE INDUSTRY", was deferred until Thursday, April 6, 1978.

Senator Yim, for the Committee on Energy/Natural Resources, presented a report (Stand. Com. Rep. No. 784-78), recommending that Senate Resolution No. 337, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 784-78 and S.R. No. 337, S.D. 1, entitled: "SENATE RESOLUTION RELATING TO ACTIONS REQUIRED BY PUBLIC AGENCIES AND PRIVATE INDUSTRY TO ENHANCE HAWAII'S POTENTIAL ROLE IN THE MANGANESE NODULE INDUSTRY", was deferred until Thursday, April 6, 1978.

Senator Yim, for the Committee on Energy/Natural Resources, presented a report (Stand. Com. Rep. No. 785-78), recommending that Senate Concurrent Resolution No. 113, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 785-78 and S.C.R. No. 113, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION EXPRESSING LEGISLATIVE SUPPORT FOR THE DEVELOPMENT OF A MANGANESE NODULE PROCESSING INDUSTRY FOR HAWAII", was deferred until Thursday, April 6, 1978.

Senator Yim, for the Committee on Energy/Natural Resources, presented a report (Stand. Com. Rep. No. 786-78), recommending that Senate Resolution No. 363, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 786-78 and S.R. No. 363, S.D. 1, entitled: "SENATE RESOLUTION EXPRESSING LEGISLATIVE SUPPORT FOR THE DEVELOPMENT OF A MANGANESE NODULE PROCESSING INDUSTRY FOR HAWAII", was deferred until Thursday, April 6, 1978.

Senator Yim, for the Committee on Energy/Natural Resources, presented a report (Stand. Com. Rep. No. 787-78), recommending that Senate Concurrent Resolution No. 117, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 787-78 and S.C.R. No. 117, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE CREATION OF A MANGANESE NODULE TASK FORCE TO WORK TO ENHANCE HAWAII'S SELECTION AS A SITE FOR A MANGANESE NODULE PROCESSING PLANT", was deferred until Thursday, April 6, 1978.

Senator Yim, for the Committee on Energy/Natural Resources, presented a report (Stand. Com. Rep. No. 788-78), recommending that Senate Resolution No. 370, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 788-78 and S.R. No. 370, S.D. 1, entitled: "SENATE RESOLUTION REQUESTING THE CREATION OF A MANGANESE NODULE TASK FORCE TO WORK TO ENHANCE HAWAII'S SELECTION AS A SITE FOR A MANGANESE NODULE PROCESSING PLANT", was deferred until Thursday, April 6, 1978.

Senator Yim, for the Committee on Energy/Natural Resources, presented a report (Stand. Com. Rep. No. 789-78), recommending that Senate Resolution No. 316, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 789-78 and S.R. No. 316, S.D. 1, entitled: "SENATE RESOLUTION REQUESTING A FEASIBILITY STUDY ON THE ESTABLISHMENT OF A FOREIGN TRADE ZONE ON THE ISLAND OF HAWAII FOR LOCATING MANGANESE NODULE PROCESSING PLANTS", was deferred until Thursday, April 6, 1978.

Senator O'Connor, for the Committee on Transportation, presented a report (Stand. Com. Rep. No. 790-78), recommending that the Senate advise and consent to the nomination of Ryokichi Higashionna, Ph.D., as Director of Transportation, term to expire December 4, 1978, in accordance with Gov. Msg. No. 1.

By unanimous consent, action on Stand. Com. Rep. No. 790-78 and Gov. Msg. No. 1 was deferred until Thursday, April 6, 1978.

Senator Toyofuku, for the Committee on Human Resources, presented a report (Stand. Com. Rep. No. 791-78), recommending that Senate Concurrent Resolution No. 86 be referred to the Committee on Legislative Management.

On motion by Senator Toyofuku, seconded by Senator Young and carried, the report

of the Committee was adopted and S.C.R. No. 86, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING A FOLLOW-UP STUDY ON THE JOB-SHARING CONCEPT AND PROGRAM", was referred to the Committee on Legislative Management.

Senator Toyofuku, for the Committee on Human Resources, presented a report (Stand. Com. Rep. No. 792-78), recommending that Senate Concurrent Resolution No. 115, as amended in S.D. 1, be referred to the Committee on Legislative Management.

On motion by Senator Toyofuku, seconded by Senator Young and carried, the report of the Committee was adopted and S.C.R. No. 115, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING A STUDY RELATING TO THE WORKERS' COMPENSATION PROGRAM", was referred to the Committee on Legislative Management.

Senator Chong, for the Committee on Health, presented a report (Stand. Com. Rep. No. 793-78), recommending that Senate Resolution No. 67 be adopted.

On motion by Senator Chong, seconded by Senator Takitani and carried, the report of the Committee was adopted and S.R. No. 67, entitled: "SENATE RESOLUTION REQUESTING THE FEDERAL AID COORDINATOR TO PLACE PRIORITY UPON MATTERS RELATING TO MENTAL HEALTH", was adopted.

Senator Chong, for the Committee on Health, presented a report (Stand. Com. Rep. No. 794-78), recommending that Senate Concurrent Resolution No. 81 be adopted.

On motion by Senator Chong, seconded by Senator Takitani and carried, the report of the Committee was adopted and S.C.R. No. 81, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING INCREASED FEDERAL AID FOR IMMIGRANT HEALTH SERVICES", was adopted.

Senator Chong, for the Committee on Health, presented a report (Stand. Com. Rep. No. 795-78), recommending that Senate Resolution No. 291 be adopted.

On motion by Senator Chong, seconded by Senator Takitani and carried, the report of the Committee was adopted and S.R. No. 291, entitled: "SENATE RESOLUTION REQUESTING INCREASED FEDERAL AID FOR IMMIGRANT HEALTH SERVICES", was adopted.

Senator Chong, for the Committee on Health, presented a report (Stand.

Com. Rep. No. 796-78), recommending that Senate Concurrent Resolution No. 94, as amended in S.D. 1, be referred to the Committee on Ways and Means.

On motion by Senator Chong, seconded by Senator Takitani and carried, the report of the Committee was adopted and S.C.R. No. 94, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THAT FUNDING FOR THE INFANT AND CHILD DEVELOPMENT PROGRAMS BE INCLUDED IN THE 1979-1981 BIENNIAL BUDGET", was referred to the Committee on Ways and Means.

Senator Chong, for the Committee on Health, presented a report (Stand. Com. Rep. No. 797-78), recommending that Senate Resolution No. 341, as amended in S.D. 1, be referred to the Committee on Ways and Means.

On motion by Senator Chong, seconded by Senator Takitani and carried, the report of the Committee was adopted and S.R. No. 341, S.D. 1, entitled: "SENATE RESOLUTION REQUESTING THAT FUNDING FOR THE INFANT AND CHILD DEVELOPMENT PROGRAMS BE INCLUDED IN THE 1979-1981 BIENNIAL BUDGET", was referred to the Committee on Ways and Means.

Senator Chong, for the Committee on Health, presented a report (Stand. Com. Rep. No. 798-78), recommending that Senate Concurrent Resolution No. 120, as amended in S.D. 1, be referred to the Committee on Legislative Management.

On motion by Senator Chong, seconded by Senator Takitani and carried, the report of the Committee was adopted and S.C.R. No. 120, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING A STUDY OF LICENSURE OF PSYCHOLOGISTS", was referred to the Committee on Legislative Management.

Senator Chong, for the Committee on Health, presented a report (Stand. Com. Rep. No. 799-78), recommending that Senate Resolution No. 371, as amended in S.D. 1, be referred to the Committee on Legislative Management.

On motion by Senator Chong, seconded by Senator Takitani and carried, the report of the Committee was adopted and S.R. No. 371, S.D. 1, entitled: "SENATE RESOLUTION REQUESTING A STUDY OF LICENSURE OF PSYCHOLOGISTS", was referred to the Committee on Legislative Management.

Senator Takitani, for the Committee on Higher Education, presented a report (Stand. Com. Rep. No. 800-78), recommending that Senate Resolution No. 11, as amended in S.D. 1, be adopted.

On motion by Senator Takitani, seconded by Senator O'Connor and carried, the report of the Committee was adopted and S.R. No. 11, S.D. 1, entitled: "SENATE RESOLUTION REQUESTING A REVIEW OF THE MASTER PLAN FOR POSTSECONDARY EDUCATION IN HAWAII", was adopted.

Senator Takitani, for the Committee on Higher Education, presented a report (Stand. Com. Rep. No. 801-78), recommending that Senate Resolution No. 204 be adopted.

On motion by Senator Takitani, seconded by Senator O'Connor and carried, the report of the Committee was adopted and S.R. No. 204, entitled: "SENATE RESOLUTION RELATING TO AFFIRMATIVE ACTION AT UNIVERSITY OF HAWAII", was adopted.

Senator Takitani, for the Committee on Higher Education, presented a report (Stand. Com. Rep. No. 802-78), recommending that Senate Resolution No. 362, as amended in S.D. 1, be referred to the Committee on Ways and Means.

On motion by Senator Takitani, seconded by Senator O'Connor and carried, the report of the Committee was adopted and S.R. No. 362, S.D. 1, entitled: "SENATE RESOLUTION RELATING TO TUITION WAIVERS FOR UNIVERSITY OF HAWAII MUSIC MAJORS", was referred to the Committee on Ways and Means.

ORDER OF THE DAY

MATTERS DEFERRED FROM APRIL 4, 1978

Standing Committee Report No. 768-78 (S.C.R. No. 71):

On motion by Senator Toyofuku, seconded by Senator Young and carried, Stand. Com. Rep. No. 768-78 was adopted and, Roll Call having been requested, S.C.R. No. 71, entitled: "SENATE CONCURRENT RESOLUTION RELATING TO THE REPORT ON THE FINAL COMPENSATION PLAN AND THE COST THEREOF", was adopted on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Kawasaki).

Senate Bill No. 2200-78, H.D. 1:

On motion by Senator R. Wong, seconded by Senator Yamasaki and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 2200-78, and S.B. No. 2200-78,

H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Kawasaki).

Senate Bill No. 36, S.D. 1, H.D. 1:

On motion by Senator Hulten, seconded by Senator Kawasaki and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 36, S.D. 1, and S.B. No. 36, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO INTERGOVERNMENTAL TRANSFER OF EMPLOYEES", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Senate Bill No. 1469, S.D. 1, H.D. 2:

On motion by Senator R. Wong, seconded by Senator Toyofuku and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 1469, S.D. 1, and S.B. No. 1469, S.D. 1, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC ASSISTANCE", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Senate Bill No. 1533-78, S.D. 1, H.D. 2:

On motion by Senator Toyofuku, seconded by Senator Young and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 1533-78, S.D. 1, and S.B. No. 1533-78, S.D. 1, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO IN-SERVICE TRAINING PROGRAMS", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Senate Bill No. 1591-78, S.D. 1, H.D. 1:

On motion by Senator Yim, seconded by Senator King and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 1591-78, S.D. 1, and S.B. No. 1591-78, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ENERGY EFFICIENT PROCUREMENT PRACTICES", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

At 11:53 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

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

At this time, the President introduced to the members of the Senate Mr. Shigeru S.K. Oda from Hilo, Hawaii, the honoree of Senate Resolution No. 212 which was adopted by the Senate on February 17, 1978. Accompanying Mr. Oda were his son, Russell and his daughter, Candy.

Senate Bill No. 1782-78, H.D. 1:

On motion by Senator Toyofuku, seconded by Senator Young and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 1782-78, and S.B. No. 1782-78, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC ASSISTANCE", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Senate Bill No. 1787-78, S.D. 1, H.D. 1:

On motion by Senator Toyofuku, seconded by Senator Young and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 1787-78, S.D. 1, and S.B. No. 1787-78, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYMENT", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 3 (Anderson, Leopold and Soares).

Senate Bill No. 2100-78, S.D. 1, H.D. 1:

On motion by Senator Toyofuku, seconded by Senator Young and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 2100-78, S.D. 1, and S.B. No. 2100-78, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO UNEMPLOYMENT INSURANCE", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Senate Bill No. 2279-78, H.D. 1:

By unanimous consent, action on S.B. No. 2279-78, H.D. 1, was deferred

to the end of the calendar.

Senate Bill No. 2567-78, S.D. 1, H.D. 1:

On motion by Senator Toyofuku, seconded by Senator Young and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 2567-78, S.D. 1, and S.B. No. 2567-78, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT SECURITY", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Senate Bill No. 2609-78, S.D. 1, H.D. 1:

On motion by Senator Toyofuku, seconded by Senator Young and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 2609-78, S.D. 1, and S.B. No. 2609-78, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF SOCIAL SERVICES AND HOUSING", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Senate Bill No. 2616-78, H.D. 1:

On motion by Senator Hara, seconded by Senator Yim and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 2616-78, and S.B. No. 2616-78, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE COMPACT FOR EDUCATION", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Senate Bill No. 71, S.D. 3, H.D. 2:

Senator R. Wong moved that the Senate agree to the amendments proposed by the House to S.B. No. 71, S.D. 3, and that S.B. No. 71, S.D. 3, H.D. 2, having been read throughout, pass Final Reading, seconded by Senator Young.

Senator King then spoke against the motion as follows:

"Mr. President, I'm going to be voting 'no' on this bill and I'd like to just briefly state why.

The Committee Report from the House Finance Committee refers to a language change, excluding reference to low income on page 2. They don't mention that also on page 3a, the present statute

says 'to provide safe and sanitary dwelling accommodations for persons of low income.' They've stricken 'for persons of low income' and if they had at least put 'with priority given to persons of low income', I think I would have found this more acceptable.

Another change that they made is in housing for the elderly. They added new language to the statute saying that this shall be exempt from all county zoning ordinances relating, among other things, to building height restrictions, recreational area, open space. I'm not sure that the elderly should be discriminated against, in a sense, in this particular way, or that we should be taking this option away from the county. I understand the intent of this is to attempt to build costs at lesser expense, but I'm not sure that this is the proper way to do it.

I feel even more strongly regarding the new language on page 43 which says that 'the authority may develop public land in an agricultural district and in conservation districts.' The former is subject to approval by the Land Use Commission and the latter by the Board of Land and Natural Resources, but they added new language saying 'the petition shall be conclusive proof that the intended use is a superior public use to that which the land has been appropriated.'

I don't believe that in terms of agricultural or conservation district land, the petition itself should be conclusive proof. I think the petition should include conclusive proof and the Board and the Land Use Commission should then make the determination.

It is for these reasons that I'll be voting against this bill, Mr. President."

The motion was put by the Chair and carried, and the Senate agreed to the amendments proposed by the House to S.B. No. 71, S.D. 3, and S.B. No. 71, S.D. 3, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO HOUSING", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (King).

Senate Bill No. 1598-78, S.D. 1, H.D. 1:

On motion by Senator Yim, seconded by Senator King and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 1598-78,

S.D. 1, and S.B. No. 1598-78, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE BANNING OF PILOT LIGHTS ON GAS APPLIANCES", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Senate Bill No. 1654-78, S.D. 1, H.D. 1:

On motion by Senator Toyofuku, seconded by Senator Young and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 1654-78, S.D. 1, and S.B. No. 1654-78, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO VACANCIES IN CIVIL SERVICE POSITIONS", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Senate Bill No. 350, S.D. 2, H.D. 2:

By unanimous consent, action on S.B. No. 350, S.D. 2, H.D. 2, entitled: "A BILL FOR AN ACT FOR MANDATORY CERTIFICATION OF OPERATING PERSONNEL IN WASTEWATER TREATMENT FACILITIES", was deferred until Thursday, April 6, 1978.

Senate Bill No. 113, S.D. 1, H.D. 1:

Senator R. Wong moved that the Senate agree to the amendments proposed by the House to S.B. No. 113, S.D. 1, and that S.B. No. 113, S.D. 1, H.D. 1, having been read throughout, pass Final Reading, seconded by Senator Hara.

Senator R. Wong then stated that the House had made some technical changes in the bill by substituting the word "chairperson" for "chairman" and "member" for "he" and by deleting the requirement for the chairperson to sign warrants, as this was found to be inconsistent with the existing law.

The motion was put by the Chair and carried, and the Senate agreed to the amendments proposed by the House to S.B. No. 113, S.D. 1, and S.B. No. 113, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF EDUCATION", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Senate Bill No. 380, S.D. 2, H.D. 1:

Senator R. Wong moved that the Senate

agree to the amendments proposed by the House to S.B. No. 380, S.D. 2, and that S.B. No. 380, S.D. 2, H.D. 1, having been read throughout, pass Final Reading, seconded by Senator Toyofuku.

Senator R. Wong then commented as follows:

"Mr. President, the House provided that in order to qualify for early retirement, the member must have spent at least five years prior to retirement as a sewer worker. Also, the House clarified the classification of Sewer Maintenance Supervisor I and II and added Cesspool Pumping Supervisor to the language."

The motion was put by the Chair and carried, and the Senate agreed to the amendments proposed by the House to S.B. No. 380, S.D. 2, and S.B. No. 380, S.D. 2, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO RETIREMENT FOR SEWER WORKERS", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Senate Bill No. 1342, H.D. 2:

Senator R. Wong moved that the Senate agree to the amendments proposed by the House to S.B. No. 1342, and that S.B. No. 1342, H.D. 2, having been read throughout, pass Final Reading, seconded by Senator King.

Senator R. Wong then stated:

"Mr. President, this bill relates to the issuance of revenue bonds. The Senate passed the bill in short form last year and we were anticipating some kind of word from the bond counsel. It has come through this year and the House has amended the bill by putting in the full language and modifying it to cover county projects as the bond counsel has given its approval."

The motion was put by the Chair and carried, and the Senate agreed to the amendments proposed by the House to S.B. No. 1342, and S.B. No. 1342, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF REVENUE BONDS FOR ANTI-POLLUTION PROJECTS", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Senate Bill No. 1581-78, S.D. 1, H.D. 2:

On motion by Senator R. Wong, seconded by Senator Yim and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 1581-78, S.D. 1, and S.B. No. 1581-78, S.D. 1, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO AN APPROPRIATION FOR RESEARCH, DEVELOPMENT, DEMONSTRATION, AND UTILIZATION OF ALTERNATE ENERGY SOURCES FOR HAWAII", having been read throughout, passed Final Reading by not less than two-thirds vote of all the members to which the Senate is entitled, on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Senate Bill No. 2302-78, H.D. 2:

On motion by Senator R. Wong, seconded by Senator Hulten and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 2302-78, and S.B. No. 2302-78, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO BONDS ISSUED BY THE COUNTIES", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Senate Bill No. 2478-78, S.D. 1, H.D. 1:

Senator R. Wong moved that the Senate agree to the amendments proposed by the House to S.B. No. 2478-78, S.D. 1, and that S.B. No. 2478-78, S.D. 1, H.D. 1, having been read throughout, pass Final Reading, seconded by Senator Hulten.

Senator R. Wong then commented that "the House amended the reserve fund section to specify applicability to counties with less than 100,000 population and to provide that the prohibition is prospective only", and added that other amendments were made for clarification.

The motion was put by the Chair and carried, and the Senate agreed to the amendments proposed by the House to S.B. No. 2478-78, S.D. 1, and S.B. No. 2478-78, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO IMPROVEMENT BY ASSESSMENT", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Senate Bill No. 2559-78, H.D. 1:

On motion by Senator R. Wong, seconded by Senator Nishimura and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 2559-78, and

S.B. No. 2559-78, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE CONSTITUTIONAL CONVENTION", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Senate Bill No. 2617-78, S.D. 1, H.D. 1:

On motion by Senator Nishimura, seconded by Senator King and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 2617-78, S.D. 1, and S.B. No. 2617-78, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ESTABLISHMENT OF A CONSERVATION AND RESOURCES ENFORCEMENT PROGRAM WITHIN THE DEPARTMENT OF LAND AND NATURAL RESOURCES", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Senate Bill No. 271, S.D. 1, H.D. 1:

On motion by Senator Nishimura, seconded by Senator Kuroda and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 271, S.D. 1, and S.B. No. 271, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO OCCUPATIONAL THERAPY", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Senate Bill No. 518, H.D. 1:

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 518, and S.B. No. 518, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO LAND TRUSTS", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Senate Bill No. 1691-78, H.D. 1:

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 1691-78, and S.B. No. 1691-78, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO AMENDMENT OF NOTICE TO VICTIM PROVISION OF HRS 706-602", having been read throughout, passed Final Reading on the following

showing of Ayes and Noes:

Ayes, 23. Noes, 2 (Anderson and Yee).

Senate Bill No. 1801-78, S.D. 1, H.D. 1:

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 1801-78, S.D. 1, and S.B. No. 1801-78, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE PHYSICIAN-PATIENT PRIVILEGE", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Senate Bill No. 2480-78, S.D. 1, H.D. 1:

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 2480-78, S.D. 1, and S.B. No. 2480-78, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO RIGHTS OF SUBROGATION", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Standing Committee Report No. 756-78 (H.B. No. 1932-78, H.D. 2):

On motion by Senator Taira, seconded by Senator Takitani and carried, Stand. Com. Rep. No. 756-78 was adopted and H.B. No. 1932-78, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE MOTOR CARRIER LAW", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Standing Committee Report No. 757-78 (H.B. No. 2165-78, H.D. 1):

On motion by Senator Taira, seconded by Senator Takitani and carried, Stand. Com. Rep. No. 757-78 was adopted and H.B. No. 2165-78, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE PURCHASE BY A PUBLIC UTILITY OF GEOTHERMAL ENERGY", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

House Bill No. 1954-78:

On motion by Senator Toyofuku, seconded

by Senator Young and carried, H.B. No. 1954-78, entitled: "A BILL FOR AN ACT RELATING TO LABOR STANDARDS FOR THE REGISTRATION OF APPRENTICESHIP PROGRAMS", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

THIRD READING

Standing Committee Report No. 769-78 (H.B. No. 3042-78, H.D. 1):

By unanimous consent, action on Stand. Com. Rep. No. 769-78 and H.B. No. 3042-78, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO APPROPRIATIONS FOR WITNESS EXPENSE IN CRIMINAL PROCEEDINGS", was deferred until Thursday, April 6, 1978.

House Bill No. 3041-78:

By unanimous consent, action on H.B. No. 3041-78, entitled: "A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF SOCIAL SERVICES AND HOUSING: MAKING SUPPLEMENTARY APPROPRIATIONS OUT OF GENERAL REVENUES TO COVER CERTAIN DEFICIENCIES FOR THE FISCAL YEAR ENDING JUNE 30, 1978", was deferred until Thursday, April 6, 1978.

MISCELLANEOUS COMMUNICATION

A communication from the family of the late Adelaide S. Duarte (Misc. Com. No. 26), extending appreciation for the adoption of Senate Resolution No. 382 (1978), was read by the Clerk and was placed on file.

At 12:09 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 12:11 o'clock p.m.

MATTER DEFERRED FROM EARLIER ON THE CALENDAR

Senate Bill No. 2279-78, H.D. 1:

Senator F. Wong moved that the Senate agree to the amendments proposed by the House to S.B. No. 2279-78, and that S.B. No. 2279-78, H.D. 1, having been read throughout, pass Final Reading, seconded by Senator Hara.

Senator Kawasaki then spoke against the passage of the measure as follows:

"Mr. President, I spoke against this bill about a week ago and at that

time voiced some objections. I find today that I have even a greater, more compelling reason to plead with the members of this Body to vote against this bill.

I think you have had a report of the Legislative Auditor's inquiry into our Farm Loan Program delivered to your offices. I have had some very jaundiced views about this program as I think the condition is appalling. It has been appalling for a number of years. I have on many occasions during the past sessions, spoke out against the inefficiency in the Farm Loan Program.

If you have not had the opportunity to read the item on the front page of the Pacific Business News, which, incidentally, thousands of independent businessmen subscribe to and these are people who are not directly connected with the farming industry, I think I should read this because some of the items included in this article are very pertinent to how you should be voting on this bill before us.

This bill in language purports to extend the time of which a borrower from the State in the Farm Loan Program may not have to make any monthly principal payments. These principal payments are rather reasonable. They have been scheduled over a period of years and it is a schedule which I think a reasonably efficient and prudent businessman is able to meet. Now, by law, we have provided that in the event, for reasons beyond his control, a farmer cannot make principal payments, then we give him a two-year extension.

This bill further extends this to five years, three additional years, for reasons beyond his control and they specify these reasons on the first page of the bill. They also say 'but not limited to' the reasons specified. Now this is what I think is dangerous about it.

But let me read excerpts from the Business News Week publication, entitled 'Auditor's Report Blasts Farm Loan Program', written by Debra Whitefield, and I quote,

'A scathing report by the Legislative Auditor... charges the Department of Agriculture with "deliberately" turning the farm loan program into a subsidy program and with lending money to a select group of farmers.

For those reasons, the audit concludes, the program has "failed miserably."

Serious questions are raised in the report about the manner in which some agricultural loans are granted. Specifically addressed are findings of statutory violations, unequal distribution

of loans, failure to document loan security, acceptance of outdated financial statements, and "sloppy and perfunctory" management.

Other findings:

- Loans are approved on the basis of "insufficient and legally unacceptable security."
- Loans exceeding statutory limits have been granted aquaculture farmers.

The department is engaged in the "questionable practice of refinancing existing farm loans", a practice that severely limits the number of program participants.

- Of \$8.88 million in loans outstanding June 30, 1975, 48.4 per cent was concentrated among 12.9 per cent of the borrowers. More than 60 per cent of those were from the Big Island.'

Twelve million dollars of State taxpayers' money has been expended in this Farm Loan Program since 1961. We provide this kind of subsidy for no other segment of the business community--no other segment. To continue the article,

- '- Efforts to ensure repayment of loans have been "sloppy" and "perfunctory."

The Department of Agriculture has made direct loans to farmers even when available financial data and past experience clearly indicated inability to repay.

The "failure" of DOA to encourage financing from private and also from federal sources has placed financial burdens on the state.

Loans are made "even when the projections have shown insufficient flow of cash to repay the loan applied for, the applicant's past loan experience has shown a chain of delinquencies, and the applicant's equity has been a negative one," the report says. "Moreover, DOA has made loans upon loans when the indicators have shown inability to repay even existing loans."

As of June 30, 1975, 787 farm loans to 661 farmers were outstanding. The loans totaled \$4,882,581. Eighty-six per cent of those were direct state loans.'

Mr. President, these are not loans made by lending institutions guaranteed by the State of Hawaii but direct State loans. To further quote the article,

'Nearly half of the \$8,882,581 was concentrated in the hands of 12.9 per cent of the borrowers.

That concentration of state loans in the hands of a few, clearly violates the intention of the section of the law reading "during a tight money situation all available farm loans should be spread among reasonably efficient farmers rather than concentrated among a few."

Nearly 31 per cent of the money outstanding was delinquent, nearly double the 1971 delinquency rate.'

Mr. President, this audit covered the period of one year between 1974 and 1975. The Department of Agriculture, as is the customary practice, was given a chance to respond to the Legislative Audit, and I'd like to continue the article,

'State Auditor Clinton Tanimura, who received the department's comments and justifications for recommended changes two weeks ago, said the department's comments may be reflected in some "very minor" revisions to the report. However, he said he found the comments for the most part "thoughtless."'

Now, Mr. President, a similar report criticizing the Farm Loan Program emanated from the Legislative Auditor's Office in 1971.

At that time, conditions were pretty bad. The Kohala Task Force projects were generally commenced in 1973, after the first critical report by the Legislative Auditor's Office. And in reviewing the Kohala Task Force projects, the \$5.8 million, the State taxpayers' money which was expended in a fiasco of sorts, apparently showed that the Department did not pay too much heed to the warning issued in the first report.

Now comes the second report covering a year's period between 1974 and 1975. The point I wish to make is that had the Department, with reasonable diligence, adhered to the recommendations of the first audit report, we would not have had the Kohala fiascos--that's the point.

Secondly, I think our passing this bill--it sounds rather innocent, helping a certain segment of the business community by not requiring reasonably scheduled monthly principal payments--we are compounding what is already a bad situation.

I think the businessmen, thousands of businessmen, the other segments of our community, have the perfect right to say, 'Hey, what about us? What about my business? I need some

help.' Perhaps what we should do for those businesses who are unable to pay their State taxes, for reasons beyond their control, is not charge them the 12% interest as we do on the taxes that they owe. They don't owe us any loans, only taxes. We should give other segments of private entrepreneurs this kind of treatment.

I have been here for about ten or eleven years and I have been appalled at how, by legislative act, we have been giving special treatment to a very select group of farmers. You see the capital improvement projects in every session--huge amounts of money for appropriations, cooling plants, storage facilities and all kinds of improvements, some of which I think are questionable.

The point I wish to make is that we are not helping to improve the Farm Loan Program administration by further liberalizing what is already, in my judgment, a very liberal attitude on the part of the State Legislature for one segment of our business work here--the farmers.

I'd like to help the diligent farmer at a time when most farm products are selling for good prices and conditions are fairly good. I don't think we need to extend by three years, for a total of five years, that period in which he does not have to make any payment of principal.

I think this is a bad bill and I wish you would reflect on this and certainly I would hope that you read the Legislative Auditor's Report.

I think this only compounds a bad situation and hopefully, we can do something to improve what is the Farm Loan Program administration today. But this bill certainly, as I said, compounds a bad situation. I would wish that you would vote against this bill.

Thank you."

Senator F. Wong then spoke for the measure as follows:

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

The points made by the distinguished Senator from the Fifth District are correct because we do have significant problems in the administration of the Farm Loan Program, but I don't think that we can confuse the administration of the program with what the needs of the farming community are.

For some time now, this Body has chastised the administration of the Farm Loan Program in a number of sessions, including the extensive work that we did regarding the Kohala Task Force, and many of the suspicions that we had about the Farm Loan Program have been borne out by the Auditor's Report, which, as you know, has been long overdue.

Mr. President, the matter of the administration of the Farm Loan Program is the subject matter of the Senate right now and that matter will be discussed in great detail before the end of the session. However, I rise to speak and ask for the support of this bill primarily because it is of assistance to the farming community, which is not involved in the administration of the bill.

The Legislature, in its wisdom a long time ago, determined that agriculture was of great importance to this State and therefore was entitled to special consideration.

Mr. President, what we're asking for is flexibility to extend the principal payment for an additional two years and with provisions for a third year if, under certain circumstances such as drought, shipping strike, things that are completely beyond the control of our farmers, necessitate such an extension.

I think that the public policy of this State should be to assist the agricultural community in times of hardship. This type of legislation is certainly in the best interest of the State of Hawaii.

Thank you, Mr. President."

Senator Yee then stated as follows:

"Mr. President, I speak very briefly in favor of the bill to echo the sentiments of the previous speaker, but more so that there is nothing wrong with the bill. I think it is an excellent bill and therefore must rise to speak in favor of it.

The things that the Senator from the Fifth District talks about are purely administrative, and if he had a resolution here on the table today condemning the Board of Agriculture, condemning the Director of Agriculture for the sloppiness that it has carried out its duties in the past two years, I would vote with him on that also.

But that is not the question on this bill. The question has been pointed out to help an industry that really needs help. And now, besides strictly farming, aquaculture is part of the overall agriculture activity and they certainly need help

as well.

Thank you."

Senator Kawasaki then commented as follows:

"Mr. President, there is one short point I want to make.

I would go along with the bill if the extension was for perhaps a year. I think I could support three years of extension for a businessman who legitimately has a bad economic hardship. But this one goes for an extension of three additional years, for a total of five years.

Also, my concern is the language that says 'in addition to factors beyond a farmer's control.' If the borrower is in a state of extreme financial hardship which is caused by factors beyond his control, which factors include but not limited to... those words 'but not limited to' is, I think, what is dangerous in this bill.

I would say that if you are going to vote 'aye' on this bill, then be prepared, be prepared to extend similar benefits

to other types of businesses because we do not help many other businessmen, who are diligent in their efforts to make ends meet, to help economy, to create jobs. We do not help other business segments in a similar type of program. So just be prepared to provide this same benefit to others.

Thank you."

The motion was put by the Chair and carried, and the Senate agreed to the amendments proposed by the House to Senate Bill No. 2279-78, and S.B. No. 2279-78, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO FARM LOANS", having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 3 (Kawasaki, O'Connor and Soares).

ADJOURNMENT

At 12:33 o'clock p.m., on motion by Senator Taira, seconded by Senator Anderson and carried, the Senate adjourned until 11:30 o'clock a.m., Thursday, April 6, 1978.