

THE
TENTH LEGISLATURE
STATE OF HAWAII
REGULAR SESSION OF 1980
JOURNAL OF THE SENATE

FIRST DAY

Wednesday, January 16, 1980

In accordance with the provisions of Section 10 of Article III of the Constitution of the State of Hawaii, the Senate of the Tenth Legislature of the State of Hawaii, Regular Session of 1980, was called to order at 10:00 o'clock a.m., Wednesday, January 16, 1980, by the Honorable Richard S. H. Wong, President of the Senate.

At this time, the President appointed Senators Kuroda, Mizuguchi and Yee to escort Reverend Raymond Nishigaya of St. Stephen's Catholic Church, to the dais for invocation.

The Committee of three escorted Reverend Nishigaya to the dais and was discharged with thanks.

The Divine Blessing was then invoked by Reverend Nishigaya.

MESSAGE FROM THE GOVERNOR

A message from the Governor (Gov. Msg. No. 1), informing the Senate that in accordance with Section 17-3, Hawaii Revised Statutes, as amended, he has appointed Gerald K. Machida, Senator for the Second Senatorial District, State of Hawaii, effective October 9, 1979, to fill the vacancy in the membership of the Senate created by the resignation of former State Senator Henry Takitani, was read by the Clerk and was placed on file.

Senator Mizuguchi moved that a Committee of three Senators be appointed by the President as a Committee on Credentials, seconded by Senator Anderson and carried.

The President then appointed Senators Yamasaki, Chairman, Mizuguchi and Anderson as members of the Committee.

At 10:14 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 10:40 o'clock a.m.

SPECIAL COMMITTEE REPORT

Senator Yamasaki, for the Committee on Credentials, presented a report (Spec. Com. Rep. No. 1) which was read by the Clerk as follows:

"The Honorable Richard S. H. Wong
President of the Senate
The Tenth State Legislature
State Capitol
Honolulu, Hawaii 96813

Sir:

Your Committee on Credentials begs to report that it has examined the Letter of Appointment of Honorable Gerald K. Machida and finds that he is qualified to fill the vacancy in the Senate created by the resignation of State Senator Henry Takitani for the Tenth Legislature of the State of Hawaii, Regular Session of 1980.

Respectfully submitted,

Mamoru Yamasaki, Chairman
Norman Mizuguchi
D. G. Anderson"

Senator Yamasaki moved that Special Committee Report No. 1 be adopted, seconded by Senator Anderson and carried.

The Committee was thereupon discharged with thanks.

The President then appointed Senator Yamasaki to escort Senator Machida to the floor of the Chambers.

Chief Justice William Richardson then administered the oath of office to Senator Machida.

The President thanked Chief Justice Richardson and then offered congratulations to Senator Machida and requested that he take his seat.

At this time, the Roll was called showing all Senators present.

MESSAGE FROM THE GOVERNOR

A message from the Governor (Gov. Msg. No. 2), submitting for consideration and consent to the State Supreme Court, the nomination of Herman T. F. Lum, Associate Justice, in accordance with the provisions of Article VI, Section 3, of the Hawaii State Constitution, for a term of ten years, was read by the Clerk and was referred to the Committee on Judiciary.

At 10:46 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 11:18 o'clock a.m.

The President introduced to the members of the Senate his 10-month old grandson, Joshua Alexander Maioho.

The President then addressed the members of the Senate and guests as follows:

"Governor Ariyoshi, Lieutenant Governor King, Chief Justice Richardson, Distinguished Guests, Members of the Senate, Ladies and Gentlemen:

"We meet at a time when international as well as national events weigh heavily in the minds of many of us--the continuing crisis in Iran, the Soviet incursion into Afghanistan, the spiral of inflation, the distractions of a year of presidential politics.

"It would be easy to allow these events to overshadow the business at hand and for the Senate to follow the conventional political wisdom that in an election year we 'don't rock the boat.' We avoid controversial issues. We defer difficult decisions until next year. However, we, in the Senate, you and I, have traveled too far together to not now go all the way in discharging our responsibilities.

"It is my hope that this 1980 session be a productive, active and meaningful one.

"Over the past year, the Senate has developed a reputation for being a body of independent-minded and determined individuals. We have had our debates and differences of opinion. However, to my mind, this has been a creative process--one which has produced legislation behind which we can all ultimately unite.

"In this environment, I believe

that this Senate has emerged as a stronger Body, and that all Senators, majority as well as minority members, have been and are ready, willing, and able to tackle the issues.

"As your presiding officer, it is my responsibility to see to it that the business of this Body is conducted with efficiency and fairness to all members and viewpoints. I will continue to discharge that responsibility to the best of my ability.

"I believe the responsibility of leadership also requires me to advise you on the importance of certain issues and to recommend the courses of action which we might take. You may not necessarily agree with my position, but I am confident that after due deliberation, we will find common ground for agreement as to what we should do and how we should do it.

"So that you may know what I foresee as some of the major issues before us and also what my own position is on them, let me now present eight of them for your consideration.

"First is the issue of amending our State Usury Law so as to assure the continued influx of mortgage capital into Hawaii for our local prospective home buyers. Our statutory 12% ceiling is unrealistic when prevailing rates across the nation are up to 14-15%. In order for Hawaii to be competitive with the rest of the nation, our law must be changed.

"I should state that I do not favor eliminating the ceiling altogether. I believe some statutory control on interest costs is necessary. Therefore, I ask the Housing Committee and the Consumer Protection and Commerce Committee to consider either a floating ceiling tied to some economic indicator or a mechanism for giving the administration emergency powers for temporary lifting of the ceiling.

"Second, the condition at Honolulu International Airport, with its dangerous mix of commercial and general aviation aircraft worsens over the years. This can only mean that we are very much on borrowed time in avoiding a major air tragedy.

"To correct this dangerous problem, the State administration apparently is proceeding to develop a new general aviation airport at Poamoho. The problem is that any new airport would take between four to five years to complete. In the meanwhile, the dangerous mix at Honolulu International Airport remains.

"As a temporary stop-gap measure, our Transportation Committee Chairman has proposed general aviation activities be moved temporarily to Wheeler Field on a joint-use basis with the military. He has been pursuing this proposal with the Federal government. This is a difficult process. We need to show some indication at the State level that the joint use is indeed temporary; that we are committed to developing a new general aviation airport and that we are so proceeding expeditiously.

"Therefore, I call on the Transportation Committee to proceed on the following courses of action: first, determine what actions can be taken at Honolulu International Airport itself--through runway realignments or other means--to reduce the hazards there; second, determine whether any existing State airfield, such as Dillingham Airfield, can be developed in short order to accommodate a higher level of general aviation operations; third, pursue with the Federal government the temporary use of Wheeler, and possibly other military airfields, for general aviation; and fourth, make a decision on a site or sites for the long-term use of general aviation--whether it is Bellows, my own personal preference, or, as alternatives, Kahuku, Poamoho or Dillingham. It is only through a combination of these actions that the perilous problem will be reduced over the short term and resolved over the longer term.

"No less than the interest of safety, the next issue that I would like to address is likewise very much the people's business. It is about the people's money.

"The Chairman of the Ways and Means Committee has been working on a plan for tax relief and reform which involves the restructuring of the General Excise Tax and the Individual Income Tax.

"At the same time, the State administration has indicated it will propose a plan for tax rebates from surplus revenues. Various legislators may propose still other rebate plans.

"At this early juncture and before the issues become hopelessly confused, I should note that the issue of tax relief and reform is separate from the issue of tax rebates. While both involve the people's money, they are different in their origins and their effects.

"As I understand the plan of the Ways and Means Chairman, its objective

is to reform the tax system which will result in reduced taxes for virtually all resident taxpayers, especially for those in low and middle income brackets. Senators, I ask you to discard the conventional wisdom that we should not engage in major tax writing in an election year. We should hear out the plan as it is developed and refined, and make a decision on its merits. Speaking for myself, I am personally committed to the principle of tax reform--having sponsored a tax reform bill myself in 1975--and I am very impressed by the Ways and Means plan.

"As for the tax rebate plans proposed by the administration and by various legislators, I likewise ask you to consider and compare them all on their merits. The State has a projected \$160 million surplus available and it is fitting that we consider ways of returning some of these funds to the taxpayers. I urge you to give serious consideration in acting on this matter.

"My fourth issue is energy, a subject that has been of longstanding interest to me.

"Hawaii is extremely vulnerable to imported oil and oil products for our energy requirements. Oil supplies some 90% of these requirements and its cost to Hawaii is approaching \$1 billion a year. Over the last few years, the Senate under the impetus of our Economic Development Committee Chairman has moved Hawaii into the forefront of developing our indigenous alternate energy sources--solar, wind, biomass, geothermal, and OTEC. Our prospects for attaining greater energy self-sufficiency are both promising and exciting.

"However, continued research and development costs money. One possible approach we should seriously consider is the establishment of an energy self-sufficiency fund--perhaps by earmarking certain revenues--to cover some of the costs incurred.

"Fifth is the issue of crime. The alarming increase in crime is a source of great concern to me, and I expect, to all of you. It is intolerable that our people are afraid for themselves, their families and their property. The Chairman of the Judiciary Committee has been developing legislation in this area. He needs your support.

"We need implementing legislation for the Juvenile Justice Master Plan. We need to curb criminal violence in our community.

"Additionally, we will have to review

the Crime Commission which has been the subject of recent controversy. If we are to approve the continued existence of the Commission, we need to more carefully define its role, function and powers. I for one feel that the Commission should be basically a citizens' panel, devoted to broad studies and public education, and that immunity powers for it are neither necessary nor desirable.

"The sixth issue I'd like to discuss is mass transit. The various plans and studies for the proposed HART fixed-guideway system have been completed. We need to make a decision on whether or not to proceed with the actual construction. Frankly, this is a decision the Legislature has been putting off for the better part of two decades.

"Now, I for one am a believer. I think we should proceed with HART, very likely in conjunction with a bus feeder system. Given our future energy and population outlook, we cannot continue to rely on the automobile. There is no question that the construction and operation of HART will be expensive. Now is the time for us to consider giving the counties general excise taxing powers, which may then be used to support a mass transit system.

"My next issue is tourism. The tourist industry is the single largest sector of our economy. I, along with many knowledgeable people, believe that our tourist industry infrastructure is weak and that strong action is necessary to strengthen and enhance it.

"I refer specifically to Waikiki, our primary tourist destination area and the heart of our tourist industry infrastructure. We need to clean up Waikiki and control the honky-tonk, sleazy and dubious elements present there. We need to alleviate the crowding and congestion. We need to proceed expeditiously with the improvements which had been delayed due to city-state differences.

"Priority attention needs to be given to upgrading Waikiki. I call on the Tourism Committee to follow up on this problem.

"The eighth and final issue I want to mention deals with the problems and concerns of small business. The small business community accounts for a very significant share of Hawaii's new jobs and economic growth and its continued well-being is important to the State's economy. Compared to other State economic development

activities, assistance to small businesses has been scant. Insufficient capital and bureaucratic red tape are but some of the persistent problems affecting small business.

"To deal with these and other problems, a comprehensive small business program has been developed under the leadership of the Chairman of the Economic Development Committee. I look forward to it being given serious attention by the members of this Body.

"The limitations of time prevent me from going beyond these issues. They, and others, have been under review by our various committees in the Senate and will be addressed in depth in our majority party program. From time to time in the days ahead, I intend to apprise you of my views on other issues coming before the Senate.

"This particular Tenth State Legislature is at midpassage. The past--the troublesome decade of the seventies--is behind us, the decade of the eighties lies before us. The time is to now rekindle old aspirations for the better Hawaii we all want for our people. The time is also now to aspire to new hopes and to strengthen our resolve that whatever has been done before, we can do better in the future.

"Most of us sense a new political dawn breaking, with old political perspectives giving way to new ones. This is the way of political life.

"For myself, I look forward to the challenges of the eighties. Working together with you, my fellow Senators--majority and minority members alike--and with the cooperation and participation of the administration, our colleagues in the House of Representatives, the several counties, and all interested individuals and groups, we can accomplish much in the spirit of shared aspirations, in the spirit of unity, in the spirit of ohana.

"Members of the Senate, I ask for your support in continuing to make this Body a more effective instrument of the people's will. And to the people of Hawaii, I announce that the Senate is ready to serve you--and resolves to serve you well.

"Thank you very much."

Senator Yee then responded as follows:

"Mr. President, I thank you for your comments and you can be assured that the Republicans will give very deep consideration to these problems as we are well aware of them.

"Mr. President and fellow members of the Senate:

"I would like to take this opportunity to welcome our newest member to the State Senate, Senator Gerald Machida from Maui. Jerry, we look forward to working with you as we seek solutions to the many difficult problems which are before us this year.

"As we begin a new decade, I believe that it is appropriate for me, as leader of the Senate Republicans for the past 10 years, to briefly review a few of the contributions of Republican legislators during the 1970's.

"It is with pride, and a great deal of satisfaction, that we are able to point to the new Constitutional provision for a State general fund spending limit as a major Republican goal which has finally been achieved. This concept was first developed by the Republicans and was presented for legislative consideration in 1973. The enabling legislation currently under consideration incorporates many of the basic elements of our original proposal.

"It is also with pleasure that we welcome the support of the Chairman of the Ways and Means Committee for our longstanding efforts to exempt the sale of food and drugs from the General Excise Tax. Continuing bipartisan support for this idea brings the prospect of enactment within sight, and we believe that passage in 1980 would be a credit to this Honorable Body.

"We also note the growing awareness on the part of government of the need to foster, encourage, and support small businesses in our community. When I say small businesses, I include small agricultural, fishing, and aquacultural enterprises because they are a source of new jobs, new ideas, and new strength for our economy.

"But enough of these past accomplishments. During the 1980 session, we must be prepared to make the right decisions on many tough issues, for example, changes in the State's Usury Law will be proposed. We have already heard some very good arguments for repealing or raising the present 12% limit on mortgages. While the Federal government has relieved the immediate pressure by temporarily overriding the states' limits, we hope the majority will agree that a cautious and careful examination of the more subtle aspects of the issue is needed before final decisions are made. Benign neglect

is simply not an option when housing for hundreds and thousands of the people of Hawaii is the bottom line.

"And finally, we all know that political points can be made by offering a tax rebate this session. However, we also know that the uncertainties of the 80's will call for particular care in protecting Hawaii's fragile economy.

"I strongly recommend that we look carefully at the benefits of returning so called 'surplus' to the State's economy by way of cash capital improvements and to fund certain projects that have been denied by the Governor for lack of funds. This would shift us from the present policy of 100% bond financing of capital improvements and reserve a greater debt margin for our future as we learn to work with the new Constitutional debt limit. At the same time, it would help us insure that public funds are effectively used to generate quality employment opportunities and economic stability in the coming decade.

"In closing, I want to stress that the Republican members of the Senate pledge to consider all proposals on the basis of merit and not partisanship. We hope, Mr. President, that under your leadership the majority will also operate this way as they have in the past and, if we all do, we will have a productive session that we can all be proud of.

"Thank you, Mr. President."

At 11:40 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 11:52 o'clock a.m.

HOUSE COMMUNICATION

A communication from the House (Hse. Com. No. 1), transmitting House Concurrent Resolution No. 1, which was adopted by the House of Representatives on January 16, 1980, was read by the Clerk and was placed on file.

On motion by Senator Mizuguchi, seconded by Senator Anderson and carried, H.C.R. No. 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE GOVERNOR TO ADDRESS THE LEGISLATURE ASSEMBLED IN JOINT SESSION", was adopted.

The President then announced that Senator Machida will serve as Chairman of the Committee on Agriculture; Vice-Chairman of the Committee on Tourism; and as a member of the Committee on Education, Committee on Health, Committee on Judiciary and Committee on Transportation.

The President expressed thanks and appreciation to Al Harrington, the Surfers, the Brothers Cazimero, Zoulou, Leinaala Heine, Andy Bumatai and Bobby Enriques for their performances this morning and to Audissey for the use of their sound equipment for the entertainment.

ADJOURNMENT

At 11:54 o'clock a.m., on motion by Senator Mizuguchi, seconded by Senator Anderson and carried, the Senate adjourned until 11:30 o'clock a.m., on Thursday, January 17, 1980.