

FIFTY-FIRST DAY

Friday, April 6, 1984

The Senate of the Twelfth Legislature of the State of Hawaii, Regular Session of 1984, convened at 11:40 o'clock a.m., with the Vice President in the Chair.

The Divine Blessing was invoked by the Reverend Edgar Saguinsin of Our Lady of Perpetual Help, after which the Roll was called showing all Senators present.

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

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

Senator Ajifu introduced Mr. Toshio Konishi, Chairman of the Shin Nihon Jitsugyo, Co., Ltd. (a pharmaceutical company), Japan, and Mr. and Mrs. Koh, Ka O, of Okinawa, and stated as follows:

"Mr. Vice President, Mr. Toshio Konishi is the man responsible for the introduction of a new specie of bamboo to Hawaii which, I believe, has tremendous potential for development as another agricultural commodity.

"Mr. Koh is the man who researched and developed this new specie, commonly known in Japan as the 'all-season' bamboo.

"Mr. Vice President, there are several outstanding features about this bamboo. This specie is noted for three important attributes -- being a prolific producer; its ability to grow nearly all year long; and, more importantly, its ability to have shoots eaten raw.

"As some of you are aware, all other species of bamboo shoots need processing to make them edible without having an astringent taste. The 'all-season' bamboo, however, has a pleasing taste without processing, an important point for marketing.

"Because it is a natural product, which is high in fiber, its potential as a health food is good. Its shoots can be eaten in salads and used in traditional recipes utilizing bamboo shoots."

Mr. Konishi and Mr. and Mrs. Koh, who were sitting in the Senate gallery, rose to be recognized.

Senator Carpenter, on behalf of Senators Solomon, Henderson and himself, introduced a group of 28 sixth grade students from Hilo Union School; their teachers, Mr. Kawasaki and Mrs. Nakaoka; chaperon, Mr. Martin; and Mr. Joseph Johns who was their guide.

Senator Cobb, on behalf of Senator Soares and himself, introduced a group of 24 third grade students from Holy Nativity School, accompanied by their teacher Mrs. Amy Littlejohn, and parents, Mrs. Marge Weston and Mrs. Shirley Cooper.

Senator Henderson then introduced the following persons that were involved in the rescue of a ditched airplane off the Kona Coast on September 8, 1983: pilot of the airplane, Captain John McDonald; rescuers of the passengers in the plane, Captain Dominic Fagundes and members of his crew, Janet Reimer, Whit Lee Hagerman and Michael Chaisson; members of the fire rescue boat, Scott Susman, John DeMello and Don Ishii. Senator Henderson gave a detailed account of the ditched airplane and rescue operation.

The honorees were asked to rise and be recognized and were each presented with the Senate Certificate.

Senator Soares then introduced the 32nd Cherry Blossom Queen and her court as follows:

"Mr. Vice President, it's my great pleasure to introduce the 32nd Cherry Blossom Queen, Lisa Sachie Nakahodo, who resides in my district, a Kaiser High School graduate, daughter of Henry and Alice Nakahodo; and members of her court: Princess Candace Ishimoto; attendants - Colleen Izumi, Jill Ann Matsuyoshi and Dee Ann Hamasaki; Miss Popularity - Karen Hirata; Miss Congeniality - Joni Tanji."

Assisting Senator Soares to present the certificate and leis to the Cherry Blossom Queen and her court were Senators Henderson, Cayetano, Toguchi, Aki, Abercrombie and Machida.

Senator Soares also introduced Mr. Don Tanaka, President of the Honolulu Japanese Junior Chamber of Commerce, and Mr. Ray Urabe, Chairman of the 32nd Cherry Blossom Festival, who accompanied the group.

Senator Chang then introduced the 43rd Annual Nisei Week Queen and her court as follows:

"Mr. Vice President, it is my pleasure to introduce to the Senate some very special guests. With us from the city of the 1984 Summer Olympics, Los Angeles, is the 43rd Annual Nisei Week Japanese Festival Queen and her court: Queen Tracy Isawa; Miss Tomodachi, Geraldine Nakauchi; Princesses: Lorraine Kuda, Elva Tamashiro and Denise Watari. Accompanying them are members of the 1984 Nisei Week Hospitality Committee, Mr. Randy Oba and Mr. Joe Kimura.

"Miss Tomodachi, Geraldine Nakauchi is a homegrown transplant, having graduated from Roosevelt High School before moving to Los Angeles to attend the University of Southern California."

Assisting Senator Chang in presenting the certificate and leis to the Nisei Week Queen and court were Senators Cobb, Holt, Kuroda, Mizuguchi and Hagino.

At 11:59 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 12:06 o'clock a.m.

The Chair then invited Nisei Week Queen Tracy Isawa to the rostrum to say a few words to the members of the Senate, and Miss Isawa remarked as follows:

"Hello, everyone! On behalf of the Nisei Week Festival, the court, and myself, we would all like to thank you for inviting us here to the beautiful State of Hawaii. We are enjoying our stay but are leaving tomorrow, unfortunately.

"I'd just like to invite all of you out to our 1984 Summer Olympics and to the 1984 Nisei Week Festival. We're celebrating our 100th centennial and our 25th Sister City Nagoya celebration, and hope that all of you will be able to attend our festivities.

"Thank you very much."

The Chair also invited Cherry Blossom Queen Lisa Nakahodo to the rostrum and her remarks are as follows:

"Good morning, everybody! I would like to thank you for inviting us here this morning. It's a pleasure

and an honor to be here.

"I've always wondered what it would be like to be down here in front of so many people, and it's definitely exciting. I'm also looking forward to an exciting year, full of many pleasurable memories.

"Thank you."

HOUSE COMMUNICATION

A communication from the House (Hse. Com. No. 441), informing the Senate that the House has disagreed to the amendments proposed by the Senate to the following House Bills:

No. 162, H.D. 2;
 No. 177, H.D. 1;
 No. 183, H.D. 2;
 No. 267, H.D. 2;
 No. 271, H.D. 1;
 No. 537, H.D. 1;
 No. 538, H.D. 1;
 No. 556;
 No. 654, H.D. 1;
 No. 787, H.D. 1;
 No. 788, H.D. 1;
 No. 791;
 No. 847, H.D. 1;
 No. 1120, H.D. 1;
 No. 1148, H.D. 1;
 No. 1220, H.D. 1;
 No. 1319, H.D. 2;
 No. 1422, H.D. 1;
 No. 1431, H.D. 2;
 No. 1549, H.D. 1;
 No. 1571, H.D. 2;
 No. 1629-84, H.D. 1;
 No. 1637-84, H.D. 1;
 No. 1640-84, H.D. 1;
 No. 1681-84, H.D. 1;
 No. 1697-84;
 No. 1711-84, H.D. 1;
 No. 1721-84, H.D. 1;
 No. 1725-84;
 No. 1726-84, H.D. 1;
 No. 1727-84, H.D. 1;
 No. 1729-84, H.D. 1;
 No. 1740-84;
 No. 1742-84;
 No. 1746-84, H.D. 2;
 No. 1747-84, H.D. 1;
 No. 1748-84, H.D. 1;
 No. 1749-84, H.D. 1;
 No. 1751-84, H.D. 1;
 No. 1753-84, H.D. 1;
 No. 1757-84;
 No. 1777-84;
 No. 1779-84, H.D. 1;
 No. 1784-84, H.D. 1;
 No. 1785-84, H.D. 1;
 No. 1790-84, H.D. 1;
 No. 1794-84, H.D. 1;
 No. 1796-84, H.D. 2;
 No. 1799-84;
 No. 1807-84, H.D. 1;
 No. 1811-84, H.D. 1;
 No. 1815-84;

No. 1816-84;
 No. 1817-84, H.D. 1;
 No. 1818-84;
 No. 1819-84;
 No. 1821-84, H.D. 1;
 No. 1828-84, H.D. 1;
 No. 1838-84;
 No. 1842-84, H.D. 1;
 No. 1845-84, H.D. 1;
 No. 1848-84, H.D. 1;
 No. 1852-84, H.D. 1;
 No. 1863-84, H.D. 1;
 No. 1873-84, H.D. 1;
 No. 1874-84;
 No. 1878-84;
 No. 1880-84, H.D. 1;
 No. 1882-84, H.D. 1;
 No. 1892-84;
 No. 1905-84, H.D. 1;
 No. 1906-84, H.D. 1;
 No. 1912-84, H.D. 2;
 No. 1921-84, H.D. 2;
 No. 1925-84, H.D. 1;
 No. 1926-84, H.D. 1;
 No. 1932-84, H.D. 1;
 No. 1933-84, H.D. 2;
 No. 1940-84, H.D. 2;
 No. 1946-84;
 No. 1950-84, H.D. 2;
 No. 1956-84, H.D. 2;
 No. 1976-84;
 No. 1983-84, H.D. 1;
 No. 1985-84;
 No. 1989-84;
 No. 2002-84, H.D. 2;
 No. 2006-84;
 No. 2012-84, H.D. 1;
 No. 2016-84, H.D. 1;
 No. 2020-84;
 No. 2026-84, H.D. 1;
 No. 2028-84, H.D. 1;
 No. 2029-84, H.D. 1;
 No. 2032-84, H.D. 1;
 No. 2036-84, H.D. 1;
 No. 2044-84, H.D. 1;
 No. 2054-84, H.D. 1;
 No. 2075-84, H.D. 1;
 No. 2077-84, H.D. 1;
 No. 2078-84, H.D. 1;
 No. 2092-84, H.D. 1;
 No. 2108-84, H.D. 1;
 No. 2142-84, H.D. 1;
 No. 2143-84, H.D. 2;
 No. 2151-84, H.D. 2;
 No. 2161-84, H.D. 2;
 No. 2163-84, H.D. 1;
 No. 2169-84, H.D. 2;
 No. 2179-84, H.D. 1;
 No. 2181-84;
 No. 2194-84, H.D. 1;
 No. 2196-84, H.D. 1;
 No. 2201-84, H.D. 1;
 No. 2203-84, H.D. 2;
 No. 2224-84, H.D. 1;
 No. 2257-84, H.D. 2;
 No. 2261-84, H.D. 1;
 No. 2268-84;
 No. 2275-84, H.D. 1;
 No. 2281-84, H.D. 1;
 No. 2294-84, H.D. 2;
 No. 2308-84, H.D. 1;

No. 2320-84, H.D. 2;
 No. 2333-84, H.D. 1;
 No. 2337-84, H.D. 1;
 No. 2340-84, H.D. 1;
 No. 2396-84;
 No. 2402-84;
 No. 2406-84, H.D. 2;
 No. 2407-84, H.D. 1;
 No. 2418-84, H.D. 1;
 No. 2429-84, H.D. 1;
 No. 2451-84, H.D. 1;
 No. 2477-84, H.D. 1;
 No. 2484-84, H.D. 1;
 No. 2486-84, H.D. 2;
 No. 2523-84, H.D. 2;
 No. 2527-84, H.D. 1;
 No. 2540-84, H.D. 1;
 No. 2597-84;
 No. 2604-84; and
 No. 2612-84, H.D. 2,

was read by the Clerk and was placed on file.

SENATE CONCURRENT RESOLUTION

A concurrent resolution (S.C.R. No. 87), entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE CITY AND COUNTY OF HONOLULU TO CONDUCT A DEMONSTRATION TO TEST THE NEED FOR AND THE EFFECT OF WIDENING SIDEWALKS ON KALAKAUA AVENUE," was offered by Senators B. Kobayashi, Kuroda, A. Kobayashi and Uwayne, and was read by the Clerk.

By unanimous consent, S.C.R. No. 87 was referred to the Committee on Transportation.

SENATE RESOLUTION

A resolution (S.R. No. 97), entitled: "SENATE RESOLUTION REQUESTING A STUDY OF THE PROBLEM OF HELICOPTER NOISE," was offered by Senators B. Kobayashi, Hagino, Solomon, Young, Holt, Machida, Aki, Soares, Henderson, George and A. Kobayashi, and was read by the Clerk.

By unanimous consent, S.R. No. 97 was referred to the Committee on Transportation.

STANDING COMMITTEE REPORTS

Senator Aki, for the Committee on Economic Development, presented a report (Stand. Com. Rep. No. 640-84) recommending that the Senate advise and consent to the nominations of David A. Heenan, Paul C. Yuen, Thomas R. Moore, Kwock Tim Yee, Thomas T. Enomoto, Thomas B. Hayward, and Raymond D.S. Lum to the Board of Directors for the High

Technology Development, Corporation, in accordance with Governor's Message No. 98.

In accordance with Senate Rule 33, action on Stand. Com. Rep. No. 640-84 and Gov. Msg. No. 98 was deferred until Monday, April 9, 1984.

Senator Aki, for the Committee on Economic Development, presented a report (Stand. Com. Rep. No. 641-84) recommending that the Senate advise and consent to the nomination of Aaron Levine to the Board of Directors, Aloha Tower Development Corporation, in accordance with Governor's Message No. 138.

In accordance with Senate Rule 33, action on Stand. Com. Rep. No. 641-84 and Gov. Msg. No. 138 was deferred until Monday, April 9, 1984.

Senator Aki, for the Committee on Economic Development, presented a report (Stand. Com. Rep. No. 642-84) recommending that the Senate advise and consent to the nomination of Elizabeth Alison Kay, Ph.D., and Tonnie L.C. Casey to the Animal Species Advisory Commission, in accordance with Governor's Message No. 139.

In accordance with Senate Rule 33, action on Stand. Com. Rep. No. 642-84 and Gov. Msg. No. 139 was deferred until Monday, April 9, 1984.

Senator Aki, for the Committee on Economic Development, presented a report (Stand. Com. Rep. No. 643-84) recommending that the Senate advise and consent to the nominations of Alike Cooper, Louis Agard, and Winfred Ho to the Hawaii Fisheries Coordinating Council, in accordance with Governor's Message No. 140.

In accordance with Senate Rule 33, action on Stand. Com. Rep. No. 643-84 and Gov. Msg. No. 140 was deferred until Monday, April 9, 1984.

Senator Kuroda for the Committee on Tourism, presented a report (Stand. Com. Rep. No. 644-84) recommending that House Concurrent Resolution No. 25, H.D. 1, as amended in S.D. 1, be referred to the Committee on Economic Development.

On motion by Senator Aki, seconded by Senator George and carried, the report of the Committee was adopted and H.C.R. No. 25, H.D. 1, S.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION RELATING TO THE STATE HISTORIC PRESERVATION

FUNCTIONAL PLAN," was referred to the Committee on Economic Development.

At this time, Senator Carpenter rose to inquire as follows:

"Mr. Vice President, is it my understanding that all of the functional plans will be moved to the Economic Development Committee prior to their hearing on Thursday, next week?"

Senator Aki answered: "Mr. Vice President, we are asking all chairmen of the various committees to submit their functional plans to my committee by Thursday so that we can have a hearing on all of these plans."

At 12:10 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

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

Senator Kuroda for the Committee on Tourism, presented a report (Stand. Com. Rep. No. 645-84) recommending that House Concurrent Resolution No. 23, H.D. 1, as amended in S.D. 1, be referred to the Committee on Economic Development.

On motion by Senator Aki, seconded by Senator George and carried, the report of the Committee was adopted and H.C.R. No. 23, H.D. 1, S.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION RELATING TO THE STATE RECREATION FUNCTIONAL PLAN," was referred to the Committee on Economic Development.

Senator Kuroda for the Committee on Tourism, presented a report (Stand. Com. Rep. No. 646-84) recommending that House Concurrent Resolution No. 26, H.D. 1, as amended in S.D. 1, be referred to the Committee on Economic Development.

On motion by Senator Aki, seconded by Senator George and carried, the report of the Committee was adopted and H.C.R. No. 26, H.D. 1, S.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION RELATING TO THE STATE TOURISM FUNCTIONAL PLAN," was referred to the Committee on Economic Development.

ORDER OF THE DAY

THIRD READING

House Bill No. 1864-84:

On motion by Senator Solomon, seconded by Senator Toguchi and carried, H.B. No. 1864-84, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL DISTRICT ADVISORY COUNCILS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, none. Excused, 4 (Ajifu, Henderson, Holt and Wong).

Senator Young, chairman of the Committee on Housing and Urban Development, then requested a waiver of the 48-hour Notice of a Public Hearing on Governor's Message No. 295, listed on the agenda of the Senate Housing and Urban Development Committee's hearing notice for Friday, April 6, 1984, and the Chair granted the waiver.

Senator Cayetano then rose on a point of personal privilege as follows:

"Mr. Vice President, a few weeks ago, there was a very controversial bill before this body, the so-called 'takeover bill.' I want to, for the record, make some comments on a related article, the article in the Honolulu Advertiser, Friday, April 6, 1984, entitled 'C&C buys up Hurwitz' shares.'

"The article states, in the first paragraph, 'Castle & Cooke Inc. President Ian R. Wilson called it "a victory," an action that "will enable us to again concentrate on ongoing programs to maximize shareholders' value."

"But a New York analyst, Stanley Fishman of Fahnstock & Co., saw it differently. C&C was responding to "legalized blackmail," he said. "A lot of money is being spent to get rid of a predator. In the process, the small stockholder is being shortchanged."

"The article then goes on to state, 'The \$21.36 price paid Hurwitz compares with the average of about \$17.14 he paid for the 3.3 million shares through two companies....' There is an 'estimated Hurwitz' total profit at less than \$10 million, after subtracting brokerage commissions, interest on borrowed funds and fees for lawyers and investment counsel....'

"Wall Street analyst Fishman, however, said he has followed C&C for years "and this deal turns me off."

"The buyout, he said, "is not fair" to the overall body of stockholders.

"Here this guy (Hurwitz) gets more than \$21 a share and the little stockholder for this generous payment ends up with his stock off more than 2 points."

"I thought the company would be a little tougher. They talked that way up till today."

"On the other hand, he said, "maybe their lawyers threw up their hands and said, 'They got us.'"

"Mr. Vice President, the point I'm trying to make is that while there was a lot of talk about protecting companies like Castle & Cooke from takeover, there's been very little discussion in this body about protecting the small stockholder from the kinds of deals between management corporations such as Castle & Cooke, and takeover proponents, such as Mr. Hurwitz.

"In all of these deals, history has shown, and I guess the example prior to this case is the example of Mr. Chalmers and PRI where the same thing happened. In all of these deals, the little guy gets hurt.

"Maybe the interim would be a good time for us to take a look at this problem and try and come up with legislation which would protect the small stockholder, as well as address the problem of takeovers.

"Further, in recent years what has happened is that we find the big businesses coming to us for legislation to deal with what amounts to corporate problems. A few years ago, in fact, I believe it was last year, one of the utility companies came forward and had a bill introduced which would really preempt rights of a preferred stockholder. Apparently, in this particular case, this particular preferred stockholder was holding up the development of a subsidiary corporation by the particular corporation utility in mind and, basically, what the preferred stockholder wanted was some money for its consent...perfectly legal.

"We find, this year, we have Castle & Cooke and AmFac coming to us for legislation which would deal with their particular corporate problems. We find, increasingly, other private concerns with special interest coming to us, asking us to pass legislation which would cut out competition, which would really make their marketing easier and maybe narrow the particular markets that they are involved in a little better and easier

for them.

"I would hope that all of us would reflect on this because I think the reason these special interest groups are coming to us more frequently is because they have seen cases where others have been successful in coming to the Legislature for legislation which cuts out competition.

"I hope in the future that our leadership and every member of this body will reflect on this problem because I think in the years to come we will see more of this kind of activity. Thank you."

Senator Kawasaki also rose on a point of personal privilege and stated as follows:

"Mr. Vice President, I think the comments by Senator Cayetano are well taken and is worthy of deep consideration from us.

"Of course, how the Legislature was used in other situations is very evident when you look at the whole spectrum of special purpose revenue bonds that save the beneficiaries literally millions of dollars which in no way, in my judgment, have trickled down to the benefit of the taxpayers of this state. So, perhaps that is another example of how the Legislature, because it does not give really close detailed attention to what is requested of them in the way of enacting statutes that benefit a small segment of our community here, because we don't pay the kind of attention that we should to these kinds of propositions, we get used in the process and we look foolish in the end.

"Take a look at how many requests we're getting for special purpose revenue bonds today. That's a good example of it, and I think the record should show that these comments that we make under the question of privilege, I think, is appropriate at this time because it gives us, perhaps, food for thought. Hopefully, we get some results as a result of this mental cerebration of some of the comments made here."

Senator Cobb also added his remarks as follows:

"As long as we are on the subject, Mr. President, I'd like to speak on personal privilege that during one of the earlier hearings on this matter, there was considerable concern expressed in the committee with respect to the rights, duties,

obligations, and privileges of the so-called small stockholder, and yet it was predictable that this could have happened, and now has happened because it's not something new that the large and the large get together; one ate the other. It's a question of which is the larger fish.

"That's why I indicated earlier, Mr. Vice President, next year's bill will have a title again to the subject of 'relating to shark repellent.' It would be much broader in its scope, but I think more permissive in nature.

"We will have to address the question of the small stockholder, as well, because they in the past have been submerged in such large deals being made between principals involved in a corporate fight or a corporate takeover.

"I, for one, am reluctant to intervene with blockages of legislation, but would rather see the permissive type of legislation that would allow a corporation to structure its own bylaws as it sees fit. The model act in many respects does that and it was one of the principal reasons why it was adopted as a compromise between the small and the large corporations, allowing each to determine for itself what bylaws and what amendments and what voting requirements were necessary to effectuate the change.

"Thank you."

Senator Abercrombie also rose on a point of personal privilege and remarked as follows:

"Mr. Vice President, in the wake of the statements that are being made this morning, I too would like to rise on a point of personal privilege, and just for purposes of the record indicate that while the sentiments expressed by the previous speakers are well taken, that the article that was referred to by the first speaker, Senator Cayetano, also indicates quite clearly that the despair on the part of the particular financial analyst, I think, in New York was attributable in part to the fact that the gentleman represents speculative interests.

"He was disappointed because the speculators got caught a little short. They didn't think that Castle & Cooke would buy out Mr. Hurwitz quite so fast. So, I would point out that his tender regard for the stockholders and Castle & Cooke is not one based entirely on altruism, but one based

on the fact that he or the people he was advising might not be making as much money out of the deal, themselves, as they thought they might get.

"My point is that not that the small stockholders should not be taken into account, but rather that takeovers occur when speculators and analysts of the stock involved feel that it is undervalued. When companies deliberately undervalue their assets, it is an open invitation for takeovers to occur, friendly and unfriendly. I think that's another point that has to be made.

"Some people, in fact, want to take over companies because they believe they are not being administered efficiently and they are in fact undervalued and with proper administration and utilization of those assets that all the stockholders, large and small would benefit as a result.

"So, when we consider legislation and when we consider the basis of legislation, I hope we will keep in mind, as well, that the real source of takeover attempts, on the whole, is undervalued assets and the perception of same by those who want to buy into a company. When that situation exists or when it is believed to exist, it is likely that such attempts will occur.

"Additionally, Mr. Vice President, I think that if one had the opportunity to view the debate that took place in Pennsylvania last evening between the leading candidates for the presidential nomination in the Democratic Party, you would have witnessed the latest in several discussions on the debate level and on the issue level, in general, with respect to plant closings, as well, or a corporation abandoning a place of business, and legislation which might be necessary to be in place to prevent the kind of precipitous leave-taking of companies and corporations who perhaps might have enjoyed the benefits of a government largess and/or a particular legislation which benefited them in the past.

"My own view is that if such legislation exists and if companies have enjoyed the approbation of the

legislative process in terms of either subsidies or of legislation which was of direct benefit to corporations, those corporations in turn owe something to the community from which those benefits came. And that includes not just a two-week notice or something of that nature, but perhaps some penalties to be assessed against such companies which would recover for either the municipality or the state or whatever the political entity which has offered benefits to companies which they have taken advantage of so that we make sure that people do not simply take from the taxpayers, but in and when a situation arises when it is deemed imperative by management that leave an area that people aren't just left in the economic and social lurch, left in the economic and social void which so often occurs in such circumstances."

Senator Cayetano then added as follows:

"Mr. Vice President, let me close this issue by just making my point clear. I'm sure there are speculators involved in this. Certainly, one could probably classify almost anyone who invests in the stockmarket as a speculator.

"The fact of the matter is that many investors are small people, for example, senior citizens who are looking to retirement and looking for some appreciation of income.

"Let me give you an example. In the PRI takeover by Mr. Chalmers, when PRI bought out Mr. Chalmers and paid some horrendous premium, I think they paid them \$20 for stock that was worth maybe \$12. The small or the minority stockholders took the 'gas' for the \$8 difference. And in this particular case one of the minority stockholders happened to be the Employees' Retirement System, certainly not a speculator in the conventional sense."

ADJOURNMENT

At 12:29 o'clock p.m., on motion by Senator Cobb, seconded by Senator Soares and carried, the Senate adjourned until 11:30 o'clock a.m., Monday, April 9, 1984.