

MINUTES OF THE MEETING OF THE TERRITORIAL  
AERONAUTICAL COMMISSION, held on Monday  
November 4, 1929, at Room 65, Young Bldg.  
Honolulu, T. H. at 4:00 P.M.

PRESENT:

Dr. Hagood, Acting Chairman  
Mr. Boyer  
Mr. Damon  
Mr. Peacock

ABSENT:

Mr. Anderson  
Mr. Brown  
Mr. Wooldridge

There being no changes in the minutes of the previous meeting, they were approved as circulated.

Mr. Stanley Kennedy, Inter-Island Airways, Mr. Roy Vitousek, Inter-Island attorney, and Mr. McGhee, Third Deputy Attorney General, were present at this meeting to discuss the proposed license form to be issued the Inter-Island Airways, Ltd., and the Hawaiian Airways, Ltd., for John Rodgers Airport.

Licence for Inter-Island and Hawaiian Airways Companies:

On October 24, 1929, a letter was sent to the Inter-Island Airways, Ltd., from Smith, Warran, Stanley & Vitousek, commenting on the license submitted to the Inter-Island Airways and the Hawaiian Airways by this Commission. This letter was read by the Chairman and discussed paragraph by paragraph.

The next to the last paragraph provides for a definite term of ten years, which the Inter-Island feels should be extended for a longer period of time. The Chairman read a motion made at the meeting of the Commission held on October 21, 1929, "that at the expiration of the license the Territory has the option to purchase the improvements at one-half ( $\frac{1}{2}$ ) the appraised value, to be determined as provided in the license. Should the Territory fail to purchase the improvements, the improvements may be removed, unless it is decided that the license be renewed by the Commission", which was carried, after the license had been submitted to the Inter-Island Airways. This answered Mr. Vitousek's objection in part but still insists on what terms? The Chairman stated that as aviation is such a young industry and will grow so rapidly in the future, ten years should be the life of the license as the Commission is unable to look farther ahead than this. There are certain parts of the building, such as concrete slabs, and the floor, which the Territory could not move or take away. Mr. McGhee inquired as to whether or not the removable parts would have any value at the expiration of the license. According to Mr. Kennedy, the roofing, if taken care of, is good for twenty years; the concrete and steel should have a life of forty years.

The question of ground rental was brought up, whereupon the Chairman reported that ground rentals have been considered by the Commission, but they have not decided anything definite and do not propose to until Mr. Anderson returns from the mainland. The Chairman defined Mr. Vitousek's question of ground rental as "the rent for space actually covered by the building", which is 100' x 126' at John Rodgers. Mr. Vitousek wants the ground rental fixed in the licence or else have some definite way of arriving at it, such as by arbitration; Mr. McGhee added that all terms should be incorporated in the license when finally drawn up and make any agreements that the law will permit.

MINUTES CONTINUED  
Monday November 4, 1929

It would be possible to make a definite figure now, subject to change at a later date. There are to be no rental charges until after January 1.

Mr. Vitousek stated that the matter of regulating rates is for the consideration of the Utilities Commission; but Mr. Peacock gave the example that if someone came in with the intentions of foul play, shouldn't the Commission have something to say about rates?---there should not be more than ten per-cent (10%) variations between rates. The Commission has the power to regulate rates on all flying fields except those of the Army and Navy, but is undecided as to whether it would be wise to do so or not. Mr. Boyer would rather leave the matter or regulating rates alone, and agreed with Mr. Kennedy that this question would work out all right. Mr. Damon thought it wise to reserve the right in the license to regulate rates but not to regulate any rates now. Personally, Mr. McGhee saw no objection to the Commission's license.

The second paragraph on page two refers to the termination of the license and the taking over of said plant upon paying to the Company such sum as may be determined upon by a majority of three appraisers. This is not a legal matter and therefore must be determined by the Commission.

The word "abandon" is a legal term; therefore no insertion is necessary as to its meaning in the last paragraph on page three of the license. Mr. McGhee defined "abandon" as the act of going away with no intention of coming back.

After discussing the various changes to be made in the license, it was decided that nothing definite will be done until Mr. Anderson's return; then the matter will be settled and a license drawn up.

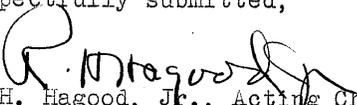
Territory's option to purchase improvements of Inter-Island and Haw'n. Airways:

Moved by Mr. Damon and seconded by Mr. Peacock that we rescind our motion made on October 21, 1929, re the Territory's option to purchase improvements at one-half ( $\frac{1}{2}$ ) the appraised value at the expiration of the license. Carried.

Meeting adjourned:

There being no further business, the meeting adjourned, to meet again on Tuesday November 12, 1929, at 3:30 P.M., Room 66, Young Bldg.

Respectfully submitted,

  
R. H. Hagood, Jr., Acting Chairman