

HJR

35

HOUSE COMMITTEE ON STATE AFFAIRS

**RECAP OF
HJR 35**

Cooperation with Foreign Nations

Received March 10, 1989
by Rep. Boucher

Heard March 29, 1989
Heard April 6, 1989

Passed Out of Committee April 6, 1989
5 Do Pass

HOUSE COMMITTEE REPORT

(7)

Date Referred: April 7, 1989

FURTHER REFERRALS:

Date of Committee Action: 5/3/89

The JUDICIARY Committee considered:

HJR 35

HOUSE JOINT RESOLUTION NO. 35

[COOPERATION WITH FOREIGN NATIONS]

Proposing an amendment to the Constitution of the State of Alaska relating to right of the state to cooperate with foreign nations.

RECOMMENDATIONS:

- [] be replaced with _____ [] the same title
- [] have attached amendment(s) [] a new title
- [X] do pass
- [] do not pass
- [] no recommendation
- [X] individual recommendations
- [] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S): _____ (Dept)

APPROVES PREVIOUS:

(Date/Dept)

- [] fiscal impact _____
- [] zero fiscal note _____
- [] zero with analysis _____

- [X] fiscal note(s) 3/17/89 Div. of Elections
- [] zero fiscal note(s) _____
- [] zero fn/analysis _____

SIGNING DO PASS:

[Signature]

[Signature]

[Signature]

[Signature]

SIGNING:

(Check approp. column)

	Do Not Pass	No Rec	Amend
<u>[Signature]</u>			

[Signature]

Chairman's Signature

Item 2

FISCAL NOTE

REQUEST:

Revision Date: 3-17-89
Title: Right of the State to cooperate with foreign nations.
Sponsor: Boucher
Requestor: Boucher

Agency Affected: Office of the Governor
BRU: Division of Elections
Components: II-Elections
Primary & General Elections

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	-0-	-0-	2.2*	-0-	-0-	-0-
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	2.2*	-0-	-0-	-0-

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	2.2*	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	2.2*	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

* Costs included cover 2 to 3 pages in each Official Election Pamphlet for printing and typesetting, and costs estimated to cover computer programming requirements for vote (Continued)

Prepared by: Linda Edgeworth
Division: Elections

Phone: 465-4611
Date: _____

Approved by Commissioner: *Sandra Stout*
Agency: Division of Elections

Date: 3/17/89

Distribution (by preparer):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. HJR 35

counting purposes. However, these costs are based on the assumption that all candidates and issues will fit on three ballot cards, which is the norm. It should be noted, however that should the inclusion of this issue require a 4th ballot to be printed, the cost increase would have to be calculated at 16 cents per ballot x approximately 320,000 voters. The total cost of printing the additional ballot card would be \$51.2.

Under these circumstances the fiscal note would be:

53.4



Representative H.A. "Red" Boucher

Chairman House Committee on State Affairs • Special Committee on Telecommunications

M E M O R A N D U M

TO: Representative Max Gruenberg, Co-chair
Representative Peter Goll, Co-chair
House Judiciary Committee

FROM: Representative H.A. "Red" Boucher *Red*

DATE: April 25, 1989

RE: HJR 34 and HJR 35

RECEIVED APR 27 1989

I would like to briefly comment on a question raised by Representative Gruenberg at the Thursday, April 20th hearing on HJR 34 and 35.

You asked whether we could provide any concrete examples of how the state could actually use these resolutions in a practical way?

First, I must reiterate the general purpose of these resolutions: Alaska should become an activist state taking a lead among states in defining the boundaries of state powers within the union. These resolutions address that issue - the boundaries of state powers within the union. As Brian Rodgers noted, HJR 34 links the ideas of citizenship, statehood and local self-government - it is a statement of our fundamental purpose. In regards to HJR 35, the constitutional authority to deal with foreign nations is of particular importance to Alaska as we become increasingly involved in foreign trade. While it can be argued that statutory language could accomplish the same purpose, I feel strongly that this language should be placed in the constitution - making foreign trade a stated right in the constitution makes it very clear what Alaska's role is and will be in the future.

In regards to the question mentioned above, I would submit that these resolutions will not necessarily lead to action which results in concrete examples. These resolutions do, however, set the occasion for action to take place. I have attached a position paper by Robert Clarke which I feel gives a concrete example of how HJR 35 can be of benefit to Alaska. You should note he makes the point that Alaska must define its place in the federation of states and beyond rather than the federal government defining our role for us.

Throughout Alaska's history, state leaders have taken action they felt was justified to assert perceived sovereign rights. Former Governor Bill Egan, for example, sent State Troopers to arrest Japanese fishing Alaska salmon in international waters. This action resulted in considerable controversy between the state and the State Department, but the end result was the Magnuson Act - the 200 mile limit. Governor Cowper could have asserted the constitutional sovereignty of the state by assuming control of the Valdez oil spill until such time as the state's interests were met. The point is that, if appropriate actions like those described above have a base in our constitution, the likelihood of similar acts taking place in the future will be the result.

Thank you for your consideration of these two resolutions and I look forward to testifying before your committee prior to the session ending.

Robert Clarke on HJR 35

I wish to testify for this Resolution because I believe it addresses a matter critical to the roles Alaska and the United States must play in what has already been named "The Pacific Century".

The 21st Century has been named the "Pacific Century" -- twelve years before it arrives -- because it is now obvious to the world's economists that the greatest economic growth in the world will occur -- indeed, is already occurring -- among those nations situated along the rim of the Pacific Basin.

These nations, some of whose economies are only now emerging, have harnessed a native industriousness and a concern for high quality production based on low labor costs, to an extremely sophisticated and efficient system of marketing that enables the accumulation of enormous capital wealth from other nations; none more than the United States.

Here, our appetites for consumption import goods in a flow that constitutes the very largest part of the nation's enormous trade deficit. Yet we refuse, as a matter of national policy, to export to the Pacific Rim the one national resource most needed by the national economies there: ANS crude oil.

If the U.S. is to participate meaningfully in the Pacific Century, Alaska's geographic location and its natural resource endowments are critical to achieving a positive balance between the nation's imports and exports.

While this geographic and economic destiny is stifled by a national myopia in which policy and population are centered thousands of miles to the East, where political power resents and indeed resists the movement of population and economic power West... Alaska isn't doing much about it either. And Alaska is something more than an equal beneficiary among the United States.

Alaska has suffered under such national policy since statehood; indeed, in spite of statehood. Yet as a sovereign state, Alaska has no greater national responsibility than to identify and adopt those initiatives which will draw the nation, however unwillingly, into an economically productive participation in the Pacific Century.

For if Alaska cannot identify its natural destiny as a state, how can it expect politicians 3,000 miles removed to realize its potentials?

Alaskans first of all must perceive their state's assets on the global scale before we can expect such perception from so far away.

There is no more ominous example of Alaska's destiny going unfulfilled than the 15-year ban on ANS oil export. It has cost Alaska some \$15 billion in state revenues to date, a cost growing by half a billion per year. But it has cost the Federal government more than twice that amount, a major contributor to the Trade and Budget deficits.

Even while other national and regional groups, other governmental agencies, are now lobbying in Washington D.C. to prevent the ban's re-extension when it expires in five months, there is ennui in Alaska. We seem to accept our fate at federal hands, with very few exceptions since statehood.

I submit that this ennui is a symptom of a general perceptual paralysis in our state; a condition which the proposed Constitutional amendment may influence positively.

The scientific discipline of Cultural Anthropology tells us that "...the meaning of words is the action they produce..." This, and this alone, is the purpose of language, and it is difficult to conceive how Alaska's Constitution -- or Alaska's destiny -- can be negatively influenced by words that express actions uniquely appropriate to Alaska.

A distinguished member of Alaska's Legislature, and an attorney, has raised the question of whether such Constitutional wording is superfluous; that the words address something already implied in every State's Constitution; that if no such language exists in the Constitutions of other states, what business has it in Alaska's Constitution?

In response, another testimony maintained that Alaska is not "equal" to other states; that national restrictions "screw, blue and tattoo" Alaska and prevent it from enjoying sovereign equality.

While this is certainly the case, it is the negative dimension of a more positive perspective that answers the question of superfluity and argues for the Constitutional language submitted.

Alaska is not "equal" to other states, particularly as it relates to the Pacific Century. No other state has the geographic penetration in and natural resource endowment on the Pacific Basin; no other state is the equal of Alaska as a member of the Pacific Rim. community of nations; no other state is equal to Alaska in bridging the Pacific Century for the nation.

If Alaska cannot appreciate this destiny, how can it be realized; here, in Washington, or in the Pacific?

If Alaska is a sovereign state, how better to base its Constitutional existence on its "unequal" and unique national and international potentials as a state? How better to articulate Alaska's sovereignty than by identifying its destiny as a State?

Of course, there is no guarantee that amending our State Constitution with words will in and of themselves produce the actions necessary to achieve Alaska's destiny. But it is more probably that without such language, there is more certainty we will not produce such actions the words describe.

Today as others look to Alaska for initiatives to remove the oil export ban; today as Alaska has yet to explore or form some non-contiguous alliance with Hawaii to exploit the Pacific Century; as California, Washington and Oregon -- indeed, Illinois and Michigan -- move toward the Pacific Century, Alaska seems more pre-occupied with the near-term, internal problems which might best be resolved by external developments entirely within its rights to initiate, as expressed in the language of the amendment proposed.

We can only imagine the influences of an electorate discussing such language and its implications as a Constitutional amendment, but it is difficult to conceive of any way in which their eventual decision could only help to muster the will and the direction vital for Alaska to realize its sovereign role, in the nation and the world.

I would also like to put on the record of these transactions the comments of Dr. Nathaniel Thayer, of the School for Advanced Economic Studies at John Hopkins University in Maryland: The headline - Alaska needs to be part of Asia as well as the U.S. - is well explained in the article itself.

Thank you for the opportunity to express these thoughts.

Robert Clarke
3121 Nowell Avenue
Juneau, AK 99801
907-586-2031

Alaska needs to be part of Asia as well as U.S.

Alaska should consider itself part of Asia as well as the United States and needs to immerse itself in cooperative planning efforts, especially with Japan, if the state is to succeed in taking its rightful place in Pacific Rim trade, according to a former Carter administration Asian expert.

Dr. Nathaniel Thayer, of the School of Advanced International Studies at Johns Hopkins University, gave that advice to Alaska business and government officials during a recent trip to Juneau as part of the 1989 Hokkaido-Alaska Conference.

Thayer, a former intelligence officer during the Korean War, foreign service officer in Tokyo, teacher of international law at Harvard and Columbia and the senior official for East Asia for the Central Intelligence Agency during the Carter administration, had some advice for how Alaska could be more effective in staking its claim in the Asian trade game.

The plan for many years has been that Alaska supply the natural resources to a dynamic Japanese economy that needed those resources. But that marriage has nev-

er fully taken place, Thayer said. "Alaska has never extended the official hospitality that's necessary. Alaska is a regulatory state not a developing state so it never formulated the body of regulations necessary to attract foreign investment."

But Alaska has a new opportunity to play catch up, said Thayer. The Japanese are putting together a long-term plan for the Pacific Rim in terms of business, foreign aid and energy. Alaska needs to assert itself and become part of this planning process, he said. It is especially important in selling energy resources such as Alaska coal and natural gas. "If the state fails to do this, it will fall behind its resource competitors in the region such as Indonesia, Malaysia and Thailand. Alaska has one distinct advantage in attracting investment, however, since it is part of the United States and politically stable," he said.

"You need government to government planning for this to succeed and there needs to be sustained thinking over time through different political administrations," Thayer said. "Remember, labor costs are less important than the proper tax climate."

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