

JOURNAL
SUPPLEMENT

SENATE AND HOUSE - SUPPLEMENT NO. 5

January 30, 1970

ADDRESS BY CONGRESSMAN HOWARD W. POLLOCK
TO THE ALASKA STATE LEGISLATURE

Mr. President, Mr. Speaker, and my distinguished friends and colleagues of the Alaska Legislature:

One again, I'm warmly pleased to carry on a tradition which I started and have followed each year that I have been privileged to represent Alaska in the United States Congress - that is to address a joint assemblage of this distinguished body of senators and representatives in the Alaska Legislature. There are so many exciting subjects that command our mutual interest and attention in this dramatic time in the history of our restless young state.

Most of my comments will be directed toward issues involving the relationship between the federal government and the State of Alaska. Some of what I am going to say will concern purely state matters. Because I am a federal legislator, inevitably, some will criticize me for speaking out on state issues. However, as a citizen of this great state, I feel compelled to express my views on certain matters of great interest and concern to all of us.

1969 was a truly significant year for the state and for the nation. On the national level, we landed a man on the moon, began a de-escalation of our involvement in Southeast Asia, enacted a sweeping tax reform bill, and witnessed other historic changes. On the state level, we witnessed a \$900 million oil lease sale, and continued our ever accelerating economic and social growth. In spite of these fantastic achievements, I feel that the decade of the 1970's will be even more interesting and challenging, especially for our state and I'm truly enthusiastic about the immediate future.

Of necessity, I must severely limit the extent of my remarks on a variety of subjects, so as not to exceed the amount of time you have graciously allotted to me out of your busy legislative day. As a matter of fact, Mr. President, Mr. Speaker, with your indulgence and permission, I will touch upon only a few of the topics I had intended to discuss with you, and respectfully request that the full text of my prepared address be placed in the journal.

Certainly, settlement of the Alaska native land claims is the most important issue confronting and, unfortunately, dividing the people of Alaska today, and it devolves upon your Alaska delegation in Washington and to congress in general to devise an acceptable solution to the complex problem with which we can all live. There will be compromises, and I suspect that no one will be completely satisfied with the end result. But I pledged to you that we would work diligently to put this controversial and divisive issue behind us this year, and I still think we can accomplish this result. Two thoughts must underlie my following comments: (1) The tight money situation in the nation

makes a liberal federal contribution to the solution more difficult, and (2) The legislature will have to commit the State of Alaska to a meaningful contribution to the overall settlement, or action by the Congress will not be forthcoming this year.

Until congress resolves this issue, all Alaskans face uncertainty, we have already been given a glimpse - mercifully brief - of the danger inherent in this issue of turning Alaskans against one another. I thank God that compassion and wisdom surface most often, and I pray that reason will prevail and speedily bury the temporary antagonisms which have emerged, but which are so foreign to us as Alaskans.

Just what form should the settlement take? As you well know, a number of legislative proposals and proposed amendments have been introduced or prepared. I don't intend at this juncture to discuss with you specific language for the federal legislation, of course, but I do want to explore with you some concepts which I currently have under consideration, in the hope of finding some reasonably acceptable area of sound compromise, it serves no useful purpose for anyone to adopt an "all or nothing at all" attitude. It simply won't get the job done.

The two U.S. Senators and I are meeting this afternoon in Ketchikan with the Chambers of Commerce of Southeast Alaska in an open public meetings, to explore avenues of solution. Proponents of one side of this issue or the other have criticized me from time to time for not adopting a firm, fixed, and inflexible position from which I would not deviate, but, I feel I have a certain responsibility to get this devious matter fully and finally resolved, and I want each of you to understand that I am exploring every conceivable avenue to arrive at an acceptable solution.

Now, let's talk about concept, first, let me make it abundantly clear that any position the Congress eventually takes to resolve the land claims will not be based in sympathy or in an attempt to improve the condition of the Native Alaskan with charity and welfare. Congress will act to finally and completely extinguish all existing and future claims as to aboriginal rights to lands in Alaska which both Congress and the supreme court have repeatedly recognized.

In the resolution of this matter, I have a deep and abiding feeling that at all costs we must avoid the creation of native reservations in Alaska where none now exist. This is segregation, and a divisive and antiquated approach, and could unwittingly relegate the Alaska native to a separate and second class citizenship, which is the situation for the Indian today in "the South 48". This simply is not acceptable to me. Next, with reference to the land provisions of any solution, there must be a conveyance of some land to natives as individuals in fee simple absolute title or full private ownership, in addition to any acreage that is allocated for community activities, or for subsistence hunting and fishing, or acreage conveyed for investment purposes or otherwise.

Specifics of the final legislation must provide a sound land and money base for the native. It must make him master of his own destiny, and a fully participating citizen of the State of Alaska.

On January 14, in his State of the State Message to you, Governor Keith Miller pointed out that housing, education, health, welfare, public safety, and capital improvements in rural areas are a state responsibility and are clearly so designated by the State Constitution.

I wholeheartedly agree with the Governor. The land claims bill must not obligate the native Alaskan or native organizations to provide those services which are the obligation of the state.

In considering the creation of native corporations to manage the affairs of the native community of citizens in Alaska, it is important that the settlement not create a separate superstructure of native government in potential conflict with the state government. Rather, we must place emphasis upon improving economic conditions in the different regions of this vast state.

Accordingly, just as the individual native citizen is represented at the village council level, so should the village be represented at the regional corporation level, further, each regional corporation should have a delegate on a board of directors which operates at the state-wide level to coordinate the activities of the various regional corporations, and perhaps to provide some management and investment counseling.

Surely the needs of the people of Angoon are not identical with those of the people of Barrow or of Unalakleet or Fort Yukon. The raw materials available for economic development differ substantially across the state, and we must insure local participation and involvement of local experience and expertise.

As regards the land portion of the settlement, it appears that we should perhaps consider the concept of four possible categories.

These are:

First, those lands which will go to the separate villages in fee simple for community needs:

Secondly, those lands which will be conveyed in fee title to individual ownership:

Thirdly, lands for subsistence. These will be additional to lands in the first and second categories for all persons native and non native alike who depend on subsistence for their livelihood and who will be able to fish, hunt, trap, pick berries, perhaps gather firewood and engage in similar subsistence activities on these lands although title to the land itself will not be conveyed, as such, to the native people. Subsistence rights will have highest priority, classification.

These lands will not be converted to any so-called "higher and better use" without public hearing with the burden of proving such higher and better use upon the person or agency making application for the change in classification. In all cases, any decision to change subsistence uses will be open to judicial review.

In the fourth category, perhaps we should place in the regional corporations those additional acreages of land that could be made available for economic development and investment purposes. Here, in contradistinction to the other three categories,

The State of Alaska, it would seem, might have prior selection rights over the native regional corporations, as contemplated in the statehood enabling legislation.

Let me touch briefly on the possibility of state financial participation in the settlement.

By reactivating the provision of Chapter 177 SLA 1968, with perhaps increased funding, two things might be accomplished, we may be able to avoid the thorny thicket of the overriding royalty by getting this kind of state participation, and perhaps by seeking similar contributions at the federal level. Our willingness to contribute some state revenues to the settlement might well convince congress to be more generous at this juncture.

Turning to a new subject, one of the most exciting areas of progress for Alaska is in the field of communications, although some of this progress is perhaps not yet too apparent to many. As you are well aware, 1969 saw a number of landmark steps taken which will bring us significantly closer to enjoying a communications capability so long overdue.

Unquestionably, the most dramatic step was in Alaska being able to witness firsthand and share with the rest of the world, the fantastic success of our Apollo 11 landing on the moon, on the twentieth day of June of last year. The people of this state joined 500 million other television viewers throughout the world to watch, wait, and cheer that moment in history. The event was all the more remarkable to our state because that brief glimpse of the Apollo spectacle offered us the introduction to tomorrow - and, for those few moments, Alaska became the showplace of the world for the communication system of the future.

The communication system with which we are presently handicapped has imposed severe difficulties on all of us. This impact has been felt in all phases of state development. In fact, the very fundamental health and welfare of our people has been involved from time to time and impaired as a consequence. It is, of course, difficult to rationalize away the shortcomings of our existing communications system, but one factor cannot be denied. We have before us an unprecedented opportunity for advancement. The uniqueness of the opportunity is to permit us to completely "leap frog" an entire age of communications technology. We have long envied the communications capability within the "lower 48", as our system is tied to a technology of yesterday, theirs is enhanced by a \$50 billion investment in the technology of today. While the "lower 48" undeniably enjoy the most sophisticated communications system in the world, the system nevertheless offers none of the economy, flexibility, or scope of service that is achievable by more modern means. This, then, is our challenge - to design and develop a fully integrated state-of-the-art communications system for Alaska. I cannot emphasize strongly enough, however, that the opportunity can be swiftly foreclosed by a premature or untimely commitment on the part of the state to too hastily conceived a plan for development. The compelling need is to design a master plan for communications in terms of a true total system - giving full regard to the economic, social, educational and legal aspects, in addition to the technical.

It is interesting to note the close parallel between the situation confronting the U.S. on a larger scale and that which the State of Alaska is presently encountering.

Five years have passed since the use of a satellite for the domestic U.S. communications system was proposed, and the problem still confounds our policymakers at the national level, but now, suddenly, there is a bright new star on the horizon, with the opportunity for expansion of communications by as revolutionary a means as the satellite, the present national guidelines and regulations have until now been inappropriate. Administrative agencies are obsolete, and existing operational entities are battling new realities almost in a spirit of yearning for the good old days. Fundamentally, the situation implies, in fact requires, a wholesale reshuffling of our entire legislative, regulatory and organizational structure for telecommunications at the national level. The refreshing new breeze in telecommunications policy, the bright new star on the national communications horizon, was the President's

recommendations just a week ago today to the chairman of the Federal Communications Commission on the utilization of communications satellites for domestic telecommunications services. A year ago I reported to you with concern that there was no federal policy on domestic satellite communications, and that no satellite systems for domestic services had been approved by the FCC. The national administration has now boldly proposed a flexible regulatory policy to stimulate vigorous competition and innovating exploration and development of satellite service possibilities. The administration recommended relatively open entry and rate competition for network television distribution and high-speed data transfer, and indicated that standard telephone service by satellite in the rest of the nation might or might not be economic at this time, indicating further that there is no reason to promote uneconomic systems or dictate ownership arrangements. The administration emphasized, among other objectives, that of minimizing unnecessary regulatory and administrative impediments to technological and market development by the private sector, the President lucidly pointed out that in the absence of clear economies of scale and overriding public interest considerations to the contrary, the American economy until relatively recently relied on competitive private enterprise rather than regulated monopoly to assure technical and market innovation, long-run optimum use of resources, and industry flexibility, and that with this competition we made our greatest advances, the President further boldly stated that the Administration finds no public interest grounds for establishing a monopoly in domestic satellite communications, and indicated that it appears that a diversity of multiple satellite systems as well as multiple earth stations will be required to provide a full range of domestic services.

Isn't this a refreshing reversal to the centralization of government control and the stifling of individual initiative which had been the unfortunate trend all too frequently in recent years?

One thing more about the Administration's recommendations to the FCC,---while the President noted that the extensive, reliable and low cost terrestrial communications network already established in the "lower 48" makes domestic satellite systems competitive only where their unique capabilities offer significant advantages over terrestrial transmissions. He seemed quite well aware of our unique terrain, remoteness factors and weather considerations here in Alaska, and the advantages which might ensue from the creation of a well-balanced satellite-terrestrial communications system, here in Alaska.

Alaska can avoid the pitfalls which have "hamstrung" our national government by establishing a state policy-making organization with the appropriate authority and muscle to define and implement total communications policy. The satellite communications task force is a start. But its part-time non-funded status significantly detracts from its scope of contribution. I therefore recommend that the legislature proceed with appropriate legislation to establish a full-time communications steering group in order to insure the full realization of the benefits possible in a total communications system for Alaska. Incidentally, I certainly agree with the Governor in asking you to approve an Alaska educational broadcasting commission with a staff to plan and implement a comprehensive educational, instructional and public service television system throughout the state.

I urge you to not delay in this matter, we have the timely opportunity and the privilege to provide leadership and foresight for the bright future of this state in this area.

As a result of last September's North Slope oil lease sale, Alaska will never be the same again. Prior to the sale, the United States Government and the Congress presumed Alaska to be in the nature of a "poor stepchild" recently added to its large family, a stepchild having many needs unique and different, requiring special attention. Suddenly, with the advent of the sale and the receipt of \$900 million in bonus payments, the entire national attitude toward Alaska changed overnight. For illustration, my request to have the Federal Field Committee, which is a study and planning committee, converted by executive order into a regional development commission, an action agency, was turned down, "Because Alaska was no longer a poverty area." If such a conversion had taken place, Alaska would have automatically received several additional millions of dollars annually in economic development funds. Requests for Federal funds for various Alaskan programs are now given a colder more calculated review than previously. As I mentioned earlier, the possibility of a liberal Federal contribution to the settlement of the Native Land Claims issue has become far more difficult than ever before, both because of the tight money situation and by reason of our newly acquired oil wealth.

We in Alaska know that we are not a rich state. We are still confronted with massive unemployment, inadequate transportation and communication facilities, a need to improve and expand our educational system, etc., etc. Because most of the land in our state is owned by the Federal Government, we have a small tax base from which to derive much needed revenues. As a result, we have incurred significant shortfalls in revenue many times since statehood. This situation will not change overnight. Nevertheless, the frank matter of fact is that, wittingly or unwittingly, we have been launched into a new era which will call for far more state innovation, planning and development, with wise utilization of our financial and natural resources. We face a dramatic challenge which will call for an independence and maturity of judgement as we boldly march into the '70's; but I know we will face the future with courage, foresight, dynamism and calculated endeavor.

Naturally, the most popular favorite pastime of our Alaskans has been to speculate as to what to do with the \$900 million bonanza of bonus payments received from the North Slope oil lease sales last fall. While I realize that this is primarily a matter for state resolution, your congressional delegation is

frequently called upon to respond to queries of both Alaskans and non-Alaskans as to how best to utilize this large sum of money. As the Governor pointed out in his excellent State of the State and Budget messages, there are areas where immediate need demands additional expenditure of funds; and there are basically two schools of thought concerning utilization of the fund:

(A) One concept is that we have many problems that must be solved and needs that must be met, and, accordingly, the oil money should be spent to resolve these problems;

(B) The other group claims that this is a windfall that should not be frittered away, that the principal should not be touched, but only the interest utilized.

Obviously, both these concepts have merit, but each has serious defects too. If the state uses the money for capital improvements directly, the corpus of the fund will be dissipated. On the other hand, if the principal were to be locked up completely with the state utilizing only the interest, the availability of substantial money for building the state would be lost. Most fortunately, my distinguished friends, there is a middle ground, a means of marrying these two opposing concepts, a device which should satisfy both schools of thought without having the serious defects of either.

Basically, the idea would be to create a capitol improvement fund, which would be administered by a public corporation perhaps called the Alaska Capitol Improvement Corporation. In consideration of the constitutional prohibition against earmarking funds and the constitutional requirement for continually placing bond issues for capital expenditures before the electorate, the public corporation would appear to be a necessary vehicle to efficiently accomplish the desirable objectives of capital improvement. The board of directors should probably be chaired by the Governor or Secretary of State and consist of the Commissioners of Administration, Revenue, Commerce, Public Works and Economic Development.

In any event, if part of the \$900 million received from oil lease bonus payments last fall were appropriated by the legislature for placement in the capital improvement fund of the Alaska Capital Improvement Corporation, this money could be invested in government securities, "prime" commercial paper, and highest grade corporate bonds and stocks. The fund and its investment earnings could then be used as the security for special bond obligations of the public corporation issued for specified capital improvements as authorized by referendum or perhaps by a test case without referendum.

Because of the 100% security, these special bond obligations would be very high grade and would probably sell at lower interest rates than general bond obligations of the state. Accordingly, we have a vehicle that would actually be a money maker for the state. The invested capital improvement fund would draw high interest; the bonds would sell at low interest rates, and the profit derived from this difference would exceed the debt service for payment of interest and repayment of principal on the special bond obligations, if it were properly administered. As long as the investment fund would bring greater interest income than the debt service on the bonds, it would be folly to dissipate the principal or corpus of the capital improvement fund. The fund would secure more bonds from time to time as past bonds were paid off by the investment earnings and by additional income derived from some of the revenue-producing capital improvements constructed.

Now, let me suggest another and very meaningful utilization of the Alaska Capital Improvement Corporation which I have suggested that could well be the most important single act of this legislative session, so far as the municipalities and boroughs of the state are concerned. It is exceedingly difficult and often-times impossible for local governments, particularly the small ones, to sell their bonds, even at extremely burdensome or exorbitant interest rates. Thus, the financing of local municipal or borough bonds in Alaska would be of great help to the overburdened local government.

My recommendation would be to create a second fund in the corporation, a Municipal Bond Investment Fund. In this instance, the legislature would appropriate funds, say \$100 million, to the Alaska Capital Improvement Corporation for placement in the Municipal Bond Investment Fund. The corporation would again invest these funds in government and grade AA or AAA corporation securities at favorable rates or interest, then issue its own special bond obligation to derive income with which to purchase municipal bonds of the local governments, charging them the same rate of interest it was required to pay on its own bond obligation. Thus, it would be a non-profit operation of the corporation to assist the municipalities. As the principal and interest on the municipal bonds was repaid to the Alaska Capital Improvement Corporation, it would be used to repay the principal and interest on the bonds of the corporation, there would be a wash-out or simply a return from the municipalities adequate to retire the bonds of the corporation. The earnings from the Municipal Bond Investment Fund would come from investment revenues of the original money appropriated by the legislature. For example, if \$100 million were appropriated by the legislature for the fund and invested in Blue Chip Securities that brought 7 1/2% interest, the earnings in one year would be \$7,500,000. Thus the fund would continue to grow.

On a related subject, the possibility occurred to me of your creating a port and airport authority, not only to build and finance the capital improvements required in this area, but also to assume responsibility for efficient operation and management of such facilities and their related operations. The capital improvements could be financed through a Port and Airport Authority Fund of the Alaska Capital Improvement Corporation, or the authority itself could be created as a public corporation, handling its bond investments in exactly the same manner as the Alaska Capital Improvement Corporation. In this instance, of course, most of the facilities could be financed through revenue bonds issued by the Port and Airport Authority or by that fund in the Alaska Capital Improvement Corporation. In addition to the security and attraction I indicated earlier for the corporation bonds, the revenue aspects of the bonds would be an additional attraction, perhaps providing even more favorable preferential rates of interest. An example would be the almost immediate need for a port facility at Valdez, the southern terminus of the TAPS Pipeline. Another need might be for improvement and modernization of the port of Juneau for its growing transportation requirements, or perhaps a port facility to accommodate the needs of the pulp plant, some 42 miles north of Juneau at Echo Cove in Berners Bay. This would strictly be a commercial lease back to the pulp plant, if it served the economic needs of the state. The port in this case would make the revenue aspects of the bonds an absolutely safe investment, over and above 100% security of the original investment fund, since the permanent nature of the pulp plant would insure many years of revenues. The needs of Valdez

and at Juneau and other places, even possibly including ferry construction, could all be combined for financing and management purposes under one Port and Airport Authority. The revenues from the profitable facilities could be used to back other bonds for needed facilities that could not support financing on their own, but here again, the interest earnings on the investment fund alone should be adequate to cover the entire debt financing of the non-revenue operations, if the fund is properly managed.

One more thought in this general area, and that concerns the possibility of creating an Alaska Power Authority. A few years ago the Federal Field Committee suggested a power grid for the railbelt as a means of lowering the power costs in the central population area of Alaska. A grid for the entire railbelt area would make feasible the construction of large gas power generators utilizing Cook Inlet gas. The construction cost of these generators should be substantially less than the cost of constructing alternate power generation facilities, including Hydroelectric, of course, a substantial supply of the Cook Inlet gas has been committed to Marathon Phillips for their liquified gas plant, but I would assume that there should still be enough available gas to make such a power system feasible.

Here again, if the feasibility is demonstrated, the financing could be secured by a Power Authority Investment Fund in the Alaska Capital Improvement Corporation, or the power authority could be established as a separate corporation similarly structured, with financing arranged as I have previously described for the other purposes. In my view, such an approach could bring substantial rate reduction to all the people from Homer and Seward north to Fairbanks and beyond and certainly similar investments could be made in Southeastern and in other areas of the state. It is certainly worth investigating.

Well, enough of indulging in the luxury of how to spend the \$900,000,000 bonus bonanza. All of us have engaged in that deadly serious game, and it is well that we have. The governor certainly presented a number of excellent proposals in this regard in his messages to the legislature which I have not commented upon, but I do want to commend him for his searching analysis and recommended solutions.

In addition to the profoundly important matters which I have just discussed with you. I want to comment briefly on several other topics which have been of great concern and interest to me during the past year.

Vietnam: I generally support President Nixon's position favoring a de-escalation of American participation in the Vietnam conflict. During the President's first year in office the entire tone of the war has changed. The pattern of previous escalation has been reversed and our nation is moving toward peace and disengagement. The war as a divisive national issue has been de-fused.

However - and I feel this is very important - as we continue to de-escalate, we must make absolutely certain that south Vietnam is not left defenseless. Otherwise, those of us who have suffered loss, injury or death in Vietnam will have made a bitterly empty sacrifice. Although the Vietcong and the North Vietnamese continually fling the charge of "warmonger" at the United States, not once has the enemy responded to our peace initiatives. In light of this recalcitrance, I feel that

we must make it perfectly clear that we are willing and capable of responding with strength to any evidence of a substantial increase in North Vietnamese and North Vietcong battle activity.

Some have expressed their discontent with the President's Vietnam policy by participating in massive demonstrations. I regard freedom of speech as one of the sacred rights of a free people. However, I feel that peace-at-any-price protestations are nothing more than irresponsible attacks on an administration hard at work in seeking a just peace. Thus, to the extent that such activity bolsters the will of the enemy, to the extent that it prolongs the war and causes the loss of additional lives, it is intolerable. Viewed from a proper perspective, the kind of mass protests that we have witnessed so far have failed to accomplish any useful purpose. Quite the contrary, they have provided aid and comfort to the enemy.

The Jones Act: In the next few weeks I am hopeful that the House Committee on Merchant Marine and Fisheries will hold hearings on the Jones Act. While they will be scheduled for other purposes, I will exert every effort to insure that consideration be given during these hearings to the possibility of granting an exemption from the Jones Act for the state ferry Wickersham. Such an exemption would be a tremendous benefit to our state, for it would enable us to complete a much-needed link in our Marine Highway System. But there continues to be vigorous and sustained opposition.

Environmental Pollution: In his State of the Union message, President Nixon asked: "Shall we surrender to our surroundings, or shall we make our peace with nature and begin to make reparations for the damage we have done to our air, our land, and our water?" The answer must be that we will mobilize immediately to restore our environment and to prevent any further depredations from occurring. To accomplish this goal, we must make the 1970's an "environmental decade."

If we flinch from this restoration effort, we run the risk of destroying the birthright of every American, that is, the right of every man, woman and child in this country to clean water, unpolluted air, and open spaces.

Of course, I believe that economic development and environmental protection are completely compatible goals, that economic development can be achieved without destroying the environment is well illustrated by one of the most interesting and challenging construction projects ever undertaken in the United States - the Trans-Alaska pipeline. Before actual construction can commence, the pipeline companies must demonstrate to the Department of the Interior that the pipeline can be built in compliance with a set of very stringent stipulations. These stipulations are designed to insure that northern Alaska's delicate ecology will not be disturbed during the pipeline's construction or during its operation. To insure that the pipeline stipulations are enforced to the letter, the Congress has appropriated a substantial amount of money for the hiring of supervisory personnel. I am hopeful that this model of economic development will set guidelines for future development.

On a national level, we must recognize that the time of the frontier has passed. It is no longer possible to move on and relocate elsewhere once the resources have been depleted and the water contaminated in a particular area. Instead, we must stand

and fight, using the weapons created by our advanced technology - the same technology that has enabled us to pollute our environment on such a broad scale. I believe that the proposals contained in President Nixon's State of the Union message and the recommendations of the Council on Environmental Quality represent an excellent rallying point from which to begin our war on environmental waste and pollution.

Tax reform: with the exception of a few provisions, I strongly supported the Tax Reform Act of 1969. This legislation is, without a doubt, the greatest single achievement in tax reform since the inception of federal taxation. In an effort to inform the citizens of Alaska about the more important provisions of the new tax law, I have put together a summary of the new law. This compendium is now being distributed throughout the state.

As comprehensive as the new reforms are, I believe that one important area of needed revision has been overlooked - the need to give tax relief to taxpayers who reside in states, such as Alaska, where the cost of living is significantly above the national average. Therefore, I have introduced legislation that would increase the dollar amount of each tax exemption by a percentage equal to the amount by which the cost of living in a particular state exceeds the national average. Frankly, I am not optimistic about the enactment of this bill. However, I feel that the concept of a cost-of-living adjustment will be of value in the continuing dialogue about tax reform.

Marine and Maritime Affairs: As a member of the House Committee on Merchant Marine and Fisheries, I have been deeply involved in many matters relating to the use of our rivers, lakes, and oceans. On the legislative front, I have cosponsored legislation that would create a new cabinet level department, the "Department of Maritime and Marine Development". Since the department will incorporate the marine and maritime functions of all existing government bureaus, administrations, and agencies into one cohesive organization, our efforts to organize and accelerate our oceanic and maritime activities should be significantly enhanced. In addition to this legislation, I have introduced or cosponsored bills that would permit the use of naval aircraft in the enforcement of fishing regulations off the coast of Alaska; that would authorize the closing of American ports to the fishing vessels of any country that has closed its ports to American fishing boats; that would institute new and far more stringent penalties for foreign fishing vessels and crews apprehended within American territorial waters; that would insure the protection of U. S. vessels on the high seas; that would increase subsidies for the construction of fishing vessels; and, that would provide low interest loans for the financing and refinancing for new and used fishing vessels.

I am also most interested in our establishing a maritime academy in Alaska. The results of my initial inquiries have not been promising. However, I still feel that the establishment of such a school in Alaska would be a great benefit to both the state and to the nation and, therefore, I will continue to work hard to achieve this goal. Funding for the plant for such an academy could be financed through the Alaska Capital Improvement Corporation I spoke of establishing earlier.

Gun Control: Enacted in an atmosphere of passion and general hysteria following the assassination of Robert Kennedy. The gun control act of 1968 bears the indelible imprint of panic and a

lack of clear thought. Like many Federal laws, the Gun Control Act is based on the Interstate Commerce clause of the U. S. Constitution. However, few times in our nation's history has this clause been interpreted so broadly - or improperly, in my view. In general conception, what difference can there be between imposing an age requirement for the possession of firearms, on the one hand and imposing such a requirement on the sale of whiskey, tobacco, or on one's ability to obtain a driver's license on the other hand--matters which have traditionally been the subject of exclusive state regulation? Even the staunchest supporters of the Gun Control Act of 1968 must admit that the jurisdictional basis of the Act sets a dangerous precedent.

I am not denying that restrictions on guns and ammunition may be necessary in certain instances. But, I do maintain that if regulatory legislation is necessary, it should emanate from state and local governments, which are uniquely capable of responding to local needs.

In fact, attempts at Federal gun control have failed miserably. Sportsmen often encounter severe difficulties in obtaining guns and ammunition; homeowners are left defenseless. Yet, the incidence of crimes of violence is continually rising, for would-be criminals can always acquire firearms with ease by illegal means.

A far more enlightened approach would be to penalize those who use firearms illegally. Legislation has been introduced in Congress which would impose mandatory sentences on those who use guns in the commission of federal felonies. I strongly support these bills and will work hard for their passage.

The Economic Opportunity Act amendments of 1969: After careful study, I voted in favor of a simple two year extension of the Economic Opportunity Act. As you know, this version of the bill was finally enacted into law. Although I favor some decentralization of OEO programs in order to make them more responsive to local problems, the various alternatives which were proposed did not contain sufficient safeguards to insure that government officials would not be able to interfere with the many worthwhile activities conducted by OEO funded projects. The correspondence which I received from many of you and from many other citizens in Alaska was almost unanimous in supporting President Nixon's request for a simple two year extension at this juncture.

Foreign Aid: I voted against the Foreign Assistance Act of 1969 after a considerable amount of thought. While I am not opposed to foreign aid per se, I felt that several of the expenditures authorized in the Foreign Aid Bill were extremely ill-advised; other appropriations, though made to worthwhile projects, were simply too large. Moreover, since foreign aid appropriations totalling almost \$19 billion remain in the pipeline from previous years, I felt that this money should be used before additional sums are appropriated.

Foreign aid must always be considered in relation to our domestic situation. At a time when Federal, state, and local taxes are higher than ever before, it seemed to me to be fiscally irresponsible to appropriate a sum of money which far exceeded last year's appropriation. Every American family must live within its budget, just as every American business lives with the hard reality that its expenses cannot be allowed to exceed its income. The Federal Government should do no less in matters relating to fiscal matters if it operates responsibly.

The Traffic in Pornography: Many Alaskans have written to me to express their deep concern about the ever-increasing traffic in pornographic material. I share this concern. For this reason, I have introduced four bills designed to eliminate the flow of salacious literature. These bills and many others are currently pending before the House Post Office and Civil Service Committee, which has held extensive hearings on the general subject of the use of the mails by dealers in obscenity. I am confident that new and more stringent legislation will result from this consideration.

Last week, I co-sponsored a bill which would authorize the establishment of a select committee to study the relationship between pornography and organized crime. There is much evidence to indicate that a large proportion of the revenues derived from the sale of pornographic material ends up in the coffers of large criminal syndicates. If this is true, this source of revenue must be exposed and eliminated.

Electoral College Reform: In early September, the subject of electoral college reform was hotly debated in the House of Representatives. While there is no doubt in my mind that electoral change is necessary, I strongly oppose a direct popular vote for President. Under such a system, the voters of only 13 states could elect the President of the United States in disregard of the interests of our less populous states, which comprise nearly three-fourths of the states in the union.

To protect the right of every Alaskan citizen to cast a meaningful vote for President, I worked very hard for the passage of the District Plan of Electoral College Reform. Under this Plan, the general notion of the electoral vote would be retained, but the elector and the electoral college would be eliminated. Thus, the inequities of the present system would be rectified; yet, the President would continue to be chosen by broad sectors of the American electorate.

If we in Congress were to adopt the District Plan of Electoral Reform, I am convinced that ratification by the several states would follow. However, if the electoral system which we devise is not fair and equitable, informed debate will bring out the truth before the states cast their votes, and the proposed Constitutional amendment will surely fail.

Community and Public Works Projects: During the past year, Alaska has received substantial amounts of federal money earmarked for public works and other community assistance projects. Especially satisfying to me was the appropriation of almost two million dollars in Indian Health Service funds for the construction of an 18-bed facility in the new Fairbanks Community Hospital project. This allocation was the result of very close cooperation between representatives of the Fairbanks Hospital Foundation and the Alaskan Congressional delegation. Another much-needed project which received a considerable amount of money from the Federal Government was the Snettisham power project. This allocation of over \$5 million will greatly accelerate the construction of the dam and acquisition of the electric generators. I am hopeful that a small allocation made for the study of navigational obstructions in Cook Inlet will be but the first of a series of federal assistance expenditures which will bring about the elimination of the hazards to navigation in this critical transportation link between Anchorage and the major Pacific cargo routes.

At the present time, I am working very hard to obtain the passage of the Alaskan Village Safe Water Facilities Act. This Act would provide funds for the establishment of a central safe water facility in every Native village which needs one. Such a facility would mean that every Native would have access to a safe and reliable water source for cooking, drinking, cleaning, and sanitary waste disposal. The Safe Water Act is presently being considered by the House and Senate Public Works conferees. The Kodiak Naval Base has also been a top priority item with me in the last few weeks. Originally, the Navy announced that it intended to shut down its operations at Kodiak. This will not occur. Instead, it now appears that the Navy and the Coast Guard will share the cost of operating the Kodiak base. Other agreements are presently being negotiated which would be of substantial benefit to the City of Kodiak, one of which is a joint use agreement for the Navy airport facilities.

New Federalism: One of the greatest accomplishments of the Nixon administration is its success in re-establishing a proper balance between the Federal Government, on the one hand, and state and local governments on the other hand. From the first days of his administration, President Nixon has worked hard to reverse the alarming trend toward the ever-increasing concentration of governmental power in Washington, D. C. The President's decentralization program has manifested itself in many ways. In the area of communications, which I mentioned earlier, Mr. Nixon recently proposed the removal of the extremely stringent federal controls on the satellite communications industry, and has endorsed the concept of free competition in the market place unencumbered by unnecessary governmental regulations. In addition, the President has proposed that the Federal Government share part of its tax revenues with state and local governments. I strongly support this position and have introduced legislation that would create a revenue-sharing system. In this way, our urban cities can be restored and our state governments revitalized without creating an omnipotent Federal Government at the same time. A third manifestation of the President's new federalism is his anti-crime program, which emphasizes the primary responsibility of state and local police in bringing about law and order with justice.

In short, the President is seeking to reestablish those principles of federalism which were envisioned by our founding fathers when the constitution was first written. As experience has shown, these principles continue to have relevance and vitality in a modern context.

My distinguished friends, there are many other matters which I would like to discuss with you, but time just does not permit it. I have attempted to comment on some of the important issues facing the nation and on some issues which, though not of great importance when viewed from a national perspective, are, nevertheless, of great interest and concern to the Alaskan people.

The next few years will most assuredly be critical ones in the history of our state. In large measure, our destiny will be determined by the way we resolve such diverse and complex problems as Native Land Claims, our communications system, the use of our revenues derived from our budding oil industry, the development of our natural resources, and our handling of

environmental pollution. History will record whether or not we responded with imagination and vigor to these immense challenges. I am confident that we will succeed, that our state will grow and prosper, and that all our people will realize their great expectations.

Many of the problems which confront us now were encountered by the other states many years ago. Often these past efforts were impeded by ignorance, lack of experience, and an inadequate technology. In striving to realize the promise afforded us by our bounteous natural heritage and our open spaces, we have the opportunity to build on the successes and failures of the other states. If we learn these lessons well and use the products of our advanced technology we will create a better life for all of our citizens. I am confident that our achievements will surpass the expectations of even the most optimistic and imaginative Alaska citizens.

God love and keep you, and give you wisdom in your deliberations.

Respectfully submitted,

Howard W. Fellock
The Congressman for Alaska