

Journal of the House
of Representatives

OF THE

Territory of Alaska

THIRTEENTH SESSION

BEGUN AND HELD AT
JUNEAU, THE TERRITORIAL CAPITAL
JANUARY 11, 1937

Adjourned Sine Die March 11, 1937

JOE GREEN
Speaker

MARGARET O. GRISHAM
Chief Clerk

Motion was made by Mr. Rogge, seconded by Mr. Race, that the Governor and Senate be waited upon and notified of the permanent organization of the House and the joint session to receive the message of the Governor. Motion carried.

Mr. Speaker appointed Mrs. Nell Scott, Mr. Anderson and Mr. Race to wait upon the Governor and Messrs. Ross, Coffey and McCutcheon were appointed to notify the Senate.

Whereupon a recess was declared.

AFTER RECESS

House was called to order at 3:30 P. M.

REPORT OF SPECIAL COMMITTEE

Mrs. Nell Scott reported that the Governor had been advised that the House had organized and was ready for business.

Mr. Ross reported that the Senate had been advised that the House had organized and was ready for business.

JOINT SESSION

The President and members of the Senate were seated and the Speaker of the House called the roll of the House, all members present except Messrs. Lichtenberg, Nerland and Tolbert Scott.

The Speaker invited Senator Roden to preside over the joint session.

His Excellency, Governor Troy was announced, escorted to the rostrum and introduced by Senator Roden.

The Governor, complimenting the Legislature on the spirit of harmony prevailing during the present session, announced that each member of the Legislature had been furnished with a copy of his annual message to have read by the clerk or to study, as they willed, which Message is as follows:

THE GOVERNOR'S MESSAGE TO THE THIRTEENTH ALASKA LEGISLATIVE ASSEMBLY

SUBMITTED JANUARY 14, 1937

To the Thirteenth Alaska
Legislative Assembly:

The Governor is required under the Organic Act to make suggestions to the Legislature recommending legislation. This is an attempt to comply with that requirement. You will have detailed reports from the various Territorial offices and boards containing detailed information as to the state of the Territory and the information which you may need in your work. I commend those reports to your thorough and thoughtful attention. I am sending with this message a copy of the message that it was my privilege to submit to the Legislature two years ago which I wish you would consider in connection with this one.

Conditions in the Territory are incomparably improved over those that existed two years ago. This is due in a large part to the extraordinary expenditures by the Government in Public Works and for relief to those in need. The recovery from depression conditions throughout the country including Alaska is contributing to our improved situation. I called attention of the Legislators two years ago to the expectation of help of the Federal Treasury through Public Works for the succeeding two years. The Federal Government had already intimated very plainly that local revenues should aid in carrying on Public Works and that the Federal Government was planning to retire in a large degree from its direct relief and work relief

leaving that to the local Territory, State and Municipal governments. The Federal Government has already practically retired from relief, direct and work, except as it is provided in regular Public Works projects. The time has come when the Territory must find further sources of income in addition to those which we now have or abandon much of the welfare program.

Of course, economy must continue to be our watchword. We cannot afford to overtax industries that we now have. Overtaxation would discourage investment of capital in our natural resources. We must depend upon further development to produce more employment and to add to the Territory's population. However, the demands on government from the people have become greater on account of the greater activities of the last administration, National and Territorial. We cannot return to the old attitude of survival of the fittest with the consequent threat to the hindmost.

At the present time the fisheries industry is bearing the chief burden of taxation, and casting about for further sources of income the mind naturally turns first of all to the mining industry, the second most important of the Territory's industries. Mining has prospered during the last two years, due in most part to the increase of the value of gold. The increase of gold value from \$20.67 to \$35.00 an ounce has made gold mining more profitable than it had been for many years. It would be only fair to have that industry carry part of the increased tax burden clearly indicated as necessary. The tax on the fisheries industry is a tax on gross production. That on gold mining is a net income tax. I believe the time has arrived when this discrimination should cease. Net income taxes open the door for deception. It gives too much scope to the bookkeeper.

I believe the Legislature should allow liberally for production during development where the money is being reinvested in the mine. However, reinvested money is capital investment. I believe we should exempt from taxation on each mine or prospect enough money to permit the prospector to bring his property to profitable operation. The amount of this suggested exemption is one that the Legislature is better prepared to determine than I.

The present condition of the Territorial finances is indicated in the following communication from the Territorial Treasury:

Juneau, Alaska

January 8, 1937

Honorable John W. Troy
Governor of Territory of Alaska

Juneau, Alaska

Dear Governor Troy:

In reference to your message to the coming Legislature, I am herewith submitting the financial condition of the Territory of Alaska at the close of business December 31, 1936.

The net cash balance of the Territorial Treasury as of December 31, 1936 was \$408,858.71 which shows a material increase over previous biennial reports, notwithstanding the fact that the Territorial Treasury was deprived of approximately \$500,000 in pack taxes due to the closed fishing season in the Bristol Bay area during the year 1935.

In addition to the net cash balance as of December 31, there are \$178,600 in United States bonds drawing 3 $\frac{3}{8}$ % interest and \$40,000 in Wrangell School bonds drawing 6% interest, making a total cash and bond balance of \$627,458.71.

The delinquent taxes due the Territory have been reduced \$10,000 from the last previous biennium.

The payment of all delinquent taxes due the Territory for the last biennium will be paid at an early date.

Very truly yours,

(Signed) OSCAR G. OLSON
Territorial Treasurer.

PUBLIC WORKS

I call your attention to the benefits which have been derived by municipalities, States and Territories in public works construction through cooperation with the Public Works Administration by obtaining loans and grants or grants only from the Administration.

At the present time the Public Works Administration is making grants in the amount of 45% of the total cost of projects and loans in the amount of 55% of the cost of the project with a preference given to applications for grants only. The Administration gives preference to grant projects only as they favor projects on which the Grantee is willing and able to furnish its portion of the cost thereof in the amount of 55%.

It is my opinion that Alaska could profit considerably by taking advantage of Federal grants on various Territorial projects. In the past the Territory has appropriated funds for its portion of the cost of the Pioneers' Home at Sitka, and such procedure could be followed in the future on other projects. If it is your opinion that the Territorial Treasury cannot spare cash for its portion of the cost, it might provide funds for its portion of such cost by applying to Congress for permission to issue bonds backed by the Territory, which bonds would cover 55% of the cost of such projects as might be instigated. The Public Works Administration has been lending money on such projects at 4% interest, and it is my opinion that Territorial bonds could be sold to the public at the same or at a lesser interest rate. I believe it would be advisable for the Territory to prepare a set-up to sponsor Public Works projects along the lines that are being practiced by States and municipalities. If such a program is followed by the Territory it is essential that it be started at the earliest possible time as the PWA available funds from the present appropriation are rapidly being allotted.

PLANNING BOARD

The last Legislature at my request authorized the creating of a Planning Board such as prevails in many States. I did not put this into effect for two or three reasons. One of which, there was no appropriation to bear any cost of organization. Another was that after further experience I became convinced that probably the

best Planning Board would be the Territorial Board of Administration. The National Resources Board has indicated a willingness to assign a competent engineer at Government expense to be utilized by the Territory in preparing plans for development. If the Territory should undertake to further a program as outlined in this message, we should have a Planning Board and we could utilize the services of a Government engineer.

Aside from the air field program, Alaska has a number of major projects in all four Divisions that ought to be under construction soon. The interior country is anxious to get a road connecting from Fairbanks to tap the Goodpaster country and the Forty Mile region. This could also connect up with the International Highway whenever that might be authorized. Such a road would probably start somewhere on the Richardson Highway and extend through the Goodpaster region and on into the Forty Mile and finally connect with the Canadian road from Dawson to the boundary. Another large, meritorious project is development in the Kenai Peninsula country. Another would be a connection between the railroad and the Richardson Highway. Another one would be the continuation of the road leading out of Ruby into the Interior. Another would be the construction of a road up the Taku River Valley to the Canadian boundary. Another would be the construction of the road from the inside passage tide water up the Unuk River to the Canadian boundary. In fact, there are roads needed in all four Divisions. If we get a set-up that would cooperate in public works, the size of the project would be no deterrent at all. Roads bring people making the country larger and Alaska needs population more than any one thing. A program of this sort would make relief work unnecessary.

I believe that the Legislature should prepare one or more memorials setting forth to Congress an extensive program, and the reasons therefor, of development. The Federal Government should contribute to all of our projects. Most of our resources are Federal property. The Federal Government has locked up our timber, coal, oil and other resources to which the people of other Territories in their day could obtain title and use for developing industries that brought population and capital. The development of these resources in the other Territories

resulted in rapidly increased population and the resources and improvements were available for taxation. Under the circumstances the Federal Government should consider itself Alaska's largest taxpayer. The development of our resources develops Federal owned property.

SOCIAL SECURITY LEGISLATION

This Legislature has many important problems confronting it, of which none is more important than the question of amending Alaska's present social and public welfare laws so that they will conform with the requirements of the Federal Social Security Act.

In my message to the 1935 Legislature, I stated that the Federal Government was planning, as soon as conditions permitted, to retire in a large degree from caring for, either directly or by work relief, the needy and unemployed, leaving this problem to the State or Territorial governments.

This policy has now been definitely established. The present administration has, through the Social Security Act, enacted legislation that in substance states that the responsibility of caring for the aged needy people and indigent children, and planning against the hazards of unemployment is a local one.

The Federal Government recognizes that the cost of carrying out such a program will mean an added financial burden to the local governments. Appreciating that the States and Territories would find it difficult to finance such a program, they have provided in the Social Security Act a plan for Federal financial aid to those States, and only those States, that pass necessary legislation for their needy and unemployed. Briefly, this plan is to grant money from the Federal Treasury to aid the States to care for their needy people and provide against unemployment. The amount of money granted to any State is dependent upon the amount of money expended by the State.

There are three phases of the Social Security Act that should be of interest to the residents of Alaska, and I recommend them to you for your consideration:

1. Grants to States for Old-Age Assistance.
2. Grants to States for Aid to Dependent Children.
3. Grants to States for the purpose of assisting the States in the Administration of their unemployment Compensation Laws.

The Territory of Alaska was the first political subdivision of the United States Government to provide aid for its needy aged. This law in an amended form is still in effect in Alaska. The Territory also has a law that provides for the care of indigent children. These laws in their present forms do not meet the requirements of the Social Security Act. The Territory of Alaska is not qualified to and will not receive any financial aid from the Federal Government that would assist it in providing aid for the increased number of needy persons.

In the past our present laws have proved to be adequate. The depression has, however, created a condition that requires the Territorial Government to render financial aid to more people than heretofore; and, if these people are to be properly cared for, it is my opinion that we will need the Federal financial aid that is provided for in the Social Security Act.

I desire to stress that under the Social Security Act the Federal Government does not set up an administrative body to pay pensions to the needy aged or care for the indigent children. The Territory of Alaska still has the responsibility of determining who is eligible for aid under the Territorial law and to what extent these people are needy. If our present laws are amended so as to include the provisions of the Social Security Act, the only function the Federal Government will perform is to aid in the financing of the program.

The Alaska old-age law is administered by the Board of Trustees of the Alaska Pioneers' Home. The care of the indigent children of Alaska is vested, under our present law, in the Governor. If we amend our laws as outlined above, it will mean an increase in administrative work. I therefore, recommend the creation of a Department of

Public Welfare that will be charged with administering these laws. This can be done without any increase in cost to the Territorial Government, as funds are available under the Social Security Act to pay administrative costs of administering approved State and Territorial old-age assistance laws.

I recognize the fact that, if our present laws are changed, in order that Alaska might become eligible for Federal aid, it will be necessary for us to increase our appropriation for aid to the aged needy and indigent children. Just how much of an increase will be necessary I am not prepared to state, as statistical information on this question is not available at this time; yet I am confident that you will be able to estimate our needs and provide revenue sufficient to meet those needs.

After careful study, I am convinced that the benefits to be gained by amending our present old-age assistance and indigent children laws far outweigh the increased cost to the Territory.

The Territory of Alaska does not have an unemployment compensation law. Economists almost universally agree that depressions are inevitable but that the shock of depressions can be lessened by providing an unemployment insurance plan which will, in good times, establish a fund to care for persons who, in depression times, become unemployed and in need of cash subsistence.

An unemployment compensation law has both a humanitarian and an economic aspect. It is one of the most inexpensive and effective methods of alleviating the results of depression. It undertakes to level off purchasing power by carrying over buying power from those of good times to those of declining prosperity. It will definitely help the individual workman at all times when he is out of work for an extended period.

The Federal Government has in the past four years felt very decidedly the absence of any planning in years passed and consequently has paid, and paid dearly, for relief for some persons who, if an unemployment insurance plan had been provided for them, would not have been required to humble themselves and ask the Government for cash subsistence or relief work. These persons would

have earned benefits under a law which would have helped them over the period of unemployment.

Under the Social Security Act a Federal tax is levied on all employers of eight or more employees in the United States. This Federal tax is in effect and payable to the Federal Government whether or not the Territory passes an unemployment compensation law. However, if and when a Territorial law is enacted, any employer subject to the tax levied under Title IX of the Social Security Act will receive credit, up to 90 per cent of this Federal tax, for any tax paid to the Territory of Alaska under an Alaska unemployment compensation law. It can be seen that unless a Territorial law is enacted certain employers in Alaska will be subject to these Federal taxes, but Alaska employers and employees will receive no benefits from them. Under a properly enacted Territorial law employees working for employers subject to the law will earn unemployment benefits that will provide for them during an unemployment period.

In this connection may I call to your attention the necessity of enacting proper legislation to qualify the Territory to receive Federal financial aid in establishing a system of public employment offices in Alaska? Such aid is available under a law enacted by the United States Government, June 6, 1933, that provides for the establishment of a national employment system and for cooperation with the States in the promotion of such a system. I mention this now inasmuch as a system of public employment offices is necessary for the proper administration of any unemployment compensation law.

For the following reasons I believe such an unemployment compensation law should be considered and enacted by this Legislature:

1. It will aid labor as well as industry in times of declining prosperity.

2. The Territory of Alaska will, without increasing the present tax burden of employers subject to the Federal tax levied under the Federal Social Security Act, build up a reserve fund that will be of aid to employees who have earned benefits in the employment of these employers.

3. That this program can be inaugurated and carried out without any cost to the Territory of Alaska other than the small appropriation necessary to establish a system of public employment offices. The Social Security Act provides that the Federal Government will reimburse the Territory for all expenses incurred in the proper administration of an approved Alaska unemployment compensation law.

It is my hope and judgment that the above outlined legislation will be studied and enacted, for I believe sincerely, as I feel you do, in the principle expounded by our President in one of his recent messages to Congress: "That among the many objectives of this administration, I place the security of men, women, and children of the Nation first."

In his first inaugural address, President Roosevelt said that one of the principal threats to tranquillity in the United States was the fear of fear. He emphasized the necessity to lay this particular fear. One of the principal purposes of the National Social Security Act is to lay the fear of fear. Fear is always a menace. Fear of future security is a deterrent complex in the acts of everyone, rich or poor. The rich man often seeks to increase his profits not so much because he needs the profits, as he fears that something may cause him to lose his wealth and he may again face poverty. Fear is a brake on activities of the young and those who are not well off. They are fearful always that something may cause them to lose employment. The fear of poverty in old age, or being forced out of work, burdens the average person and hinders him from making the best use of his talents. I regard the elimination of fear as one of the most desirable features of the National Social Security Act. If one can have the assurance that he will have an income sufficiently large to supply his needs, he will be free to do his best and to enjoy freedom.

In preparing legislation for cooperation with the National Security Act, I suggest that the Legislature provide a Territorial Welfare Board for the administration of Social Security and the various Territorial welfare activities. We have indigent funds, old-age allowances, mother's pensions, children's guardians and Pioneers' Home that ought to be considered in connection with the Social

Security legislation. I am prepared to urge that you do not put the Pioneers' Home in this set-up because it is strictly a Territorial feature that is not contemplated by the National Social Security Act. I will leave that for the Legislature to consider.

MINING LEGISLATION

The paramount influence of the mining industry affecting the welfare and prosperity of the people of Alaska has become increasingly evident during the past biennium.

The powerful impetus to mining given by the increased price of gold has resulted in a notable expansion of mining operations in each of the Divisions of the Territory, which has been attended by greatly improved business conditions and which has been a large factor in reducing unemployment.

Production has increased; dormant enterprises have been awakened to new life; and an intensified and widespread interest in the opportunities afforded in the exploitation of our mineral resources has become manifest.

Improvement in transportation facilities including those afforded by airplane operators, and the recent introduction of new types of mining equipment and improved methods of mining operation have also contributed largely to the prosperity that now obtains in our mining industry.

As Mr. B. D. Stewart, our splendidly qualified Director of Mines, recently said:

"The intensified activity that now prevails in productive operations, however, and the improved methods and facilities that are being utilized for the rapid development and quick extraction of the valuable contents of known deposits requires careful consideration of the steps that should be taken to insure a favorable future for the industry.

"Enlarged production from known mineral deposits inevitably means their more rapid exhaustion.

"Therefore, all reasonable encouragement, assistance and protection should be afforded by the Territory, not

only to those who are now engaged in productive mining, but especially to those prospective operators who are actively prosecuting or who contemplate undertaking exploratory and development work; to prospective investors in such enterprises; and to prospectors who are individually engaged in the task of attempting to uncover for us our hidden mineral wealth."

To that end it is recommended that the Legislature provided the Territorial Department of Mines for use during the ensuing biennium adequate funds to enable that agency to undertake measures of maximum benefit to the mining industry. Such measures would include the following:

1. A continuing survey through field examinations by qualified engineers of mineral deposits and of current activities in prospecting development and productive mining operations throughout the Territory; and of rendering technical assistance in the field to prospectors and small operators.

2. Dissemination by means of printed reports, correspondence and personal conferences of up-to-date, authentic information relating to our mineral resources; including reports on progress in their discovery and development; favorable localities for prospecting, and development and operation as revealed by field examinations; and suitable methods to be employed in the search for and development and operation of mining properties under the conditions that are peculiar to Alaska.

3. Providing a more adequate service in the inspection of mines and in the protection of the lives and health of miners through study of the hazards attendant upon mining operations and their possible elimination or control.

In order that such measures may be properly and fully carried out it is necessary that additional qualified engineers be provided in the Department of Mines.

There has been a growing demand, especially in Southeastern Alaska, for an extension of the important public service of identifying mineral specimens and assaying ore samples for prospectors and others. Such a service is now readily available at the University of Alaska to

residents of the interior and northern sections of the Territory. Serious delays are entailed, however, in transmitting and in receiving returns on analysis of specimens and samples sent from the First Division. It is therefore, recommended that a Territorial assay office be established and maintained at a central location in Southeastern Alaska to be operated under the direction of the Department of Mines.

It is estimated that an appropriation in the sum of \$70,000 or \$75,000 for the biennium will be required to provide the various aids to the mining industry that have been outlined, and it is recommended that that sum be appropriated for that purpose.

It is generally recognized that the work of the prospector lies at the foundation of the establishment and growth of a prosperous mining industry. During recent years it has become increasingly difficult to secure from private sources the grubstakes necessary to maintain in the field an adequate force of prospectors in the Territory. Public assistance of some type appears to be necessary in order to correct this serious situation. It is, therefore, recommended that the Legislature give careful study to the advisability of resuming in some form direct assistance to prospectors. The suggestion is offered that any funds that may be provided for that purpose might best be administered by the Department of Mines acting with the advice and under the control of a committee of citizens composed of one member of each judicial Division.

The following excerpts from a letter written to the Governor by George Hellerich, one of our well known mining engineers and a former member of the Territorial Legislature, are worthy of being set down here:

"I think that we are in agreement that the Territory should have some sort of an organization to act as a clearing house where information concerning the mining resources of Alaska can be obtained. In the past this function has been taken care of after a fashion by the Federal Bureau of Mines and the Geological Survey. This source of information has been shut off for the past several years due to lack of appropriations.

"I believe it is therefore up to the Legislature to appropriate sufficient funds to take care of an efficient organization.

"To my knowledge the present inadequately financed Bureau of Mines has been directly responsible for the present mining activity in the Good News Bay section. It has also done good work in the Ketchikan area, which several Ketchikan people assure me will result in considerable mining activity in that section.

"The functions of a well organized Bureau of Mines are as follows:

"1. Point out likely districts for mining development.

"2. Assist prospectors and small miners in technical matters.

"3. Compile information on mining methods in use in various districts.

"4. Enforcement of safety regulations.

"5. Enforcement of camp sanitary regulations.

"6. Bring to the attention of the public fraudulent mining promotions.

"7. Assist in planning road building to favorable mining districts.

"In order to provide an adequate organization to take care of these necessary functions an appropriation of \$35,000 a year would have to be made by the Legislature. I think that you will agree that such an amount is amply justified when the benefits to be gained are considered."

LIQUOR PROBLEM

The operation of the Liquor Laws in Alaska is one that should receive your attention. Generally speaking, I believe the Liquor Board has done a good job well.

However, this is a matter for the Legislature to decide. Most of the complaints about the liquor situation have been aimed at the lack of enforcement of the laws and regulations rather than the system itself. It is fair to say, however, that these complaints are coming less frequently than formerly. As time has gone on the earnestness and integrity of the Liquor Board has gotten greater and greater recognition. Information has caused the people to understand more clearly that the Liquor Board has earnestly striven to be fair and to work in the interest of the public welfare. There has been no scandal connected with any phase of the situation. The public has had a square deal and so have those engaged in the liquor business. I am still convinced that the license system is far better than would be Territorial or municipal liquor stores. Under the system prevailing in Alaska, the dealer purchases the brands of liquor and pays the price that his trade indicates. The business is being conducted as nearly as possible like any other commercial business. There are some things that ought to be determined. One of these is the status of the Indians and their eligibility to purchase and use liquor. Lawyers have differed as to whether the Liquor Board would have the authority to refuse the sale of liquor to Indians. Opinions differ among both Indians and Whites as to the proper method to pursue in this matter. The argument is advanced by many that Indians do not know how to handle liquor, and, therefore, should not be permitted to have it. Other arguments have been advanced by people of equal intelligence, sincerity and good faith that it is better for the Indians and Eskimos to purchase good liquor legally than to drink poisonous home brews and moonshine. This is a question that I commend to the thoughtful attention of the Legislature. I don't see where Territorial Liquor stores could improve this situation. I do not see that it would be helped by having precinct elections on the question as to whether or not licenses should or should not be granted. I feel that local option would probably not produce results that would justify the expense of conducting the elections. Local option has never been wholly satisfactory. Usually when one precinct votes dry, another precinct not far distant votes wet, and those in the dry precinct are permitted to buy their liquor in a wet precinct.

The Liquor Board's enforcement organization is not large enough to police the entire Territory as rigidly as it

should be policed, and it has not always had the cooperation of other law enforcement agencies. This also is a matter which should receive the thought and consideration of the Legislature. I believe the enforcement personnel should be increased.

The Liquor Board will file a comprehensive report on this whole question, and I commend it to your thoughtful consideration.

FUR FARMS

I believe there should be two or more experimental fur farms in Alaska with experts at their head who could carry on experimentation in all phases of that industry. This is a project that could very profitably employ both Territorial and Federal money. The Biological Survey would be a suitable organization to carry on the work. The Biological Survey is willing to undertake this task but so far has been unable to secure funds from Congress. It is possible that the Territory might get the funds by setting up a Public Works project for that purpose.

While the law providing a \$20.00 bounty on wolves and coyotes is costing more than previously, and there is already a deficiency in the fund created by the last appropriation for that purpose, it would I think be unwise to reduce the bounty. I think the necessary appropriation should be made.

I just received a telegram from J. Sidney Rood, Acting General Superintendent of the Reindeer Service, in which he says:

"Wolves undoubtedly killing thousand reindeer annually. Selawik herd which counted twelve thousand reindeer two years ago now reported by Government teacher reduced less five thousand. Although Selawik situation worst, wolf problem is serious in most herds. Estimated ten thousand natives depend on reindeer between Kodiak and Barter Island as source food, clothing. Legislators should be urged make every possible effort maintain bounty at present figure and co-

operate Federal agencies fullest extent eradicating wolf menace."

TOURIST TRAVEL

The Territory ought to bear in mind the tourist travel. It has proved over and over again that tourists provide a valuable asset to any country. Last year witnessed the largest tourist travel to Alaska in the history of the Territory. This is ample proof that our attractions for tourists are very great. Many of the sections of this and other countries have regular tourist bureaus to promote tourist travel. The Legislature could very well maintain such a bureau. It has sustained the Alaska Chamber of Commerce largely with that in mind and in view of that fact the Alaska Chamber of Commerce has done excellent work in cooperation with other organizations and commercial industries in promoting travel to the Territory.

In this connection, I call your attention to the several World's Fairs planned and being planned. I mention particularly the proposed San Francisco celebration and fair being planned to commemorate the completion of San Francisco's two great bridges in 1939 and the great undertaking at New York. I wish the Legislature would consider whether or not that Alaska should be represented at these Fairs. If the decision is in the affirmative, an appropriation should be sufficiently large to permit the erection of suitable structures to house adequate exhibits and proper organizations to manage the buildings and exhibits. This matter will be presented to the Legislature in more detailed form during the progress of the session.

TERRITORIAL HIGHWAY COMMISSION

There should be a liberal appropriation to the Territorial Highway Commission for roads, airfields and kindred projects. Under the direction of the Territorial Highway Commissioner, good work has been done during the last biennium on road projects and airfields. Many of these have been to meet immediate necessities and for cooperation with other road making agencies. This work should be continued.

PIONEERS' HOME

The Pioneers' Home is an institution in which all Alaskans take just pride. It was established by the first

Territorial Legislature and has more than justified the action of those who established it. The Pioneers' Home Building Commission completed the new fine Home during the biennium and the result is a notable structure, well equipped and a credit to the Territory. It is attractive architecturally, convenient in arrangement and equipped in a modern and effective way. The management of the Home has been efficient, humane and met in a large way the purposes of the various Territorial Legislatures. The Building Commissioners and the management of the Home are entitled to the congratulations of the people for the painstaking and earnestness of their performances.

SCHOOLS

I recommend liberal appropriations for the support of schools. There are still a large number of villages with from fifteen to thirty children of school age which have no schools. The heads of the Federal school system and the Territorial school system are cooperating in an effort to provide educational facilities for these children, but in order to do so, it will require larger appropriations for the operation of rural schools.

Some of our smaller cities are unfortunately located as far as industries are concerned and have much difficulty in maintaining their schools. Some readjustment should be made in the refund system whereby these cities could be given more help.

The vocational work for the education of adults and high school pupils along practical lines provided by the last Legislature is now well under way and should be given liberal support. While it is yet too early to realize results, it stands to reason that money expended to educate people along practical lines will eventually be highly beneficial to the Territory.

UNIVERSITY OF ALASKA

I commend to the consideration of the Legislature the University of Alaska. It is one of our major Territorial institutions. It is doing splendid work and becoming more useful every year. It must not be permitted to deteriorate, but must be aided to bring forth further and better

development. Already the graduate students of the University of Alaska are becoming felt in the progress of the Territory.

COOPERATION

It is proper before closing to say that there has been a continuation of splendid cooperation between the various Territorial and Federal offices and boards functioning in the Territory and also between the officials of the Territory and those in the Federal Government in Washington.

I look forward with not a little pleasure to the opportunity of cooperating with the Legislature during its Session. It is my desire to aid in any way possible and as I said to the Legislature two years ago, let us all remember that Alaska is one Territory and her people are one people.

Respectfully submitted,

JOHN W. TROY,

Governor.

Concluding his talk the Governor retired, and there being no further business to come before the joint session, it was moved by Mr. Coffey, seconded by Mr. Race, that the joint session adjourn. Motion carried and the joint session thereupon adjourned.

AFTER JOINT SESSION

The House was called to order at 3:40 P. M. by Speaker Joe Green who referred back to communications:

COMMUNICATIONS

The Clerk read an invitation from Alford John Bradford Post No. 4, the American Legion, extending an invitation to members of the Legislature to attend a "Jiggs Dinner" at 6:30 P. M., January 25. Other communica-