

01-76-10

Jay Hammond

January 13, 1976

State of the state address

Juneau, Alaska

Announcer said that Lowell Thomas is arriving in the chambers. This is a statewide broadcast. Four governors have walked from their chambers to give the state of the state. This is the second year that Governor Hammond has given the State of the state address. The budget address will be given later in the week. He explained the sequence of events for the address. The governor is escorted into the chambers.

The arrival of Governor Hammond is announced. He is introduced by Chancy Croft.

Governor Hammond said he wanted to speak about the state of Alaska, past efforts and the design for new directions and rededication in this bicentennial year. He wanted to explain what they have tried to do and why. He hoped as governor he would stimulate that discussion which would bring decisions forward from the people where they can be ratified by those in government. The determination is to change government to the needs of the people not tinker it to the tune of special interest. He said Alaskans are perhaps the most involved citizens in the United States. He said he is disappointed that it has taken so long to get things done. They have had success and failures in the past year. He believes that most Alaskans share his belief that we must not allow ourselves to let events take over but rather take action in advance of pressures. He has been clear on his attitude on change. He said growth and change are foreordained. To maximize the good will take orchestration. Zero growth fails to harmonize with facts or refrain and they wish to steer growth and not strangle it unless it can't pay its way. He said consider the state an investment corporation and all Alaskans shareholders. They support healthy growth that will increase net corporate assets and they will oppose unhealthy growth which costs economically and otherwise the majority of stockholders so that a few can make a profit. If resource exploitation can't make a profit for Alaska then it can't be done. The state is a storehouse of resource goods. It wouldn't be prudent to cut their price and sell at a loss just to increase the growth of business. He would rather do less business but do it at a profit. He said let's not concern ourselves with zero growth but rather double zero growth. When he took the office the state was spending almost twice what it was taking in. Double zero growth provides zero for the state and zero for most Alaskan taxpayers such as outer continental oil development as proposed. Some types of growth can be malignant such as the prospect of no revenue sharing, no bonus monies and no severance taxes. Studies have shown that Alaska Gulf OCS development may actually cost each Alaskan 300 dollars. He isn't interested in subsidizing oil companies.

He said in some ways Alaska seems more like a colony than ever. It is beset by forces, inside and out, which seem to see Alaska as nothing more than a giant energy receptacle. He said they will continue to

determine if growth is good or bad and be able to say no. He talked about the view of growth by Alaskans. Some view it as good and some view it as bad. No one has the answers. He has told Alaskans that he would ask them what they wanted rather than tell them what they were going to get. They have expanded the public process with the medical malpractice commission, the growth council, task forces on rural energy, corrections, fisheries failures and numerous public forums on such issues as the Cook Inlet Land Trade and D-2 lands. He said no one person has the only road map and what we need up here are alternative visions of where Alaskans want to go. He asks what kind of Alaska do we want for ourselves and our children's children. He said to find out we must generate alternative images for Alaskans to debate: new technologies, new approaches to employment, ecology, housing, health, and community life. We should bear in mind not just the clear cut problems, but also the fantastic potential that we have. He said he would promote anticipatory democracy because we better start anticipating the future and we must find a way to involve thousands of Alaskans in the process or we may have a handful of elitists looking after number one. He has asked the council to determine what people think our goals should be. He talked about conditions last year with his administration. He said challenges have changed in the last four years such as offshore oil development, the gas pipeline route, the Cook Inlet Land Trade, medical malpractice, correcting corrections, satellite communications, fisheries and limited entry, declines in fish and big game stock, bankruptcy, the right to strike, state expenditures, shoring up Alaska's local hire laws, movement of the capitol, funding for rural high schools (the Molly Hootch case), D-2 lands, the Cordova Road, the north-south runway, and roads. Most problems remain. He discussed state assistance for school districts, regional resource centers, districts in unorganized areas, school construction grant programs in regional education attendance areas, the Department of Health and Social Services, the diphtheria outbreak and immunization, and the Division of Public Assistance procedures. He talked about legislation he will introduce: a bill for local health care needs, a bill for the longevity program, his consumer protection bills including one for disclosure, and a bill for insurance regulation. He is submitting legislation for increased penalties for criminal assault on police officers, permitting incarceration of intoxicated persons, altering the definition of murder to reduce the burden on the state, providing higher penalties for felonies committed with a firearm, and providing determinate sentences for multiple offenses.

He said while crime is on the increase so is the state's determination to find measures to crack down on it. He talked about local hire which was often heard but rarely enforced. The Dept. of Labor has initiated many programs to increase Alaskan hire on the pipeline, but the law is not yet adequate. He will submit amendments that grant individuals the right to sue. Last year several deficiencies in the state social program were pointed out by federal evaluators and the new rating show improvement. He said this is one step in fulfilling his commitment to make safer working conditions for Alaskans. He will introduce a workman's compensation bill. Substantial progress has been made to provide communication services. One hundred smaller stations will be constructed by 1977.

He believes that a portion of non-renewable resource revenues should be placed in a constitutionally sound savings account. It can't be withdrawn simply to buy more bureaucracy. Only by so doing can most Alaskans expect to draw interest on that money. His veto of the permanent fund bill was painful.

He will introduce a joint resolution to permit the establishment of such a fund. Ten percent of all mineral resource revenue would go into the fund. He considers this the most important bill this session.

He talked about legislation dealing with the Dept. of Transportation and sound planning through the public process. He would like to establish the Dept. of Transportation as the planning and maintenance agency. He would like to transform the Dept. of Public Works to the design and construction group. He discussed their different responsibilities. Alaskans will know fully what their capital projects will eventually cost.

He introduced the subject of the North Slope Haul Road. It will probably receive the most careful consideration of any transportation route. He believes that land use planning and transportation planning must go hand in hand. The bridge now spans the Yukon River and it will be open for public use as soon as pipeline construction permits. How much road north of the Yukon will be open to the public will be the subject of continuing dialog between the people of Alaska. He is not introducing the bill to decide the fate of the Haul Road. Public debate has not occurred. Very little studies of alternatives have been done. Any decision now will be premature. He has directed the Alaska Growth Policy Council to initiate dialog through the public forum.

Much work this year has been done on natural resource issues. From early on they have taken the strongest stand of any state against the proposed outer continental shelf program. Federal programs bring large costs and small benefits. Last session they introduced a coastal zone management bill to begin planning for OCS impact. It failed, but much was learned during public hearings. He will be introducing a new bill this year more sensitive to expressed concerns. It would better enable the state to protect, use, and manage the immensely valuable coastal areas without doing violence to the interest of the local people. The new management coastal bill, if passed, would set in motion a year of study of coastal planning and land use planning.

He said his administration believes in sound management and sound ownership patterns and practices are important. He talked about claims on Admiralty Island. The state has taken major roles in federal decisions regarding easements on Native lands each time trying to balance the proper rights of Natives and the long-term interest of the entire Alaskan public. He talked about the Cook Inlet Land Exchange. Controversial from the first this transaction is large and complex. He earnestly solicits the public's approval.

He talked about state and federal lands in Alaska and protection of lands. He discussed the D-2 land proposal. He will be introducing a bill to encourage agricultural lands. Fish and Game has many problem areas including a long-term comprehensive plan for the salmon fisheries. The first phase has been prepared. The first Dept. of Conservation bill would establish a local environmental enhancement fund from which court awarded fines against environmental violators would be available for local groups to clean up and improve their community environment. The second bill increases grants to communities for public water supplies and sewer systems. He talked about the Forest Practices Act.

To help shape the quality of growth he said they must provide recreation space and protect some key state lands. One bill would the Talkeetna State Park. Another bill would recognize a small percentage of

Alaska's shore areas should be off limits to oil development because other known values outweigh the unknown risks such as in Kachemak Bay. It is in the recreational backyard of our largest urban center. We must assure that certain crucial areas should not be leased without the public approval. It will allow public scrutiny of sales.

He talked about tankering of oil. In the past year they have made sure that tankers in Alaska waters will meet the highest standards. His cabinet has been working with other west coast states pursuing interstate agreement on tanker construction and standards. The trans-Alaska gas pipeline route is discussed. His administration has been made it clear that Alaska gas not be transported through Canada. Every alternative would be explored before allowing this to happen. He has proposed that the oil and gas management capabilities of the Natural Resources Department be consolidated and expanded. Time, money and planning now should guarantee millions later. He said we have to get used to the idea of planning. It has been feared in the past. He said instead of marching reluctantly that we begin to design conscious policy for transition to the future while remembering what can be good about Alaska's future is derived from what was good about Alaska's past.