Call number: 02-00-65

Minority Report of Republican Legislative Group, 1963. Alaska.

Summary created by Varpu Lotvonen

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Series: Harrie Hughes Collection.

Notes: Original on 5-inch reels, master copy on CD.

February 22, 8:30pm, Recording is made for the Tanana-Yukon Historical Society.

Harrie Hughes' voice states that pioneer Ed Farrell, King Regent for 1962 is giving the historical society a tape-recorded story of his life. Harry Hughes is recording for Igloo 4. [Music playing.]

At 02:03 a radio-program type of a talk starts by Senator Coghill discussing budget which is largest the state has ever seen, after receiving $15 million dollars of oil lease money. Egan made a speech in Anchorage at the Penguin Club where the Democrats have a meeting every Wednesday around noon. He made a speech saying that he could balance his budget without any cash increases with $7-8 million dollars from oil lease revenues. This was 60 days prior to the sale of the Kyonic [Tyonek?] oil properties [sp?]. 60 days after his speech about balancing the budget with $7-8 million dollars, he received $15 million dollars. He raised the cost of government with $7-8 million dollars. The speaker asks Bruce if he feels that their legislative sessions and the finance committees and the legislature have their biggest responsibility to the people to bring the budget in line with principles of economics and sound approach to the government. Bruce says to Senator Coghill that he most certainly does. Coghill says that Egan and his administration don't keep the taxes in line and keep the budget in line. If they pass the $78 million budget, that will be the minimum budget from now on, because one can never take it away. The $70 million dollars that he wants for the fiscal year of 1963, which starts in July 1 [of 1962?] and ends in July 30th of 1963, the $7-8 million dollars is a "runaway" type of a spending program.

Bruce says that each budget since the statehood has had an increase of approximately 30%. Coghill says that in one's private life one always pays one's debts before buying a new car or new living room drapes. Alaska has an unemployment debt and Coghill wonders if that should be fixed before spending on new programs. Bruce agrees and continues on saying that Egan made the speech at the Penguin club in Anchorage, prior to the oil-lease windfall, which showed that he could have been able to balance his budget with 8 million dollars less. Alaska could have paid back the loan they got from the Read Act [Reed? Reid??] on the employment security. That would have shown maturity. Bruce says they are a new state and all of the financial funders are watching them very closely to see if they are showing financial, fiscal and political maturity. Eagan is not showing maturity. Their time is running out and Coghill would like to point out to the listening audience that their projected revenue for the next fiscal year is only 53 million dollars. Under the programs the governor is asking for, the operational budget is $10 million dollars higher. They should take their revenues, pay off their debts and put the rest in capital expenditures, but always stay within their income when it comes to the operations and the service for the people in the state. Bruce says Senator Coghill is absolutely right.

A man's voice states that the Legislative Minority Report by the Republican Legislative Group doesn't necessarily represent the views of the radio station.

At 7:37 another program begins by talking about the Development Committee that was set up to develop Alaska's state and federal programs for economic development. Economic development is a community responsibility. The functions of the Economic Development Committee for the 19th election district have been pointed out: to keep existing jobs, to find new jobs and to create new job opportunities. No-one is going to come in and develop the area. If the area doesn't want to grow economically, they need coordinated effort to make it well. The Economic Development Committee was created to remove the roadblocks on the road of development whether they were technical, financial or market problems. They have many problems to overcome, such as the need for long-term, low interest venture capital. "Cheap money" is the popular phrase for it.

Discussing Tanalrich Development Company that is a local company that was chartered under the laws of the State of Alaska. The name Tanalrich comes from the Tanana River, the Alcan Highway and the Richardson Highways. Tanalrich is a vehicle to help the development and it was formed to be utilized as a one more tool to help to remove the roadblocks and hurdles from the way of the economic development [of Alaska]. Tanalrich is a non-profit community organization and no individual connected with Tanalrich Corporation can profit individually. They hope to be a profitable corporation to the area and the community, but they are not a profitable organization for those who serve in its board of trustees. The idea is to provide the participation funds that are required for local development. Lots of programs under ARA and FBA require local participation and the biggest deterrent to economic growth seems to be cheap money. In three years, the Chamber of Commerce detected a lack of economic unity in various sectors of industry. What was needed in most cases was $50,000 to $250,000 dollar loans on a long-term, low-interest rate. Tanalrich won't compete with established financial institutions but its importance will be in venture type loans that will create new jobs and create a better economic situation, particularly to the 19th district. The local development company was created to aid projects that are likely to succeed, but that couldn't get the finances to get off the ground. There are about 5000 Local Development Companies in the Nation. The constitution of Tanalrich was built using the by-laws and articles from Small Business Administration as a template. It was also organized to take advantage of the Area Redevelopment Administration Act and the loans that were made available there but also to take advantage of the loans made directly to the Local Development companies through Business Administration. In July 1961 when the Small Business Administration's act that provided lots of loans to the local development companies expired, it was re-initiated under the administrator Horn to the emphasis from the top administrator down the line was to participate in FDA funds in participation with the local development companies.

Tanalrich was formed these things in mind and designed so that it could take advantage of all the programs at the time. Part of the requirements was that the board of trustees should be large and the members representative of the community. They have a 15-member board that was elected by the Economic Development Company of the 19th District, including Fairbanks, Delta, North Pole and Tok. Some funds from the State and from other sources were pooled together for seed money that they need. Like Mr. Richmond pointed out, forget the cheap money. There are funds from RIA are geared towards rural development. Talking more about Tanalrich's funds.

[End of the recording.]