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BY CHANCE, BEIRWE, BRONSON,
CROFT, DEVEAU, GUESS, JACKSON,
MILLER, MOSES, PERATROVICH,
RAY, RETTIG, SASSARA AND SCHWAMM

1 IN THE HOUSE

2 HOUSE JOINT RESOLUTION NO. 26

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - FIRST SESSION

5 Relating to the relaxing of interest
6 rates on savings and time deposits
7 in Alaska.

8 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 WHEREAS Alaska is recognized as the most capital-short state of all the
10 50 states and is undergoing a surge in development that is far beyond its
11 ability to finance; and

12 WHEREAS Alaska residents are an average of 23 years of age and have not
13 accumulated vast fortunes for investment in the growth of the state, nor do
14 they have great fortunes or estates handed down from generation to genera-
15 tion as is the case in other states; and

16 WHEREAS, because of high living costs, Alaska residents are usually
17 forced to retire outside the state, taking with them any accumulated fortunes;
18 and

19 WHEREAS Alaska banks and savings institutions are regulated to the
20 same savings and time deposit ceilings as those in capital surplus areas
21 of the nation and accordingly cannot attract deposits to finance Alaska's
22 growth; and

23 WHEREAS housing in Alaska is critically short with the housing occupancy
24 in Anchorage and Fairbanks, the most populous centers in Alaska, in excess
25 of 95 per cent, with more than 30 per cent substandard; and

26 WHEREAS due to financial restrictions of the past two years, there is
27 a shortage of approximately 1,500 living units in Anchorage alone; and

28 WHEREAS it is desirable that citizens throughout the nation should have
29 an opportunity to share in Alaska's development via insured deposits in

1 Alaska banks and savings institutions; and

2 WHEREAS Alaska is likely to remain predominantly an import state for
3 many years, requiring the purchase of goods and services from sources out-
4 side of Alaska, thus continuously draining its dollar resources; and

5 WHEREAS the high cost of living which impedes economic development,
6 when coupled with a limited supply of capital, makes growth impossible; and

7 WHEREAS the United States Congress has recognized Alaska's higher costs
8 by granting to federal employees in the state a 25 per cent tax-free cost-of-
9 living pay differential;

10 BE IT RESOLVED that the Federal Home Loan Board, the Federal Deposit
11 Insurance Corporation and the Federal Reserve Board are urged to relax
12 interest paying rates on savings and time deposits in Alaska to the extent
13 commensurate with other economic factors in the state.

14 COPIES of this Resolution shall be sent to the Honorable Robert L.
15 Rand, Chairman of the Federal Home Loan Bank Board; the Honorable William
16 McChesney Martin, Jr., Chairman of the Board of Governors of the Federal
17 Reserve System; the Honorable K. A. Randall, Chairman of the Board of
18 Directors of the Federal Deposit Insurance Corporation; and to the Honorable
19 Ted Stevens and the Honorable Mike Gravel, U. S. Senators, and to the Honor-
20 able Howard W. Pollock, U. S. Representative, members of the Alaska delega-
21 tion in Congress.