



THE SECRETARY OF THE INTERIOR
WASHINGTON

June 24, 1958

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Dear Mr. President:

Because of some questions which have been raised concerning Alaska's population, income, per capita general revenue, and the costs of statehood, this letter is attached to a memorandum on these subjects. In my sincere opinion, these facts again demonstrate that Alaskans are ready for statehood.

The bill passed by the House (H.R. 7999) is acceptable to this Department; it represents a workable compromise on many conflicting issues difficult of reconciliation.

Faithfully,



Fred A. Seaton

Fred A. Seaton
Secretary of the Interior

The President
The White House

Population

The official Bureau of Census estimate for Alaska July 1, 1956, was 206,000. Our current estimate of population for Alaska is 220,000. Of the 220,000, approximately 50,000 are military.

Alaskan Income

In 1957, the gross product from Alaska's natural resources was approximately \$161,846,000. This was an increase of 18% over fiscal year 1956. Of this 1957 income, approximately \$92.9 million was derived from fisheries; \$34.3 million from timber; \$24.6 million from minerals; and \$1.5 million from the fur industry, exclusive of the Pribilof fur seal production. The Pribilof production amounted to \$5.2 million.

Federal Taxation

Alaskans paid about \$65 million in Federal taxes last year, of which \$45 million was paid by Alaskan residents. The balance was derived from nonresidents doing business in Alaska.

General Revenue Per Capita in Alaska

Alaska general revenue was higher than 39 of the existing States in 1957. This per capita revenue compares with other States as follows:

Alabama	\$115.9
Alaska	161.6
Arkansas	106 ✓
Idaho	134.3
Kansas	115.3 ✓
Mississippi	110.8 ✓
Vermont	140
Wyoming	224
Nebraska	90.8 ✓
Virginia	112.9

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Alaska Has No Outstanding Debt

Alaska had the only government in the 48 States, Hawaii, Puerto Rico, and Alaska, which had no outstanding debt at the close of fiscal year 1957.

Costs of Statehood



Alaska already supports many of the functions needed for a state government. The Federal Government, under the Organic Act, retained jurisdiction over the administration of justice, the Governor's Office, and partially supported the legislature and other miscellaneous functions of government. Alaska now has 58 different departments, boards, commissions, and other governmental agencies supported by Territorial appropriations. In the main, the cost of statehood therefore will be the cost to Alaska of assuming the governmental functions now performed by the Federal government.

This cost will be about \$6,350,000. The breakdown is: \$280,000 for executive and legislative expenses; \$1,800,000 for increased costs for the administration of justice; \$2,750,000 for commercial and sports fisheries and wildlife; and \$1,500,000 for increased highway costs. Offset against this increased cost is approximately \$5,000,000 in new revenues available to Alaska. The net cost of statehood should be about \$1,350,000.

Alaska's growing oil and gas lease income should offset this cost. In addition, this analysis assumes that the State will immediately take jurisdiction over fish and wildlife. Under the present bill, it would not do so and, therefore, the \$2,750,000 assumed additional cost would not be required.