## STATEWIDE IN ALASKA

<u>Highlights</u>: A major iron ore development, involving two U.S. companies and a Japanese firm, may be in the offing near the Southeast Alaskan Indian village of Klukwan. According to the State Division of Mines, U.S. Steel Corporation has leased a 589 acre tract of village land from the Klukwan Indian Council. Earlier this year Mitsubishi International Corporation of Japan applied to the State for a tax credit on an iron ore mining and processing complex in the area. Furthermore, last summer Marcona Corporation signed a mineral lease agreement with the village which was similar in character to the one signed by U.S. Steel.

If the development, in fact, occurs, the involvement of Mitsubishi indicates that they would almost certainly be the buyer of the ore. Japan currently imports 85 percent of the iron ore used in their industry. By 1975 this figure will rise to 90 percent 1/. In addition the proposed facility for which Mitsubishi obtained the tax credit would include both mining and pelletizing operations. Total employment would be around 150 men. Since Mitsubishi holds no mineral leases in the area it is plausible to suppose that the facility would process ore from the claims held by Marcona and U.S. Steel. Under such circumstances the Japanese firm would probably capitalize at least part of the \$20 million venture while one of the two American firms would handle mining operations.

Mercury Mining Up: Mercury mining in Alaska is having an active summer. According to the State Division of Mines and Geology, two mercury mining operations are in progress in the Kuskokwim area. At the Red Devil Mine near Sleetmute, Nurama Mining Company of Japan has between 40 and 50 men working in mining and concentrating operations. Once concentrated the ore is shipped to Japan for further processing. The other operation, located near Cinnabar Creek, employs a total of five men. Ore from this deposit is processed and then flown to Anchorage where the pure metal is extracted.

Capital Improvements Spur Construction Industry: One reason for the continuing excellent outlook for Alaska's construction industry has been the \$60 million in State construction funds approved by the past State Legislature. The budget, which took effect July 1, includes a variety of capital projects. The major portion of the construction is under the Departments of Public Works and Education. Included in the \$32.9 million Public Works construction budget are harbor and airport projects. The Department of Education's \$11.9 million will be spent largely on school construction projects.

State Revenues Increase: Total revenue collected by the State of Alaska during Fiscal Year 1970 totaled in excess of \$90 million dollars according to figures released by the State Department of Revenue. This represents a gain of 16 percent over the same figure for Fiscal Year 1969. As in previous years the individual tax payer was the largest single revenue producer. Total personal income tax collections came to about \$37.6 million and accounted for 41 percent of the total. Next came highway fuel at 11 percent. Oil and gas production, severance and conservation taxes together accounted for about 9 percent of the total.

Teachers To Be Trained For Rural Schools: In a joint effort of the Teacher Corps and the Career Opportunity Program, 60 rural Alaskans will be given training to qualify them as certified teachers. Included in the program will be both formal and on-the-job training. The participants are to be chosen by a recruiting team. Selection will be based on application data and an interview. Applicants must express

<sup>1/</sup> Nukazawa, Kazuo, <u>Japan's Foreign Economic Policy: Options for the Seventies</u>. United States - <u>Japanese Trade Council Inc. 1969 pp. 4</u>