

STATEWIDE IN ALASKA

Highlights: According to preliminary figures released by Business Week magazine, Alaska's personal income for 1969 was 10.1 percent ahead of the 1968 figure. Alaska registered the sixth highest increase in the country. Hawaii, with a 12.1 percent rise, was number one, while personal income in the nation as a whole rose by 8.2 percent. Although oil industry development held the limelight during 1969, the increase in Alaska's personal income is a manifestation of the rising wages and employment experienced by virtually all sectors of the State's economy.

Personal income should continue to rise during 1970. The largest budget in the State's history is being submitted to the legislature. Included in it are provisions for the creation of over 1,100 new State government jobs starting in July of 1970. Furthermore, additional employment will be created at the municipal and borough levels as a result of increased revenue sharing between the State and local governments. Advances should also come from the private sector due to increased construction activity, tourism and a predicted good salmon season.

Alaska Peat Moss Company has announced plans to construct a \$500,000 plant in the Juneau area. The facility will have a year around employment of forty persons. Production will be 750,000 one hundred pound bales of peat moss annually. These will be sold on both the Alaskan and outside markets. Because the plant is a year around operation, most of the \$400,000 annual payroll will be spent in Juneau, giving the area's economy a considerable boost.

Marcona Corporation of San Francisco is studying the feasibility of establishing a \$130 million mining complex, forty miles southeast of Juneau at Port Snettisham. Included in the operation would be mining equipment, a power plant, ship loading facilities, processing facilities and a townsite. The proposed complex would have a total year around employment of 600 persons and an annual payroll of \$7.2 million. When operating at full capacity, it would process and ship four to five million tons of iron ore concentrate annually. Marcona estimates that the Snettisham reserves are sufficient to allow production at these levels for approximately fifty years.

Two fishing cooperatives have been awarded grants and loans totaling nearly \$1.5 million by the Economic Development Administration. The two organizations, the Yukon Delta Fish Marketing Cooperative at Emmonak, and the Kuskokwim Fishermen's Cooperative at Bethel will use the money for the construction of a pair of large freezer barges. The barges will enable the cooperatives to process a total of two to three million pounds of salmon products per season. In addition to allowing the organizations to expand their memberships, the vessels will provide employment in fish processing for residents of villages on the Kuskokwim and Yukon Rivers.

The Economic Development Administration is also financing the construction of a cold storage facility in Dillingham. The two million pound capacity plant will be operated by "Nushagak Fisherman Incorporated - a Cooperative". Currently it is hoped that the cold storage can be completed in time to take advantage of the projected

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record 1970 salmon run in Bristol Bay. As with the freezer barges in the Kuskokwim and Yukon River areas, the cold storage should create additional jobs for Dillingham residents in salmon processing.

Ever since the discovery of oil on Alaska's North Slope, oil industry sources in Canada have been predicting a major oil strike in the Canadian Arctic. In mid-January of this year there were indications that these expectations had been realized. A Canadian subsidiary of Standard Oil of New Jersey struck oil near the mouth of the MacKenzie River approximately 100 miles from the Canada-Alaska border. If this turns out to be a major discovery it could have an impact upon Alaska's transportation and oil field service industries. The MacKenzie River provides a transportation link between the discovery area and supply points in Canada. However, air carriers operating out of Fairbanks and having experience in supplying Arctic oil operations could pick up contracts to supply MacKenzie River Drillers with time critical items such as spare parts or with perishable foods. In addition, oil field service and supply firms presently supplying the North Slope could also become involved in supplying the MacKenzie River discovery area.

Plans have been announced by Kenai Lumber Company to expand its facilities in the Seward area of Southcentral Alaska. The expansion will proceed in two phases. Phase one will begin this year and will include construction of a saw mill, planing mill and dry kiln. Phase two will be the construction of a chipping mill to provide full log utilization. The plant, which will have a production capacity of fifteen million board feet per year, will employ a total of thirty-seven men.

According to production estimates compiled by the Bureau of Mines, Alaska's 1969 mineral production was valued at \$244.5 million compared with \$221.7 million in 1968. This represents an increase of better than 10 percent over the year. The value of Alaskan crude oil, which made up 89 percent of the 1969 total, rose by 13 percent over the year. The volume of crude oil produced was also up by 13 percent during 1969. Virtually all of the State's petroleum came from the Cook Inlet Basin. North Slope oil will not contribute significantly to the State total until 1973 or 1974 when completion of the Trans-Alaska Pipeline provides a means for getting this oil to market.

Employment: Total estimated employment in Alaska hit its seasonal low point during January, reaching a level of 90,300. If the normal cycle is followed, employment in February should begin to rise towards its July or August seasonal peak. During the period from December to January the largest declines in employment were noted in construction, trade and transportation.

Mining: Employment in mining rose by 100 over the month as North Slope petroleum operations began to pick up after the lull during November and December. The bulk of the activity that is taking place continues to be exploratory in nature. Employment