

## STATEWIDE IN ALASKA

Inmigration of unemployed persons into Alaska, a troublesome social and economic problem that blossomed following the announcement of oil discoveries on the North Slope is beginning to surge again in 1972, boosted by optimism surrounding the Trans Alaska Pipeline. Apparently the stimulus of the U. S. Department of the Interior's decision to approve a pipeline construction permit was enough to renew the flood of inmigrants which had been ebbing in 1971. Reports from the major centers of inmigration, Anchorage and Fairbanks indicate that large numbers of non-residents have entered the job market in these areas, but have encountered limited success in finding work in local economies already troubled by high unemployment. Economic and labor market analysts in these areas are very concerned as a majority of inmigrants will not find employment, creating an additional strain on these economies, as happened in 1969 and '70.

There is no doubt that the optimism—pessimism cycle of pipeline prospects is the prime determinant of the amount of migration to Alaska, although Alaska has had a long history of migrant job-seekers who sought their fortune in the land of "quick riches". When the Trans Alaska oil pipeline project was first announced, there was widespread speculation (mostly by sources outside of the State) that there would be a construction and general economic "boom" in Alaska. This speculation prompted the great rush of inmigration to Alaska of 1969 and '70 as thousands of people sought a share of the wealth of this "boom". Many of the migrants were the so-called "boomers" who traditionally follow the oil industry from one "Eureka" to another. Most had no idea of what type of work they would find, and few were cognizant of the difficult living conditions in Alaska.

Exact tabulations of the number of persons migrating to Alaska in these years are not available, but approximately 13,000 inmigrants filed job applications with the Alaska State Employment Service in 1969 and '70. Most analysts agree that many of the inmigrants, for one reason or another, never filed applications with the State Employment Service. If this is true, then the actual number of inmigrants must have considerably exceeded the above figure. Although some migrants were able to find employment in Alaska, these people were a

distinct minority. Months of poverty and discouragement prompted many others to return to the lower 48. Some families could not even afford transportation out of the State. Not only did the inmigrants suffer, but resident Alaskans were adversely affected through increased competition for employment and added welfare and public assistance costs to the State. Although the economic effects of this inmigration are difficult to assess accurately, the high unemployment of the period probably stifled normal economic growth. The additional population increase caused housing shortages, particularly in the Fairbanks area. The economic slump caused a concomitant increase in social problems.

Indication thus far are that inmigration in 1972 is not increasing at the rate observed in 1969 or '70, but is surpassing 1971 figures by approximately 50 percent. Furthermore, Department of Labor representatives in Anchorage and Fairbanks are fearful that inmigration will continue to escalate following the mid-August court hearing concerning the pipeline as the "construction boom" draws near. The Department of Labor's prime concern is that Alaskan workers participate in the economic expansion of pipeline construction as fully as possible; a goal which will be difficult to accomplish given the injection of a large number of inmigrants into the labor pool. Continuing surges of inmigration during employment "booms" work to the detriment of healthy economic growth by perpetuating the condition in which money paid as wages leaves the Alaska economy in the pockets of migrant workers who depart the State at the end of the "boom". Because this effect eliminates all multiplier effects normally associated with wages, and because inmigrants deprive Alaskans of employment, inmigration is surely one of the most crucial problems Alaskans must solve in order to develop the long-term economic growth that is so vital to the State's future.

### ALASKA'S ECONOMY IN MAY

**Overview:** May employment figures show the Alaska economy well into its traditional summer expansion as employment increases are widespread throughout all industry groups. Leading in employment increases this month are the food processing industry and construction, which is finally accelerating after a