

## ALASKA'S POOR SALMON OUTLOOK — ITS MANPOWER IMPLICATIONS

Last month in this space the Trends looked at Alaska's anticipated gloomy 1974 salmon season. In our analysis we suggested that poor salmon catches combined with a potentially weak market for salmon might well spell disaster for many Alaskans who earn the majority of their cash income either from fishing, or from work in canneries. The situation is such that it may force many of these people, many of whom are unskilled Alaska Natives, to seek some alternative source of money income if they are to make ends meet. This fact, when combined with the start of the Trans-Alaska Pipeline construction and the employment opportunities that the project will generate, has the potential of causing a number of severe social and economic problems. One of these, is the spectre of a possible migration to urban areas of rural Alaskans whose economic activities in past years have centered around the fishing industry.

This migration would, of course, be caused by a desire to obtain pipeline-related employment on the part of the migrants. Such an occurrence would pose a variety of problems for manpower planners. First of all the migrants would for the most part lack the skills required for obtaining employment. Most cannery work requires little or no skill. While fishing involves complicated techniques, the skills involved in that industry, such as seamanship, would be of little use in most of the jobs relating to the pipeline. As a result, most of these people would have to pass through manpower training programs before they would become employable.

Additional barriers to employment would include a lack of familiarity with the type of work environment encountered on pipeline-related jobs, and in the case of rural Alaska Natives a general unfamiliarity with western culture and the "cash economy." These problems would have to be dealt with through counseling and orientation in order to assist these individuals in becoming truly employable.

Assuming that a migration of the type envisioned above occurs, how many persons are likely to be involved? Obviously it is virtually impossible to formulate more than a very rough estimate of the total scope of such a migration. However, a look at

preliminary salmon catch predictions prepared by the Alaska Department of Fish and Game could at least provide some insight into its magnitude. These, as we noted last month, call for landings of 4.8 million from Southcentral Alaska, 8.7 million from Southeast Alaska, and a scant 2.1 million fish to be harvested in western Alaska.

Southcentral Alaska, although it will also experience poor salmon runs, has other commercial species of marine life, notably crab and shrimp, that fisherman may fall back on in the face of declining salmon catches. This is particularly true in the Kodiak area where diversification of the seafood industry away from salmon has brought a level of economic stability unmatched in any other Alaska fishing community. In addition, many of the fishermen residing in Southcentral Alaska who might be displaced from the salmon fishery because of the poor salmon outlook possess the skills and knowledge appropriate to the occupational demands generated by the pipeline project. In Southeast Alaska projected catches, while poor compared with previous years, should still allow enough participation in the fishery to keep at home a substantial number of persons who have traditionally fished or worked in the canneries.

This leaves Western Alaska, which as noted above, is expected to have the smallest salmon catch of Alaska's three major fishing areas. This fact appears in true perspective when it is realized that the various runs comprising the total salmon fishery in Western Alaska have historically comprised the largest portion of Alaska's total statewide salmon pack. Furthermore, Western Alaska is also the area which has historically been the most economically dependent upon salmon fishing and processing. As a result, it is logical to assume that most of the displaced fishermen and cannery workers seeking pipeline work and requiring manpower services would come from this area.

The poor salmon season in other years may have spelled economic disaster for many fisherman and cannery workers but in this year of pipeline construction, the State has an opportunity to provide for these persons an alternative livelihood. Through

extensive manpower services and training, the State will be able to assist these individuals in obtaining pipeline related jobs. This will provide many individuals with a second salable skill which will assist them in future years.

## ALASKA'S ECONOMY IN JANUARY

The new year saw total estimated employment hit its seasonal low point, falling by 3,900 from December to January. Major losses came in the construction trade and manufacturing sectors. Compared with January of 1973, employment was up by 3,500 with durable goods manufacturing, the transportation group and trade all making important contributions. Reflecting the month-to-month declines noted in employment, total unemployment was ahead by some 600 over the month. Looking back to the comparable month a year ago, total unemployment was up by 2,000 due to economic growth in anticipation of pipeline construction.

**Mining:** In spite of good news on the petroleum front, mining employment continued to edge downward, falling by 100 from December to January. With the Trans-Alaska Pipeline construction finally a certainty, it had been anticipated that the petroleum sector of mining would begin to expand as oil companies launched North Slope exploration programs previously held in limbo due to the pipeline delay. While some increases in activity have been noted, this has apparently not been sufficient to have a significant impact on the industry's employment. Apparently even as late as January, a large segment of the oil industry was still waiting to make sure that the pipeline project was "GO" before committing themselves to expensive oil exploration ventures.

However, once pipeline construction starts, these commitments are sure to come. As a result of the energy crisis oil company drilling and exploration budgets for 1974 are up by around 16.3 percent from 1973 levels according to figures published in the February 4, 1974 edition of the Oil and Gas Journal. With the heavy emphasis being placed upon national self sufficiency in the area of energy, it can be estimated that much of this money will be spent in the United States. Because it represents the country's largest potential petroleum reserve, Alaska seems certain to see a big chunk of these domestic petroleum exploration expenditures, and this is certain to result in higher levels of mining employment during 1974.

**Construction:** Employment in construction was down by 500 from December to January as inclement winter weather continued to force layoffs by the industry. Compared with last years' figures, employment in the industry was ahead by 500. The year-to-year growth reflects generally higher levels of winter construction than last year, particularly activities preparatory to the start of pipeline construction.

**Manufacturing:** Declines of 300 each in the durable and nondurable goods sectors of manufacturing combined to cause employment for the industry as a whole to be off by 600 from December to January. The drop in durable goods employment came as a result of seasonal layoffs among logging operators and sawmills in southeast Alaska. Nondurable goods employment was off by 300 due to layoffs in seafood processing. These coincided with the closure of shrimp and king crab fishing in waters around Kodiak, which took effect early in January.

ESTIMATED CIVILIAN LABOR FORCE IN ALASKA January 1974 <sup>1/</sup>

INDUSTRY	1-74	12-73	1-73	Changes From:	
				12-73	1-73
CIVILIAN LABOR FORCE .....	122,200	125,600	116,800	-3,400	5,400
INVOLVED IN WORK STOPPAGES.....	0	100	0	- 100	0
TOTAL UNEMPLOYMENT.....	16,000	15,400	14,000	600	2,000
Percent of Labor Force.....	13.1	12.3	12.0	-	-
TOTAL EMPLOYMENT <sup>2/</sup> .....	106,200	110,100	102,800	-3,900	3,400
Nonagricultural Wage & Salary <sup>3/</sup> .....	101,700	105,300	98,200	-3,600	3,500
Mining.....	1,700	1,800	1,600	- 100	100
Construction.....	5,600	6,600	5,100	-1,000	500
Manufacturing.....	7,000	7,600	6,500	- 600	500
Durable Goods.....	2,100	2,400	1,400	- 300	700
Lumber, Wood Products.....	1,600	1,900	1,000	- 300	600
Other Durable Goods.....	500	500	400	0	100
Non Durable Goods.....	4,900	5,200	5,100	- 300	- 200
Food Processing.....	2,800	3,100	3,100	- 300	- 300
Other Non Durable Goods.....	2,100	2,100	2,000	0	100
Transp.-Comm. & Utilities.....	9,800	10,200	9,000	- 400	800
Trucking & Warehousing.....	1,400	1,700	1,100	- 300	300
Water Transportation.....	700	700	600	0	100
Air Transportation.....	3,000	3,100	2,800	- 100	200
Other Transp.-Comm. & Utilities..	4,700	4,700	4,500	0	200
Trade.....	18,100	19,000	16,600	- 900	1,500
Wholesale Trade.....	3,400	3,500	3,100	- 100	300
Retail Trade.....	14,700	15,500	13,500	- 800	1,200
General Merchandise & Appar.....	3,800	4,200	3,500	- 400	300
Food Stores.....	2,100	2,100	1,700	0	400
Eating & Drinking Places.....	3,400	3,600	3,200	- 200	200
Other Retail Trade.....	5,400	5,600	5,100	- 200	300
Finance-Insurance & Real Estate....	4,300	4,200	4,000	100	300
Service & Miscellaneous.....	15,100	15,400	14,500	- 300	600
Government <sup>4/</sup> .....	40,100	40,500	40,900	- 400	- 800
Federal.....	16,900	17,000	16,900	- 100	0
State.....	12,600	12,800	13,500	- 200	- 900
Local.....	10,600	10,700	10,500	- 100	100

<sup>1/</sup> Estimated in accordance with techniques recommended by U. S. Bureau of Labor Statistics.

<sup>2/</sup> Includes domestics, nonagricultural self employed and unpaid family workers, and agricultural workers.

<sup>3/</sup> Prepared in cooperation with the U. S. Bureau of Labor Statistics.

<sup>4/</sup> Includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.