

STATEWIDE IN ALASKA

Highlights: According to figures released by the U.S. Bureau of Commercial Fisheries, Alaska, with fish and shellfish landings worth \$71.1 million, led the nation in total value of seafood catch during 1969. California was second with landings worth \$62.1 million. In total volume of catch, Alaska was third in the nation with landings in excess of 346 million pounds.

Both the total value and the volume of Alaska's fish and shellfish landings should exceed 1969 levels during 1970. The Alaska Department of Fish and Game predicts the best salmon season in some years this summer. Furthermore, market conditions for salmon look very good. The Bureau of Commercial Fisheries reports that as of May 1, 1970, stocks of canned Pacific salmon carried over from last year totaled less than half the figure of May 1, 1969. Halibut, it appears, will also comprise a major part of Alaska's fish landings due to the rise in importance of Kodiak as a major halibut receiving port. As of May 20, the island community was leading the nation in halibut landings. In the area of shellfish, the outlook is also very good. Shrimp landings during the first quarter of 1970 were well ahead of the 1969 figure. Alaska's other major shellfishery, King Crab, was troubled during 1969 by a combination of poor catches and a poor market for crab meat. However, with the decline of stocks of prepared meat in processor's warehouses, market conditions for crab should improve. In addition, 1970 landings are expected to be considerably better than 1969. Given improved catches combined with favorable market conditions for the shellfish, King Crab should make a substantial contribution to Alaska's seafood landings during 1970.

Big Oilfield Contract to Brown and Root: A \$100 million construction contract has been awarded to Brown and Root Inc. by B.P. Alaska Inc.. B.P. Alaska is the wholly owned subsidiary of British Petroleum Company formed to operate the firm's North Slope oil leases. The contract covers engineering, fabrication and installation of oil production facilities in the Prudhoe Bay area of the North Slope. Although no start date for construction is available, the first barge load of materials is slated to arrive at Prudhoe Bay in mid-August. This would tend to indicate a possible beginning of work sometime in September.

Work Commencing at Snettisham: A joint venture of Manson-Osberg Company, Gates and Fox Co. Inc., and Pamco Constructors has been awarded the main contract for the Snettisham hydroelectric power complex near Juneau. Work on the \$19.8 million project was slated to begin by the end of June. Total time to completion is about 3 years. It is estimated that peak employment on the project will be between 250 and 300 men.

Mineral Exploration Up: According to figures released by the State Division of Mines and Geology, total mineral exploration expenditures in Alaska more than doubled from 1968 to 1969. The agency reports that in 1969, money spent on exploration throughout the State exceeded \$9.6 million. Southeast Alaska received the greatest amount of attention with \$3.9 million going for

Statewide in Alaska

May-June, 1970 *

exploration there. Major interest in the State's panhandle region was centered on Prince of Wales Island, Wrangell and the Snettisham area. Western Alaska also saw a good deal of exploration. A large portion of the \$2.5 million that was spent there went for offshore prospecting in the vicinity of Nome. In Southcentral Alaska roughly \$1.3 million was spent, with copper deposits near Denali and coal deposits in the Bering River area near the Gulf of Alaska receiving a great deal of industry attention. A little over \$1 million was spent in Arctic Alaska. Included were costs involved in evaluation of copper prospects near Bornite and exploration along the southern flanks of the Brooks Range.

Alaska's Personal Income Continues Rise: Personal income in Alaska was up by better than 18 percent during the first quarter of 1970 compared with the figure for the same period in 1969 according to Business Week magazine. Alaska's rate of increase led all states and was more than double the national average of 7.5 percent. Major contributors to the growth were construction, trade and services, all of which turned in substantial over the year employment gains.

Although Alaska's personal income should continue to spiral upward during the rest of 1970, declines in economic activity resulting from the postponement of the Trans Alaska Pipeline project will probably inhibit growth in the sector. During most of the first quarter, expectations by industry of the imminent beginning of the project resulted in a considerable step-up in the pace of the State's economy. However, subsequent delays in the granting of a right-of-way for pipeline construction have resulted in a decision by the oil industry to postpone the project. This has caused considerable retrenchment within a large segment of Alaska's economy. Areas most affected are the petroleum industry, construction, and various support industries. The cutbacks in these sectors are currently manifesting themselves in both layoffs and shorter work weeks. These in turn will probably be reflected in declining rates of increase in personal income for the State during the remainder of 1970.

Alaska's Cost of Living Up: Prices of consumer goods and services in Alaska's four major cities rose in a range of 4.2 to 4.6 percent between the Fall of 1968 and Fall of 1969 according to figures released by the U.S. Bureau of Labor Statistics. Consumer prices rose by 4.2 percent each in Ketchikan and Fairbanks. Juneau and Anchorage registered gains of 4.4 and 4.6 respectively. The cost of living in Alaska continues considerably higher than for the rest of the nation. The Bureau also reports that as of Spring of 1969, minimum annual costs for a family of four in Anchorage came to \$9,900 compared with a national urban average of \$6,600. However, the cost of living increases for the four major cities fell short of the 5.8 percent advance registered by the nation as a whole. This may reflect lower transportation costs resulting from an increase in the volume of freight being shipped into Alaska. Historically, transportation costs have been a major contributor to the State's high cost of living.

* In order that the date on the publication will more accurately reflect data contained in the narrative we have advanced the date of this issue of Alaska Economic Trends by one month. As a result the next issue published will be the July issue.

Statewide in Alaska

May-June, 1970

Korea Exploring Alaska Investment: A Korean industrial combine is showing considerable interest in the possibility of investing in Alaska. The conglomerate, known as the Samyang Group is primarily involved in fishing but has investments in transportation and tourism. Of special interest to the company is the possibility of building a fish protein plant in the Seward area. The proposed plant would convert fish scraps into edible high protein fish flour. Also under consideration by the company is the possibility of building pulp mills in Alaska to supply Korea's growing demand for paper.

Alaska Continues its Population Growth: From all indications, Alaska will experience a substantial growth during the decade of the seventies. According to occupational research predictions published in Alaska's Manpower Outlook-1970's by the Department of Labor's Research and Analysis Section, Alaska's population is expected to reach 407,400 by 1980. The total workforce (including military) will reach an estimated 191,700, a gain of 51,200. Civilian employment will grow by about 48,000 with metal and coal mining, manufacturing (excluding food processing), finance insurance and real estate, and State government expected to experience the greatest percentage expansion. The greatest absolute growth is anticipated for trade and State government.

Total Employment: Total estimated employment rose by 4700 over the month due to seasonal hires in most industries. Large gains were noted in construction, manufacturing, trade and government. Over the year, employment increased by 3300 with the largest advances coming in trade and services.

Mining: Employment in mining fell by 300 from April to May, and by 800 over the year as oil industry activity on the North Slope came virtually to a standstill. As in previous months, delays related to the Trans Alaska Pipeline project are largely responsible for the lull. Some sources predict an upsurge in activity once unitization agreements are concluded during the latter half of June. However, any increase that does occur will be a far cry from last year's frantic pace when oil companies were preparing for the September 1969 sale of North Slope oil and gas leases.

In the metal mining industry, activity continues to be primarily exploratory in nature. However, rumors continue to circulate in industry circles of possible important mineral developments to occur in the near future. Informed sources indicate that development of Snettisham iron ore deposits by Marcona Corporation will begin upon satisfactory completion of negotiations with Japanese steel interests. In another potential iron ore mining development, it was learned recently that Mitsubishi International of Japan has applied for a tax credit on a \$20 million iron ore complex near Haines. If the operation becomes a reality, it will include both mining and pelletizing and will employ about 150 men.

Construction: Employment in construction rose seasonally by 1100 over the month with continuing expansion of construction activity in Anchorage being the major contributor. Over the year employment in the industry was ahead by 100. Construction employment would be considerably higher were it not for the declining levels of activity on the North Slope. Reports from the Fairbanks Manpower Center indicate that as of early June, total North Slope employment both in construction and oil totaled slightly over 350. This is considerably below year ago employment figures.