

Evidence is accumulating that a major mineral development may be approaching reality in the Lost River area of the Seward Peninsula. In the March issue of Alaska Construction and Oil magazine, it was reported that PC&E explorations, a Canadian firm, had taken a one year option on the Lost River mine tin lode acreage some 90 miles northwest of Nome. In early September, the magazine's weekly newsletter "Alaska From the Inside" reported further that tin ore reserves in the area justified beginning production during 1971 with a fifty man workforce.

More recently, however, it appeared that the company had shifted its area of interest to the mineral fluorite. According to the State Division of Geological Survey, industry sources report that PC&E has established reserves of 10 million tons of fluorite-tin-tungsten ore with fluorite the most important component. Fluorite, a chemical combination of calcium and fluorine, is used in both the aluminum and steel industries. The Lost River deposit is believed to be the largest such deposit in North America. Its discovery is considered especially significant in view of a developing world wide shortage of fluorite combined with a trend towards a vastly increased consumption of the mineral.

No official indication of plans for development of the deposit are presently available other than the fact that it will probably be an open pit operation. However, unofficial sources in Nome indicate that if the venture becomes a reality, employment could, over the next two years, reach several hundred persons.

U. S. and Canadian Firms to Co-Research Pipeline: A natural gas, and possibly also an oil pipeline from Alaska's North Slope, through Canada to the U. S., came a step closer to reality recently with the announcement of a joint pipeline feasibility study effort by two major oil and gas industry study groups. Previous to this, the two organizations, Northwest Project Study Group (NPSG) and Mackenzie Valley Pipeline Research, Ltd., had followed separate, but related pipeline feasibility studies. The joint study, being conducted under the banner of NPSG, envisions the building of both an oil and a gas pipeline along the same right-of-way down the Mackenzie River Valley. These pipelines would carry oil and gas from Northern regions of both Alaska and Canada to markets in the Mid-western United States.

Three American oil companies, Atlantic Richfield, Humble and Standard of Ohio, participating in the study, are also major partners in the Alyeska Pipeline Service Company (formerly the Trans Alaska Pipeline System). Spokesmen for these companies indicate that an oil pipeline through Canada, if built, would not replace the projected pipeline across Alaska. Rather, it would carry Canadian oil as well as Alaskan oil in excess of the capacity of the Alaska pipeline.

Method Found To Regenerate Tundra: It appears that the answer may have been found to one of the major ecological problems confronting the petroleum industry in its efforts to develop North Slope oil reserves. The problem is the fact that oil development related activities such as seismic exploration, road building, and other types of construction, have the inevitable effect of scraping away the blanket like growth of tundra which covers most of the North Slope. When this mossy covering, which insulates the soil beneath it, is removed, the ground in the affected area will thaw to a much greater depth than normal during the summer. Because the soil on the North Slope contains a high proportion of frozen water, this melting often results in serious erosion. This erosion is such that the tracks left by a bulldozer can in time turn into a deep water-filled trench. As a result, conservationists fear that much of the North Slope will become an ugly, scarred plain by the time oil deposits are exhausted.

However, recently two North Slope operators, Atlantic Richfield Company, and Humble Oil and Refining Company, announced that they had found a means by which to prevent problems of erosion caused by disturbance of the tundra. The method involves the seeding of an affected area with one of several hardy varieties of grass, the seeds of which have the ability to survive the long cold arctic winter. With the arrival of warm weather, the seeds germinate and the grass grows rapidly to cover the exposed surface. Once the grass has revegetated the affected ground the slow growing tundra can reclaim the area at its leisure.

The importance of solving this and other problems relating to Alaska's arctic ecology can not be understated. As a result of rising concern about the environment, and indeed, the quality of life on earth in general, conservationists have come to wield a good deal of power in matters concerning industrial development. In Alaska, they continue to use their formidable powers on the Federal Government to ensure that the ecology is adequately protected prior to the granting of a right-of-way for construction of the 800 mile oil pipeline from the North Slope to Valdez. In doing so, they have placed the burden on ecological responsibility squarely upon industry, in this case the oil and construction industries. Projects such as ARCO's and Humble's tundra reseeding experiments demonstrate an awareness by industry that development and environmental protection must go hand in hand. As such, these projects are essential to the utilization of Alaska's arctic oil reserves and indeed all of the State's natural resources.

Juneau Living Costs Up: According to figures calculated by the Research and Analysis Section from Bureau of Labor statistics data, living costs in Juneau, Alaska rose by 16.4 percent in the period from November 1965 to November 1969. During the same period the overall U. S. urban average cost of living rose by 19.5 percent. Although costs of virtually all goods and services in Juneau's economy showed gains, the largest rise came in the area of health and recreational services. Charges for these rose by 18.0 percent. Next came food prices which increased by 17.6 percent, followed by housing costs at 16.8 percent. The smallest gain came in transportation costs which rose by 10 percent over the period.

Non-residential Private Construction Soars Upward: An important indicator of the economic development taking place in Alaska is the valuation of private non-residential construction which, during 1969, reached its highest levels in the State's history. According to the U. S. Department of Commerce, Alaska's 1969 figure was 20.0 million dollars, almost 50 percent higher than the previous high figure which was attained during 1964. Much of this construction was service and trade oriented including hotels, motels and shopping centers. Also, making a major contribution, however, was oil industry related work in the form of office buildings and various other industrial facilities. The total figure would have been even higher had it not been for high interest rates which plagued construction both in Alaska and nationally.

Construction continued to rise through the first half of 1970. For the first seven months of this year, the value of building permits issued in Alaska for non-residential building construction stood at 11.4 million dollars exceeding the 9.5 million dollar figure for the same period last year. These high levels came in spite of the national economic slowdown and delays in the beginning of work on the pipeline, which have retarded growth in trade and services and throttled activity in the petroleum industry.

Census Indicates Alaska's Population Becoming Less Urban: Although the release of final and detailed reports from the 1970 Census of Population and Housing have not yet begun, certain interesting conclusions may tentatively be drawn from preliminary data; for example, Alaska's population is becoming more rural. In 1960, 40 percent of the State's population resided in incorporated communities of 1,000 or more, but preliminary 1970 figures show a drop to about 36 percent.

The State's four largest incorporated cities, Anchorage, Fairbanks, Juneau and Ketchikan (not necessarily in that order) now account for a smaller proportion of the State's population than they did in 1960, dropping from 36 percent that year to approximately 25 percent in 1970. On the other hand, the labor market areas which include these four cities and adjacent suburban communities have increased both in population and in proportion to the rest of the State. The suburban areas contributed the greatest gains.

Consequently, two facts emerge: first, that the rural population is increasing faster than the urban population, and second, that the population of suburban areas is increasing faster than that of the urban cities to which they are attached.

Total Employment: Total estimated employment fell by 5,200 from September to October as Alaska's economy continued its seasonal downward spiral. Large declines were noted in construction manufacturing and services employment. Over the year total employment rose by 4,600 with the largest gain coming in government.