

STATEWIDE IN ALASKA

Highlights: A major iron ore development, involving two U.S. companies and a Japanese firm, may be in the offing near the Southeast Alaskan Indian village of Klukwan. According to the State Division of Mines, U.S. Steel Corporation has leased a 589 acre tract of village land from the Klukwan Indian Council. Earlier this year Mitsubishi International Corporation of Japan applied to the State for a tax credit on an iron ore mining and processing complex in the area. Furthermore, last summer Marcona Corporation signed a mineral lease agreement with the village which was similar in character to the one signed by U.S. Steel.

If the development, in fact, occurs, the involvement of Mitsubishi indicates that they would almost certainly be the buyer of the ore. Japan currently imports 85 percent of the iron ore used in their industry. By 1975 this figure will rise to 90 percent 1/. In addition to the proposed facility for which Mitsubishi obtained the tax credit would include both mining and pelletizing operations. Total employment would be around 150 men. Since Mitsubishi holds no mineral leases in the area it is plausible to suppose that the facility would process ore from the claims held by Marcona and U.S. Steel. Under such circumstances the Japanese firm would probably capitalize at least part of the \$20 million venture while one of the two American firms would handle mining operations.

Mercury Mining Up: Mercury mining in Alaska is having an active summer. According to the State Division of Mines and Geology, two mercury mining operations are in progress in the Kuskokwim area. At the Red Devil Mine near Sleetmute, Nurama Mining Company of Japan has between 40 and 50 men working in mining and concentrating operations. Once concentrated the ore is shipped to Japan for further processing. The other operation, located near Cinnabar Creek, employs a total of five men. Ore from this deposit is processed and then flown to Anchorage where the pure metal is extracted.

Capital Improvements Spur Construction Industry: One reason for the continuing excellent outlook for Alaska's construction industry has been the \$60 million in State construction funds approved by the past State Legislature. The budget, which took effect July 1, includes a variety of capital projects. The major portion of the construction is under the Departments of Public Works and Education. Included in the \$32.9 million Public Works construction budget are harbor and airport projects. The Department of Education's \$11.9 million will be spent largely on school construction projects.

State Revenues Increase: Total revenue collected by the State of Alaska during Fiscal Year 1970 totaled in excess of \$90 million dollars according to figures released by the State Department of Revenue. This represents a gain of 16 percent over the same figure for Fiscal Year 1969. As in previous years the individual tax payer was the largest single revenue producer. Total personal income tax collections came to about \$37.6 million and accounted for 41 percent of the total. Next came highway fuel at 11 percent. Oil and gas production, severance and conservation taxes together accounted for about 9 percent of the total.

Teachers To Be Trained For Rural Schools: In a joint effort of the Teacher Corps and the Career Opportunity Program, 60 rural Alaskans will be given training to qualify them as certified teachers. Included in the program will be both formal and on-the-job training. The participants are to be chosen by a recruiting team. Selection will be based on application data and an interview. Applicants must express

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1/ Nukazawa, Kazuo, Japan's Foreign Economic Policy: Options for the Seventies.  
United States - Japanese Trade Council Inc. 1969 pp. 4

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August, 1970

a desire to teach in one of seventeen low-income communities served by the program. All training will be conducted by the University of Alaska and Alaska Methodist University with credits earned in the program to be honored by both institutions.

Shellfish Landings Up: While large runs of salmon have dominated the fishing picture in Alaska this summer, some of the State's other fisheries are also enjoying considerable prosperity. According to the Alaska Department of Fish and Game, catches of shrimp, tanner crab, scallops and razor clams for the first six months of 1970 were greater than in any year on record. Landings of shrimp at Kodiak, which accounts for the vast majority of Alaska's shrimp landings, through the first half of 1970 totaled 27.1 million pounds. This was 38 percent ahead of 1969's record first half figure of 19.7 million pounds. Catches of tanner crab totaled 7.2 million pounds while landings of shucked scallops and razor clams totaled 482,000 pounds and 117,300 pounds respectively.

Foreign Trade Surges Ahead: According to figures released by the Governor's Office, Alaska's exports for the first half of 1970 attained a total value of around \$52.7 million. This represents a gain of 78 percent over 1969's first half figure of \$29.6 million. Since the second half of the year is historically better than the first, it has been estimated that total exports for 1970 should reach at least \$130 million. Of the projected total, more than \$100 million worth should go to Japan. A large portion of the increased exports to Japan was due to shipments of liquified natural gas from the Kenai area.

Imports during the first half of 1970 were also up substantially, with a value of \$27.2 million compared with \$17.6 million a year ago. Much of this increase came as a result of imports of pipe from Japan for the Trans Alaska Pipeline.

Total Employment: Total estimated employment rose to what should prove to be its seasonal peak during July. Areas showing substantial gains were manufacturing, services and government. Over the year employment was ahead by 5500 with large advances coming in government, trade, construction and manufacturing.

Mining: Employment in mining rose to 2600 from June to July. This probably indicates that petroleum industry activity on the North Slope reached its seasonal low point during June. The over the month increase in employment may stem from initial temporary hires by oil companies of marine cargo handlers. These new hires come in anticipation of the arrival of oil field supplies by water at Prudhoe Bay via the largest sealift in Alaska's history. This should result in further employment increases when August figures become available. The Fairbanks News Miner reports that as of mid-August around 250 persons had been hired by oil companies for unloading of supplies being barged to the North Slope. In September when these operations are completed oil industry employment should return to June or July levels. Here it should remain until the freeze-up and the accompanying upsurge in drilling.

Construction: Employment in construction rose by 100 over the month and 600 over the year. A large portion of the year to year increase was due to the carpenters' strike in July of 1969. This walkout depressed year ago employment levels in the construction industry.

Manufacturing: Employment in manufacturing rose by 1800 over the month as a drop of 300 in logging employment was obliterated by a gain of 2100 in the food processing sector. The major contributor to food processing's advance was salmon canning, which attained its yearly peak during July. Employment in this sector