

STATEWIDE IN ALASKA

Highlights: According to final figures released by the Department of Labor, total employment in Alaska maintained a level above 100,000 during July and August 1968. Officials had feared the dampening of overall expansion due to federal cutbacks would prevent the magic number from being reached. The cutbacks had lessened the usual stimulus to construction and much out-of-doors economic activity was restrained in early summer. However, in spite of a softening of the economy and some weaknesses in consumer and business outlays, total employment topped 105,000 in August.

Personal income in Alaska increased by 11.5 percent in 1968, according to Business Week's Measure of Personal Income. Alaska's personal income reached an estimated \$1.1 billion in 1968 in contrast to the preceding year's level of \$1.0 billion. The nationwide estimated total was \$682.4 billion, an increase of 9.2 percent over 1967.

A newly formed company engaged in the manufacturing of peat moss has established a plant in the JUNEAU area. The company with a capital investment of \$100,000 initially intends on producing packaged kiln dried peat from muskeg. The plant is presently under assembly and will employ at least 20 persons when in full operation. Muskeg from the immediate area will be utilized in the plant's output. The company at present is seeking both a domestic and foreign market for its products.

The annual summer sea based invasion of SOUTHEASTERN Alaska ports by tourists will be intensified this season, as no less than eight luxurious cruiseliners will navigate from West Coast ports to Alaska. A total of five cruise ship lines plan to run tours in the Inland Passage circuiting two or more of the following points: JUNEAU, SKAGWAY, HAINES, WRANGELL, PETERSBURG, SITKA, and KETCHIKAN. The Alaska State ferry system will also be providing services to major Southeastern Alaska ports from Seattle or Vancouver and also Prince Rupert.

A recent article released in the University of Alaska's Review of Business and Economic Conditions revealed an interesting trend occurring in Alaska's shellfish industry. During the past five years, there has been a trend toward consolidation of established fish packers and newer entrants into the field. Foreign operators, notably large Japanese firms, have also entered the industry, usually by joint venturing with domestic firms. The new domestic entrants are generally entities of larger national food processing and marketing industries. The article also points out that the recent keen interest being motivated in the shellfish industry has not been fully clarified, but it probably stems from a combination of: (1) a national trend toward diversification of interest by large corporations, (2) a reflection of a growing interest in enterprises based in maritime production and oceanographic possibilities, and (3) the conviction that Alaska's fisheries, especially the more prized fish species such as shellfish and salmon, are destined for growth and profit potentials.

At QUINHAGAK, on KUSKOKWIM Bay, 350 miles southeast of NOME, funds from a grant of \$5,000 will be used to pay the wages of village residents building a road to the airport. Quinhagak was one of nine villages receiving a total of \$33,430 in grants from the Rural Development Agency.

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The reindeer processing company located at GOLOVIN announced recently the sale of 1,000 reindeer for export to Korea. The antlers of the reindeer will be used for medicinal purposes by the Koreans in the production of a cure-all tonic, according to a representative of the purchasing Korean business group. Reindeer antlers from the Golovin processing plant have been exported in the past, but this is the first time antlers have been exported with a live reindeer attached. Recent smuggling of the health tonic from North Korea to South Korea influenced the purchase of the reindeer herd.

Highlight Industry: The \$67 million dollar pulp mill at SITKA is one of the most modern pulp mills in the world. The plant's products are high grades of dissolving and paper pulps manufactured by the magnesium bisulfite cooking process. Japan is the chief market for a majority of the plant's products, but inroads are being made into the highly competitive domestic market for pulp products. The mill produces about 180,000 tons of pulp products a year.

Construction of the plant began in 1957 and was completed in 1959. The plant represented a diversification for the Sitka economy which depended mainly on federal and fishing industry employment prior to the plant's establishment. Employment at the mill accounts for a high percentage of Sitka's total employment and lends stability the year around. The mill injects a total of approximately \$1.5 million per month into the area economy, according to a company official. The mill's presence at Sitka also influences employment in other SOUTHEASTERN communities by creating jobs in the timber industry.

Employment: Both the temperature and employment continued to fall in January focusing attention once again on the susceptibility of Alaska's employment to winter's economic stranglehold. Businesses engaged in snow removal, snow tire sales, home fuel delivery, and pipe thawing are the only going concerns smiling at the weather man, as even the determined oil companies involved in exploratory drilling on the North Slope experienced short-duration shutdowns in face of this season's unusually harsh winter weather. In Southeastern Alaska, some communities are suffering from low water reserves due to freezing temperatures and have closed schools, halted crab processing operations, and even enforced water rationing.

Total estimated employment fell by 2,600 over-the-month. Seasonal factors combined with the completion of a major North Kenai construction project has lowered construction's employment by 10 percent over the previous month. The traditional December-to-January decline in trade employment materialized with post-holiday layoffs in retail trade applying the main diminishing force. Severe weather conditions this season have somewhat hindered the shrimp and crab harvest with resulting layoffs in canneries and food processing employment. Timber & pulp mill employment remained at December's level. Mining's employment drop of 8 percent is scattered throughout all sectors of the industry group. Seasonal factors are responsible for the slight decline in services & miscellaneous hires. The remaining major industry groups indicated little or no change over-the-month.