

STATEWIDE IN ALASKA

Highlights: U. S. Plywood - Champion Papers Inc. has announced the signing of a \$600 million contract for the sale of southeast Alaskan Pulp and Lumber to Kanzaki Paper Manufacturing Company Ltd. of Japan. Under the terms of the contract the purchase will be made over a fifteen year period. The agreement is especially favorable to Alaska because high shipping costs tend to restrict the marketability of Alaskan timber products in the other 49 states. Additionally, the \$40 million annual inflow resulting from the sale should exert a favorable influence on the U. S. balance of payments position.

According to figures released by the U. S. Department of Agriculture for the first quarter 1969, log exports from Alaska totaled 5.0 million board feet on the schribner scale. This represents a decrease of 36.1 percent from the fourth quarter 1968 volume and is 19.3 percent below shipments for the first quarter of last year. The average value of these shipments was \$90.88 per thousand board feet. Japan received most of the first quarter exports.

A newly constructed sawmill is now in operation in Metlakatla. The mill, which is owned by the Alaska Prince Timber Company, will provide full time year around employment for 12, plus a peak employment of 60 when operating to full capacity according to information published by the Southeast Alaska Empire. As an additional benefit of the sawmill's operation, it is anticipated that more oceangoing ships will call at Metlakatla, resulting in longshoremen jobs for residents.

Fluor Ocean Services Inc. has been awarded a contract by Trans Alaska Pipeline System for engineering and design of the marine portion of a tanker terminal at Valdez for the projected Trans Alaska Pipeline. Fluor is scheduled to begin the engineering design in its Houston office with subsequent field supervision coordinated by the firms Anchorage branch. When it is completed in 1971 the terminal is expected to be capable of handling deep draft vessels in excess of 100,000 tons. Preliminary work in the form of subsurface exploration to provide necessary design data is being done by Alaska Geological Consultants of Anchorage.

After being idle for more than 5 years, Alaska's only large mercury mine, the Red Devil near Sleetmute on the Kuskowim River, is going back into production. Although no employment figures are available at present the mine has in the past employed upwards of 125 men. The reopening comes as a result of an increase in the price of mercury from a low of \$177 per 76 pound flask in the early 60's to around \$500 per flask at the present time. Presently modern living quarters and improved processing facilities are being constructed at the mine site. Plans call for the ore to be extracted and processed to a 50 to 60 percent pure state. It will then be sent to Japan for further processing. Involved in the project are American, Canadian and Japanese interests.

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The federal departments of Labor, and Health, Education and Welfare have approved a new program to train 110 rural Alaskans for jobs in the oil industry. The course will be 10 weeks in length and will include employment orientation, remedial education and institutional training in various aspects of the oil industry. The program will be under the Manpower Training Division of the Alaska State Department of Labor.

A Canadian firm has been awarded a contract to cover and insulate the sections of pipe to be used in the projected pipeline from Prudhoe Bay to Valdez. Operations will be centered in the Fairbanks area and are expected to result in the employment of approximately 60 local Alaskans.

Revenues collected by the state during the past fiscal year totaled \$78.1 million, an increase of \$13.1 million over the previous fiscal year. The summary from the Department of Revenue showed that after refunds the state netted \$69.39 million on its collections for the past fiscal year.

Employment:

Total employment increased from June to July with food processing registering the largest gain. The advance in this sector can be traced to salmon canning operations which got into full swing in July. Rainy weather during most of July relieved the dry forest fire conditions which had restricted logging during June. As a result logging, lumber and pulp employment increased over the month. Seasonal factors account for upsurges in water transportation and trucking and warehousing as well as mining and construction. State government employment rose over the month in response to new hires of temporary seasonal help.

Over the year total estimated employment rose by 4,800 with large gains coming in mining and food processing. The advance in mining reflects accelerated activities by the oil industry as well as an upsurge in metal mining over last year. Because of a rise in the number of seafood processors operating in Alaska and a trend towards diversification, food processing employment increased substantially over last year. Logging, lumber and pulp employment was above last years level as a result of demands for timber in activities related to the oil industry. Responding to demands from customers particularly in the oil industry, water, air transportation and trucking transportation and warehousing registered moderate gains over last year. A large decline over the year in construction came as a result of a statewide carpenters strike during July. The drop in federal government employment over last year reflects economy measures imposed to cut government spending.

Unemployment:

Total unemployment fell over the month. The largest drop was noted among new