

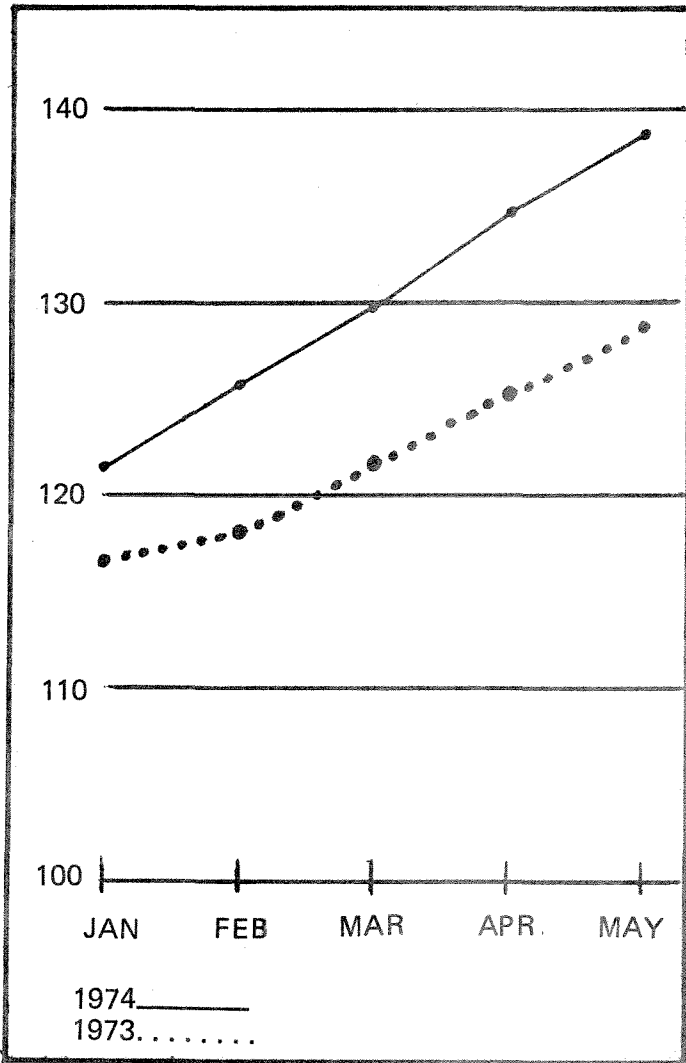
## ALASKA'S ECONOMY, FIRST HALF OF 1974

Now that the usual mid-winter slowdown is a thing of the past, Alaska's economy in 1974 is showing numerous signs of enjoying excellent health. Despite the mediocre fishing season, and several work stoppages in major industries, the overall economic outlook Statewide at this point in time is excellent.

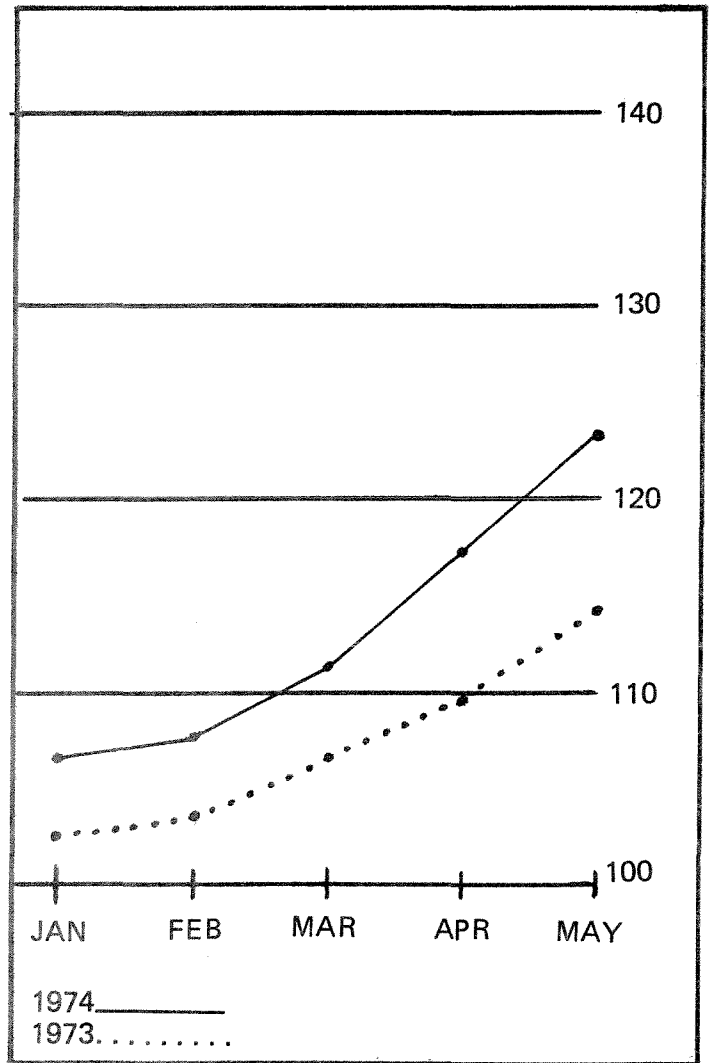
Labor force and employment figures across the State show considerable increases over those for the first six months of 1973, as portrayed by the following graphs:

Unemployment for the early months of 1974 was higher than for the same months in 1973. This is attributable, at least in part, to the increase in the numbers of workers entering the State in search of, but not finding, pipeline employment, and to those seasonal workers who would ordinarily have left the State during the slack winter months, but who remained in Alaska this year to be "first in line" for pipeline-associated jobs once they became available.

LABOR FORCE



EMPLOYMENT



Employment gains have been evidenced in almost all major industry groups in 1974, with mining showing the least gain of all. The transportation and trade sections have shown considerable strength during the first six months of this year.

Construction, slow as always for the early months of the year, showed a dramatic gain in employment once pipeline construction was a reality. All phases of pipeline haul road construction, including bridge building, camp site preparation and construction, the upgrading of existing camps, plus site clearance for construction of the tanker terminal at Valdez, have all had a share in the dramatic increase in construction employment. In addition to employment engendered by the pipeline, a significant increase in the number of building starts in the Anchorage area has had its effect on what promises to be a really big year for the construction industry in Alaska.

Employment activity in mining has remained slow since the beginning of 1974. North slope oil employment has not as yet hit its full stride, and technical problems as well as work stoppages have had their effects on this industry. The continuing high price of gold on world markets has resulted in an increase in activity on the part of individuals, and in the reconditioning and reactivation of at least one gold dredge. World shortages of non-ferrous metals are stimulating an increased interest in Alaska's considerable, but largely unexplored and unexploited, mineral resources, including extensive, increasingly valuable deposits of copper.

In view of the continuing shortage of energy sources, methods of utilizing the State's enormous coal deposits are being explored. Under consideration and development are ways of reducing moisture and ash, and of converting coal to gas "in situ". All of these factors point to a brightening picture for mining throughout the State.

Tourism continues to bring revenues to the State, even in the face of a severe reduction in the number of Japanese visitors occasioned by restrictions imposed by the Japanese government on the amount of money each tourist is able to take out of the country. In spite of cancelled Japanese tours, the park station at Mt. McKinley has extended its season because of an unprecedented number of reservations. The large new luxury ferry Columbia has entered

service on the Alaska Marine Highway mainline route and other state ferries are offering extended service in the Southcentral and Southeastern areas. The influx of visitors to the State has had its effect on the trade industry which has remained strong through the first half of the year.

State agencies most affected by the impact of pipeline construction — — those charged with monitoring the effects of construction upon all aspects of the environment, with administering public services, safety and utilities — — have all increased their staffs considerably this year. Federal employment, on the other hand, has remained relatively stable, reductions in the military being offset by an increase in personnel in those Federal agencies charged with environmental concerns.

On a regional basis, the Southcentral and Fairbanks districts have been most affected by the commencement of pipeline activity. In both districts, the economy, while suffering the effects of inflation, is showing signs of rapid expansion in all sectors, a trend which will doubtless accelerate through the remaining months of the year.

Despite the adverse effects of poor fishing season, and some reduction in logging activity at the outset of the season, the economy of Southeastern Alaska appears quite capable of keeping pace with that of other sections of the State with no visible signs of deceleration.

At the New Year, 1974 was hailed as potentially one of the best in Alaska's history, and at the mid-point in the year, there is every indication that these forecasts will be upheld. The construction sector has set a fast pace with all phases of preparation for oil production and transport going full bore, but other sections of the economy, notably trade and transportation, largely due to their pipeline tie-ins, are running strongly, too. Government has responded to pipeline impact with increased employment activity, and interest in mining in the State hasn't been as great since gold rush days.

The prospects for Alaska's economy during the remainder of the year and into the foreseeable future are nothing but good, and optimism has never been higher.

ESTIMATED CIVILIAN LABOR FORCE IN ALASKA May 1974 <sup>1/</sup>

INDUSTRY	5-74	4-74	5-73	Changes From:	
				4-74	5-73
CIVILIAN LABOR FORCE.....	138,900	134,800	128,600	4,100	10,300
INVOLVED IN WORK STOPPAGES.....	200	200	100	0	100
TOTAL UNEMPLOYMENT.....	15,600	17,400	14,400	-1,800	1,200
Percent of Labor Force.....	11.2	12.9	11.2	-	-
TOTAL EMPLOYMENT <sup>2/</sup> .....	123,100	117,200	114,100	5,900	9,000
Nonagricultural Wage & Salary <sup>3/</sup> .....	116,700	111,600	108,000	5,100	8,700
Mining.....	2,200	2,100	2,000	100	200
Construction.....	9,200	7,100	7,700	2,100	1,500
Manufacturing.....	10,100	9,300	9,100	800	1,000
Durable Goods.....	4,100	3,800	3,100	300	1,000
Lumber, Wood Products.....	3,300	3,200	2,400	100	900
Other Durable Goods.....	800	600	700	200	100
Non Durable Goods.....	6,000	5,500	6,000	500	0
Food Processing.....	3,700	3,300	4,000	400	- 300
Other Non Durable Goods.....	2,300	2,200	2,000	100	300
Transp.-Comm. & Utilities.....	11,400	11,000	10,000	400	1,400
Trucking & Warehousing.....	2,000	1,800	1,400	200	600
Water Transportation.....	1,100	1,000	1,000	100	100
Air Transportation.....	3,400	3,300	3,000	100	400
Other Transp.-Comm. & Utilities..	4,900	4,900	4,600	0	300
Trade.....	19,100	18,500	17,500	600	1,600
Wholesale Trade.....	3,800	3,700	3,300	100	500
Retail Trade.....	15,300	14,800	14,200	500	1,100
General Merchandise & Appar....	4,000	3,900	3,500	100	500
Food Stores.....	2,100	2,100	1,900	0	200
Eating & Drinking Places.....	3,800	3,500	3,500	300	300
Other Retail Trade.....	5,400	5,300	5,300	100	100
Finance-Insurance & Real Estate....	4,500	4,500	4,200	0	300
Service & Miscellaneous.....	16,900	16,500	16,000	400	900
Government <sup>4/</sup> .....	43,300	42,600	41,500	700	1,800
Federal.....	17,200	17,100	17,100	100	100
State.....	15,100	14,600	13,700	500	1,400
Local.....	11,000	10,900	10,700	100	300

<sup>1/</sup> Estimated in accordance with techniques recommended by U. S. Bureau of Labor Statistics.

<sup>2/</sup> Includes: domestics, nonagricultural self-employed and unpaid family workers, agricultural workers and adjustment for commuting, multiple job-holding and unpaid absences.

<sup>3/</sup> Prepared in cooperation with the U. S. Bureau of Labor Statistics.

<sup>4/</sup> Includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.