

STATEWIDE IN ALASKA

For all of the troubles it has had to endure, the overall Alaska economy so far in 1972 is surprisingly strong. Despite slumps in several regional economies (i.e. the water shortage and shrimp price dispute in Kodiak; lack of oil-related activity on the North Slope and Cook Inlet; a late spring in several regions) the statewide economy has shown a reasonable amount of growth.

Work force and employment figures across the State have increased steadily in the past year, and approximately 4000 more persons are estimated to be employed in a given month in 1972. On a month-to-month comparison, the estimated rate of unemployment has been significantly lower in nearly every month of this year, compared to 1971. Almost every major group has registered an employment gain in 1972, with the exception of the mining and construction industries. The services and trade industries have shown particular strength in the first half of 1972.

Although construction has shown depressed levels of employment in the first four months of 1972, the year still looks like it will be the best ever for that industry. A late arrival of spring in several regions of the State where extensive construction is scheduled, held down employment increases which would normally have occurred by now. Despite the late start, summer employment figures in construction should be the best in a decade or more as a record volume of construction contracts have been let for this season.

The State's mining industry which has great potential probably will remain fairly dormant in 1972, as a variety of problems continue to plague the industry. The petroleum sector will continue to be weak through the remainder of the year as it awaits the outcome of litigation concerning the pipeline permit. The hardrock mining sectors will continue exploratory work which will provide employment gains in the summer months. The State's fishing industry endured a harsh winter and spring, production-wise, as catches of shrimp and Dungeness crab were very poor. The water shortage and price dispute in Kodiak nearly paralyzed that local economy, and seriously reduced statewide shellfish production. The timber industry, heavily concentrated in the Southeastern panhandle was stifled by extremely heavy snow accumulation throughout the region which delayed the traditional

spring start-up and employment expansion by at least a month. Despite the above mentioned difficulties, overall employment in the manufacturing industry was equivalent to that of comparable months of 1971, which is one of the pleasant surprises of the 1972 economy. Employment forecasts for the remainder of the year are for fish and food processing employment to closely approximate last year's figures, while employment gains are seen for the lumber industry.

The predictions of a "boom" in tourist traffic into Alaska this season are, if anything, proving to be a little conservative. Travel inquiries, cruise ship and State ferry passenger loads, and hotel and motel bookings have exceeded nearly all predictions. The increase in visitors and expenditures should have a strong positive effect on employment in sectors of the transportation, trade, and services industries.

As expected, the trade services industries are undergoing large-scale expansion in 1972 both in physical facilities and employee strength as these groups try to keep pace with the demands of an increasing population. All sectors of trade have shown increased employment, particularly eating and drinking establishments and wholesalers.

State and local governments have expanded employment considerably in the past year, although most of the growth occurred in the latter portion of 1971, rather than in the current year. Federal employment in Alaska has been decreasing slightly in recent months, and it seems likely that this trend will continue in 1972 and beyond. State government employment will likely remain stable through the rest of the year.

On a regional basis, the economy of the Southcentral district looks the strongest as expanding employment and decreasing unemployment have occurred in each month of 1972 with the exception of February. Nearly one-half of the total statewide employment gain in 1972 has been added in the Anchorage area with greatest strength in the construction, trade, and government categories. The Fairbanks economy has improved over last year, but the situation is still far from desirable. Little relief is likely this year, even assuming a quick settlement of pipeline lawsuits. The economy of the Southeastern region is profiting from the tourist boom and healthy activity in the manufacturing industry.

Upon the arrival of 1972, the year was generally forecast as the best ever for the Alaska economy. These predictions were based upon optimism for a strong construction and tourist season and a fall resolution to the pipeline permit question. At the halfway point in the year the Alaska economy does look strong despite the troubles that have occurred this year, but because of basic weaknesses in the oil and mining industries and several regional economies, it is unlikely that this year's economy will be deserving of "best ever" honors. Despite this, the Alaska economy has shown strength and resiliency this year that leave room for nothing but optimism concerning the future.

ALASKA'S ECONOMY IN APRIL

Mining: Employment in mining increased by 100 in the month of April as favorable weather conditions permitted increased exploratory and production activity in several regions of the State, although the biggest developments concerning the mining industry in recent months occurred on the political scene in Juneau and Washington, D.C. In Juneau, the State Legislature passed incorporation legislation which would allow for the development of a new planned city at Lost River, the Seward Peninsula site of the proposed tungsten-flourite-tin mine which will be operated by Pan Central Exploration Ltd. Passage of this legislation will allow the State of Alaska to plan and develop an integrated town which will serve the mining operation. The move is significant in that it eliminates the necessity of a "company town" or work camp and hence will increase the chances of maintaining a stable, permanent work force and population in the area. The news of the Interior Department's decision to approve issuance of a pipeline construction permit should have a positive effect on employment in the oil sector of the mining industry. Oil and drilling companies have been noticeably reluctant to explore new areas on the North Slope fields until some of the uncertainty surrounding the pipeline was resolved. The release of the "Environmental Impact Statement" and subsequent decision to grant a construction permit should provide the impetus to stimulate increased exploration activity.

Construction: Two hundred positions were added in the construction industry in April as moderating weather permitted the start of some outdoor projects. Employment remains 400 persons below the level noted last year at this time, but this situation is

expected to be transitory as a record number of construction projects are on line for 1972.

Manufacturing: April witnessed the typical seasonal employment increases in the manufacturing industry as activity in food processing and lumber moved into high gear. Approximately 500 jobs were added in food processing while the logging, lumber, and pulp sector added 600 jobs. Employment levels are basically the same as last year throughout the industry with the exception of food processing where an additional 200 persons are employed this year.

Transportation, Communications & Public Utilities: Modest employment increases were noted in this combined industry group in the month of April as approximately 100 jobs were added in each of the three sectors. Employment increased by the same 300 persons when compared to 1971 figures. Further seasonal increase should be noted in coming months as employment in transportation rises.

Trade: April employment figures for the trade industry increased by 300 positions, with the gain

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ESTIMATED CIVILIAN WORKFORCE IN ALASKA June 1972

INDUSTRY	Changes From:				
	4-72	3-72	4-71	3-72	4-71
CIVILIAN WORKFORCE.....	120,400	118,400	117,900	2,000	2,500
INVOLVED IN WORK STOPPAGES.....	0	0	0	0	0
TOTAL UNEMPLOYMENT.....	14,600	15,000	16,000	400	-1,400
Percent of Workforce.....	12.1	12.7	13.6	-	-
TOTAL EMPLOYMENT 2/.....	105,800	103,400	101,900	2,400	3,900
Nonagricultural Wage & Salary 3/.....	93,700	91,300	90,200	2,400	3,500
Mining.....	2,100	2,000	2,500	100	- 400
Construction.....	4,600	4,400	5,000	200	- 400
Manufacturing.....	6,200	5,000	6,100	1,200	100
Food Processing.....	2,300	1,800	2,100	500	200
Logging-Lumber & Pulp.....	2,600	2,000	2,600	600	0
Other Manufacturing.....	1,300	1,200	1,400	100	- 100
Transp.-Comm. & Utilities.....	9,600	9,300	9,300	300	300
Trucking & Warehousing.....	1,300	1,200	1,200	100	100
Water Transportation.....	600	600	600	0	0
Air Transportation.....	2,800	2,700	2,800	100	0
Other Transp.-Comm. & Utilities..	4,900	4,800	4,700	100	200
Trade.....	16,200	15,900	15,400	300	800
Wholesale Trade.....	3,400	3,300	3,200	100	200
Retail Trade.....	12,800	12,600	12,200	200	600
General Merchandise & Appar....	3,400	3,300	3,300	100	100
Food Stores.....	1,800	1,800	1,800	0	0
Eating & Drinking Places.....	3,200	3,100	2,900	100	300
Other Retail Trade.....	4,400	4,400	4,200	0	200
Finance-Insurance & Real Estate...	3,400	3,400	3,100	0	300
Service & Miscellaneous.....	12,900	12,700	12,400	200	500
Government 4/.....	38,700	38,600	36,400	100	2,300
Federal.....	16,200	16,200	16,500	0	300
State.....	12,700	12,600	11,000	100	1,700
Local.....	9,800	9,800	8,900	0	900

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

2/ Includes domestics, nonagricultural self employed and unpaid family workers, and agricultural workers.

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

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