

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 86/2

180 SCOMM 9: HOUSE SPEC. COMM. ON PERMANENT FUND 1977-78

dispute, is seen as a major cause behind the lack of growth.

Employment in the business services sector continued to show effects of the completion of the trans-Alaska pipeline as employment dropped slightly from June to July. Employment in other sectors of the service industry, such as education, and social services, also declined during the month.

The miscellaneous category, which in Alaska is primarily the fishing industry, increased significantly during the month. This year's salmon runs have been much greater than anticipated and many of the larger boats have taken on extra deck hands.

Government: Employment on the state and local levels declined during the month of July. However, due to the severe fire problem in interior Alaska, employment on the Federal level increased by about 5.5 percent. This increase in employment is not permanent as personnel hired to help contain these fires are employed on a temporary basis only and will be laid off at the end of the fire season.

Private IUR: The insured unemployment rate has been declining steadily from the March high of 14.1 percent to its current level of 8.8 percent in July. With the exception of the wood products and trade industries, all other industries in Alaska experienced a decline in their respective insured unemployment rates during July. Even though the construction industry's IUR dropped from June to July, an insured unemployment rate of 18.5 percent continues to be the highest of any industry in the state.

Manpower Resources: No dramatic changes have occurred in the supply of labor from June to July. A slight decline in the number of persons seeking employment through the Department of Labor's Job Service offices may indicate that the number of people actively looking for work declined slightly during the month.

Available Job Opportunities: As a result of the drop in the number of applicants looking for work through the Department of Labor Job Service offices, the number of jobs which remained unfilled increased during the month of July. Most of the increases in unfilled job openings were in the public oriented service occupations. This would seem reasonable at this time as the tourist season is at its peak and the demand for this type of labor is at its highest. On the other hand, the wages usually paid to these positions are low and therefore may not attract many workers.

CHARACTERISTICS OF THE INSURED UNEMPLOYED IN ALASKA

State Unemployment Insurance

Insured Unemployed
Based on Key Week

	7/77	6/77	7/76
Total Weeks Claimed.....	11,479	11,167	6,444

Characteristic	Percent Distribution		
Total.....	100	100	100

Sex and Age

Men			
Under 45.....	34	55	45
45 and over.....	16	16	16
Women			
Under 45.....	25	23	28
45 and over.....	5	6	7

Industry

Mining.....	2	2	4
Contract Construction.....	47	47	32
Manufacturing.....	6	7	7
Transp.-Comm. & Utilities...	10	11	13
Trade.....	12	10	15
Finance-Insurance & R. E....	3	3	3
Service & Miscellaneous.....	17	19	22
All Other.....	3	1	4

Occupation

Professional & Managerial...	8	6	11
Clerical & Sales.....	14	12	16
Service.....	11	11	13
Farming-Fishing & Forestry..	2	2	2
Processing.....	2	3	3
Machine Trades.....	5	5	5
Bench Work.....	-	-	1
Structural Work.....	38	41	32
Miscellaneous.....	16	17	14
Unknown.....	4	3	3

Length of Current Spell of Insured Unemployment

1-4 Weeks.....	35	33	36
5-14 Weeks.....	40	38	40
15 Weeks and over.....	25	29	24

ANCHORAGE'S LABOR MARKET IN JULY

Employment and Unemployment: The unemployment rate dropped from 8.9 percent to 7.4 percent in July. The back to work trend has been continuing in Anchorage and has helped to lower the unemployment rate. Demand for non-union workers remained high in the community although it has tapered off from June. The market for union skills in Anchorage was near normal but the hiring halls were overloaded with pipeliners who comprised a large share of the unemployed.

Mining: The rise in mining employment slowed down, but it was still at the highest point it has ever been. The over the year increase of 850 should be maintained until the end of the year. Mining is still a small industry in the Anchorage area, but with continued outer continental shelf activity it will continue to grow.

Construction: Employment here has begun to really show the direct effects of the end of pipeline construction. Even though commercial and residential construction continued in a nearly normal fashion in Anchorage, the pipeline construction firms accounted for a majority of the 3,450 decline in employment from the previous year.

Manufacturing: This industry is progressing toward a higher than normal seasonal peak this year. The seasonal component of manufacturing is closely related to local construction as some building materials used in housing and building construction are made in the Anchorage area.

Transportation, Communications and Utilities: July employment in this industry was nearly the same as last year and the previous month. Most of the declines caused by completion of the pipeline took place in 1976. The effects of strikes within the air transportation industry were evident.

Trade: Trade has had an over-the-year decline in employment of 250. The wholesale sector accounted for all of this decline, plus a little more, since retail trade employment has actually increased slightly in the last year. The wholesale sector was more closely tied to pipeline construction, while retail trade was more independent and continues to expand in Anchorage.

Finance, Insurance and Real Estate: The number of people working rose by approximately 50 during July. This was only 150 more than last year. The employment level essentially has been flat since last July and little seasonal change is foreseen in the second half of the year. This would give a year and a half of almost no growth in employment for this industry until completion of new banking facilities.

Service and Miscellaneous: After a June high of 18,100, employment dropped 1.4 percent in July. Despite the fall in employment, there were 2,400 more workers this July than one year ago. The immigration of ex-pipeline workers, the better than expected construction season, and tourism have helped to strengthen this industry this year.

Government: Employment showed a sharp rise this month mainly because of the federal sector although the local sector also increased. The over-the-year increase was more evenly divided among the three sectors.

Private IUR: The insured unemployment rate for Anchorage during July was 8.6 percent, down from 10.9 percent last month. This compared to an IUR of 7.1 percent during July of last year. The number of people drawing unemployment insurance continued at a high level. Initial claims for

CHARACTERISTICS OF THE INSURED UNEMPLOYED IN ANCHORAGE			
State Unemployment Insurance			
	Insured Unemployed Based on Key Week		
	7/77	6/77	7/76
Total Weeks Claimed.....	3,614	3,307	2,879
Percent Distribution			
Characteristic	Percent Distribution		
Total.....	100	100	100
Sex and Age			
Men			
Under 45.....	56	56	50
45 and over.....	16	17	15
Women			
Under 45.....	23	22	28
45 and over.....	5	5	7
Industry			
Mining.....	1	2	4
Contract Construction.....	52	52	35
Manufacturing.....	3	4	3
Transp.-Comm. & Utilities...	8	8	10
Trade.....	15	13	19
Finance-Insurance & R. E....	3	2	3
Service & Miscellaneous.....	17	18	23
All Other.....			
Occupation			
Professional & Managerial...	7	7	12
Clerical & Sales.....	18	17	21
Service.....	11	11	13
Farming-Fishing & Forestry..	-	-	1
Processing.....	1	1	1
Machine Trades.....	2	3	3
Hand Work.....	-	-	-
Structural Work.....	39	42	34
Miscellaneous.....	18	15	13
Unknown.....	4	3	2
Length of Current Spell of Insured Unemployment			
1-4 Weeks.....	40	35	43
5-14 Weeks.....	40	37	37
15 Weeks and over.....	20	28	20

ANCHORAGE CIVILIAN LABOR FORCE SUMMARY 1/ 4/
BY PLACE OF RESIDENCE

Changes From:

	<u>7/77</u> ^{p/}	<u>6/77</u> ^{r/}	<u>7/76</u>	<u>6/77</u>	<u>7/76</u>	NON- CPS*
CIVILIAN LABOR FORCE.....	67,500	67,700	71,800	-200	-4,300	94,111
INVOLVED IN WORK STOPPAGES.....	300	300	0	0	300	255
TOTAL UNEMPLOYMENT.....	5,000	6,050	4,150	-1,050	850	8,970
Percent of Labor Force.....	7.4	8.9	5.8	-	-	9.5
TOTAL EMPLOYMENT <u>2/</u>	62,500	61,650	67,650	850	-5,150	85,141

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT 1/
BY PLACE OF WORK

Changes From:

	<u>7/77</u> ^{p/}	<u>6/77</u> ^{r/}	<u>7/76</u>	<u>6/77</u>	<u>7/76</u>
Nonagricultural Wage & Salary.....	78,500	77,150	76,550	1,200	1,800
Mining.....	2,400	2,350	1,550	50	850
Construction.....	6,050	5,450	9,500	600	-3,450
Manufacturing.....	2,250	2,100	1,850	150	400
Food Processing.....	500	500	400	0	100
Other Manufacturing.....	1,750	1,600	1,450	150	300
Transp.-Comm. & Utilities.....	7,700	7,800	7,750	-100	-50
Trucking & Warehousing.....	1,600	1,850	1,400	-250	200
Water Transportation.....	450	400	450	50	0
Air Transportation.....	2,700	2,600	2,900	100	-200
Other Transp.-Comm. & Utilities..	2,950	2,950	3,000	0	-50
Trade.....	16,350	16,150	16,600	200	-250
Wholesale Trade.....	4,050	4,100	4,350	-50	-300
Retail Trade.....	12,300	12,050	12,250	250	50
General Merchandise & Apparel..	1,950	2,000	2,400	-50	-450
Food Stores.....	1,600	1,500	1,300	100	300
Eating & Drinking Places.....	3,300	3,700	3,900	-400	-600
Other Retail Trade.....	5,450	4,850	4,650	600	800
Finance-Insurance & Real Estate....	4,650	4,600	4,500	50	150
Services & Miscellaneous.....	17,850	18,100	15,450	-250	2,400
Government <u>3/</u>	21,100	20,600	19,350	500	1,750
Federal.....	10,650	10,250	9,900	400	750
State.....	4,400	4,400	4,050	0	350
Local.....	6,050	5,950	5,400	100	650

1/ Data contained in this report cover the Anchorage Election District area, which includes the City of Anchorage, the residential communities of Campbell, Spenard, Merrill Field, Mountain View, Elmendorf Air Force Base, Fort Richardson, and the interconnecting highways.

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

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

4/ Adjusted to add to the national totals produced by the Current Population Survey method.

* Not adjusted by the Current Population Survey method.

^{p/} Denotes preliminary estimates.

^{r/} Denotes revised estimates.

AVAILABLE JOB OPPORTUNITIES ^{1/}
ANCHORAGE

UNFILLED JOB OPENINGS

Occupation	July 77	June 77
Professional & Managerial.....	121	135
Clerical.....	293	327
General Office.....	126	129
Book Keeping.....	98	150
Other.....	69	48
Sales.....	99	109
Domestic Service.....	36	22
Public Oriented Service.....	376	275
Food & Beverage Preparation.....	293	228
Lodging.....	29	13
Other.....	54	34
Farming, Fishing, Forestry.....	28	20
Processing.....	6	18
Machine Trades.....	71	60
Bench Work.....	24	11
Structural Work.....	223	170
Motor Freight & Transportation.....	61	64
Packaging and Materials Handling.....	16	19
Logging, Mining, Utilities.....	69	67

JOB OPENINGS UNFILLED AFTER 30 OR MORE DAYS

	July 77	June 77
Professional & Managerial.....	76	45
Clerical.....	102	146
General Office.....	65	56
Book Keeping.....	23	60
Other.....	14	30
Sales.....	44	59
Domestic Service.....	6	8
Public Oriented Service.....	136	72
Food & Beverage Preparation.....	117	58
Lodging.....	13	11
Other.....	32	3
Farming, Fishing, Forestry.....	20	0
Processing.....	2	8
Machine Trades.....	38	18
Bench Work.....	5	7
Structural Work.....	98	29
Motor Freight & Transportation.....	32	29
Packaging and Materials Handling.....	6	12
Logging, Mining, Utilities.....	60	2

ACTIVE APPLICANTS ON FILE

	July 77	June 77
Professional & Managerial.....	826	904
Clerical.....	1,024	1,146
General Office.....	282	32
Book Keeping.....	459	510
Other.....	283	311
Sales.....	232	245
Domestic Service.....	35	41
Public Oriented Service.....	744	865
Food & Beverage Preparation.....	461	529
Lodging.....	59	55
Other.....	224	281
Farming, Fishing, Forestry.....	20	23
Processing.....	30	34
Machine Trades.....	147	220
Bench Work.....	45	53
Structural Work.....	499	750
Motor Freight & Transportation.....	261	334
Packaging and Materials Handling.....	192	238
Logging, Mining, Utilities.....	52	70

^{1/} Data taken from the Employment Security Automated Reporting System (ESARS Table #96).

compensation still ran above last years levels, but only by about 10 percent. The IUR will continue to decline for a couple of months but the rate will remain substantially above last years level.

Manpower Resources: The insured unemployed make up a large percentage of total unemployment in Anchorage, and their characteristics give a good indication of the human resources available in Anchorage. The characteristics of the insured unemployed haven't changed much from last month, but are considerably different from last year. Pipeline related unemployment is overwhelming any local back to work trends. The differences do not result from a lack of unemployed workers in any particular occupation or industry, but rather a tremendous number of former pipeline workers. The contract construction industry contributed 35 percent of the insured unemployed during July of 1976. At the present time, contract construction is the greatest contributor with a 52 percent share. The occupation which shows the largest insured unemployment increase over the year and the month is equipment operators and truck drivers which are part of the miscellaneous category. Other pipeline related occupations are in excess supply but structural workers have declined to 39 percent of the total as the local economy has put some of these people to work.

Available Job Openings: The number of unfilled openings with Anchorage Job Service has begun to taper off. This accompanies the declining number of job openings received. Though the job market in July was very active and a large number of openings were received, activity was 10 percent below June, which was exceptional. The only occupations to show an increase in the number of openings received were food service and construction worker.

The average wage offered for most occupations tended to increase slightly or stay the same when compared to June. This was because the demand for labor was still high.

The hard to fill openings, those still open after 30 days, were on the increase. The clerical occupations have been bucking this trend with a decline in the number of hard to fill openings indicating a more than adequate supply of workers to fill the demand.

FAIRBANK'S LABOR MARKET IN JULY

Highlights: Oil exploration activities on the North Slope are increasing. Husky Oil Company's contract

CHARACTERISTICS OF THE INSURED UNEMPLOYED IN FAIRBANKS			
State Unemployment Insurance			
Insured Unemployed Based on Key Week			
Total Weeks Claimed.....	7/77	6/77	7/76
	3,368	2,906	1,106
Percent Distribution			
Characteristic			
Total.....	100	100	100
Sex and Age			
Men			
Under 45.....	57	55	50
45 and over.....	15	17	16
Women			
Under 45.....	22	23	27
45 and over.....	6	5	7
Industry			
Mining.....	2	1	2
Contract Construction.....	56	58	37
Manufacturing.....	2	1	3
Transp.-Co. & Utilities...	11	13	20
Trade.....	9	8	14
Finance-Insurance & R. E....	2	2	3
Service & Miscellaneous.....	17	16	19
All Other.....	1	1	2
Occupation			
Professional & Managerial...	9	6	12
Clerical & Sales.....	11	10	13
Service.....	12	12	12
Farming-Fishing & Forestry..	-	-	-
Processing.....	-	-	-
Machine Trades.....	6	6	7
Bench Work.....	-	-	1
Structural Work.....	40	40	30
Miscellaneous.....	16	20	19
Unknown.....	6	6	6
Length of Current Spell of Insured Unemployment			
1-4 Weeks.....	37	35	47
5-14 Weeks.....	42	40	39
15 Weeks and over.....	21	25	14

with the Navy for drilling operations on the National Petroleum Reserve - Alaska (Pet 4) has continued under the Interior Department's management. The Interior Department has taken over responsibility for field exploration. The 1977 - 1978 winter plan involves site selection for six drilling pads. Two deep wells will be started some time next spring after pad development this winter. Four other medium depth wells will also be drilled. The intention now is to contract four rigs for the operation. The two deep wells will require approximately a year each for completion. These two sites will be accompanied by all-season airstrips. This same plan calls for three shallow gas wells to be drilled near Barrow.

FAIRBANKS CIVILIAN LABOR FORCE SUMMARY 1/ 4/
BY PLACE OF RESIDENCE

	Changes From:					
	<u>7/77</u> ^{p/}	<u>6/77</u> ^{r/}	<u>7/76</u>	<u>6/77</u>	<u>7/76</u>	NON- CFS*
CIVILIAN LABOR FORCE.....	17,350	18,050	22,850	-700	-5,500	24,749
INVOLVED IN WORK STOPPAGES.....	100	100	0	0	100	99
TOTAL UNEMPLOYMENT.....	2,600	3,100	1,400	-500	1,200	4,653
Percent of Labor Force.....	14.9	17.1	6.2	-	-	18.8
TOTAL EMPLOYMENT <u>2/</u>	14,750	14,950	21,450	-200	-6,700	20,096

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT 1/
BY PLACE OF WORK

	Changes From:				
	<u>7/77</u> ^{p/}	<u>6/77</u> ^{r/}	<u>7/76</u>	<u>6/77</u>	<u>7/76</u>
Nonagricultural Wage & Salary.....	22,050	22,500	29,500	-450	-7,540
Mining.....	300	250	200	50	100
Construction.....	2,250	2,200	6,650	50	-4,700
Manufacturing.....	700	600	400	100	300
Food Processing.....	50	50	50	0	0
Other Manufacturing.....	650	550	350	100	300
Transp.-Comm. & Utilities.....	3,300	3,400	3,650	-100	-350
Trucking & Warehousing.....	1,250	1,300	1,200	-50	50
Water Transportation.....	50	50	50	0	0
Air Transportation.....	600	650	800	-50	-200
Other Transp.-Comm. & Utilities..	1,400	1,400	1,600	0	-200
Trade.....	4,050	4,150	4,750	-100	-700
Wholesale Trade.....	650	700	950	-50	-300
Retail Trade.....	3,400	3,450	3,800	-50	-400
General Merchandise & Apparel..	550	500	550	50	0
Food Stores.....	600	650	550	-50	50
Eating & Drinking Places.....	900	950	1,100	-50	-200
Other Retail Trade.....	1,350	1,350	1,600	0	-250
Finance-Insurance & Real Estate....	950	1,000	1,000	-50	-50
Services & Miscellaneous.....	3,650	3,950	5,600	-300	-1,950
Government <u>3/</u>	6,850	6,850	6,950	0	-100
Federal.....	2,650	2,500	2,550	150	100
State.....	2,450	2,600	2,600	-150	-150
Local.....	1,750	1,750	1,800	0	-50

1/ Data contained in this report covers the Fairbanks Election District area which includes the city of Fairbanks, the residential communities of College, International Airport, Fort Wainwright, Eielson Air Force Base, Farmer's Loop Road, Slaterville, Gilmore, Tok Junction, Big Delta and the inter-connecting highways.

2/ Includes: domestics, nonagricultural self-employed and unpaid family workers, agricultural workers and adjustment for commuting.

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

4/ Adjusted to add to the national totals produced by the Current Population Survey method.

* Not adjusted by the Current Population Survey method.

p/ Denotes preliminary estimates.

r/ Denotes revised estimates.

Another exploration project has been proposed by Atlantic Richfield. They are interested in drilling two exploratory wells this winter west of Prudhoe Bay. These operations will tide northern region employment through the usually quiet winter.

Employment and Unemployment: The unemployment rate in July declined to 14.9 percent from June's revised 17.1 percent rate. Despite the weakening trade and service sectors it is likely that the rate will decline further in August. Employment opportunities this month were in construction, manufacturing and mining occupations. Fall employment opportunities may increase in the financial sector as two new branch bank locations on College Road have been proposed.

Mining: This industry should be near its peak for this year, with a seasonal decline beginning in September. Winter drilling plans for National Petroleum Reserve - Alaska, "Pet 4" and seismic surveys will support mining employment in the northern regions this winter.

Construction: Employment continued to increase at a moderate rate in this industry. A seasonal peak can be expected within the next two months. Local building permits illustrate a continued confidence in apartment and home dwelling demand. Total new dwelling unit permits totaled 472 to date for 1977. Last year at this time only 149 had been filed. Vacancy rates this year are greater than in the past two years when in effect they were negative due to the presence of more tenants than available units. Some caution would have been expected this year, but local builders feel there is sufficient pent-up demand to support the current building levels.

Manufacturing: Manufacturing employment increased again in July making it and mining the only two major sectors showing employment gains over July 1976. This month's report indexes a 42 percent gain in employment from a year ago in manufacturing. No definitive area explains this increase other than refinery employment at the new North Pole plant. Manufacturing employment is generally less seasonal than many other industry groups and it will be interesting to see whether any decline takes place this winter.

Transportation, Communications and Utilities: July historically has been a slack month in these industries, having as many June to July decreases as increases in employment. This month's drop was split between two sub-groups. The first, trucking and warehousing, was reduced by about 50 workers. A

strong market for backhauling equipment from the North Slope combined with supply operations has helped local employment despite this month's slippage. The second group, air transportation, continued to decrease in conjunction with declining passenger loads and reduced freight tonnage. Passenger volume was down approximately 31.6 percent from last July. August should follow this month's declining trend in employment.

Trade: Although trade employment is off 14.7 percent from last July, local merchants have invested a substantial amount of money in new stores. The two new shopping malls are an example of their enthusiasm as is Safeway's intention to make a \$500,000 addition to its Airport Way store. Therefore, despite the reductions in trade employment this year, there is apparently an underlying optimism in Fairbanks economy. No major changes are foreseen in next month's employment report.

Finance, Insurance and Real Estate: Employment in this group fell from 1,000 to 950 this month. New facilities however are upcoming. Alaska State Bank has recently applied for a permit to build a new facility on College Road near the proposed National Bank of Alaska location. These two developments should offset other future decline in this group's employment.

Service and Miscellaneous: The number of workers employed in this industry was off 300 from June. In net employment decline, 1,950 from July 1976, this group ranks second only to construction. Unfortunately this group is sensitive to a broad range of economic impacts and those have been principally negative this year. Continued weakness is expected in this group's employment.

Government: Federal employment increases offset state decreases. The major reduction in state employment was university related. Government employment is once again increasing in relative importance to the community. In the early 1970's government employment was as much as 45 percent of nonagricultural wage and salary employment. In 1976 it was only 26 percent of that group but this July it has grown to 31 percent of the total. A return to a high level of government dependent employment may in some respects be unfortunate, yet it does provide a bottom line of security for the areas economic stability.

Private IUR: The private industry insured unemployment rate (IUR) declined to 9.5 percent

from June's 9.9 percent. Weeks claimed totaled 13,986. The rate has shown gradual improvement through the summer but may increase again in the fall as the construction season nears its end. A slowdown in the wholesale trade industry indicates a decrease in basic spending patterns that will affect other employment groups, especially the service sector. This may signal the end of this season's employment gains.

Human Resources: Weeks claimed in July's survey week exceeded those in June's survey week by 462. The weakening of retail trade, wholesale trade and service employment has shifted the industry shares of those claiming. Construction claims are still the substantial claiming group however with 56 percent of the total. Occupational attachment statistics follow from the industry relationships with a percentage increase in clerical and sales unemployment claims.



HOURS AND EARNINGS - SELECTED INDUSTRIES ^{1/}

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	<u>7/77</u>	<u>6/77</u>	<u>7/76</u>	<u>7/77</u>	<u>6/77</u>	<u>7/76</u>	<u>7/77</u>	<u>6/77</u>	<u>7/76</u>
MINING.....	604.30	618.55	660.11	45.3	43.9	50.7	13.34	14.09	13.02
CONTRACT CONSTRUCTION.....	1,068.93	1,224.95	1,098.12	57.5	64.1	62.5	18.59	19.11	17.57
MANUFACTURING.....	394.61	356.75	362.86	48.3	43.4	46.7	8.17	8.22	7.77
Food Processing.....	342.08	276.64	303.18	53.2	45.5	48.9	6.43	6.08	6.20
Logging-Lumber & Pulp.....	451.25	429.14	382.64	40.8	40.6	41.1	11.06	10.57	9.31
WHOLESALE TRADE.....	354.24	357.00	368.52	41.0	40.8	41.5	8.64	8.75	8.88
RETAIL TRADE <u>2/</u>	244.76	241.85	239.57	33.3	34.6	36.8	7.35	6.99	6.51
FINANCE-INSURANCE & REAL ESTATE..	240.54	221.08	193.29	-	-	-	-	-	-

EXPLANATION NOTES:

AVERAGE HOURS & EARNINGS SERIES: Averages are based on data for full- and part-time production and non-supervisory workers and are for gross earnings and hours worked, or paid for, including overtime pay and hours. Administrative, supervisory, technical, and office personnel are excluded.

1/ Prepared in cooperation with Bureau of Labor Statistics, U. S. Department of Labor.

2/ Excluded eating and drinking places.

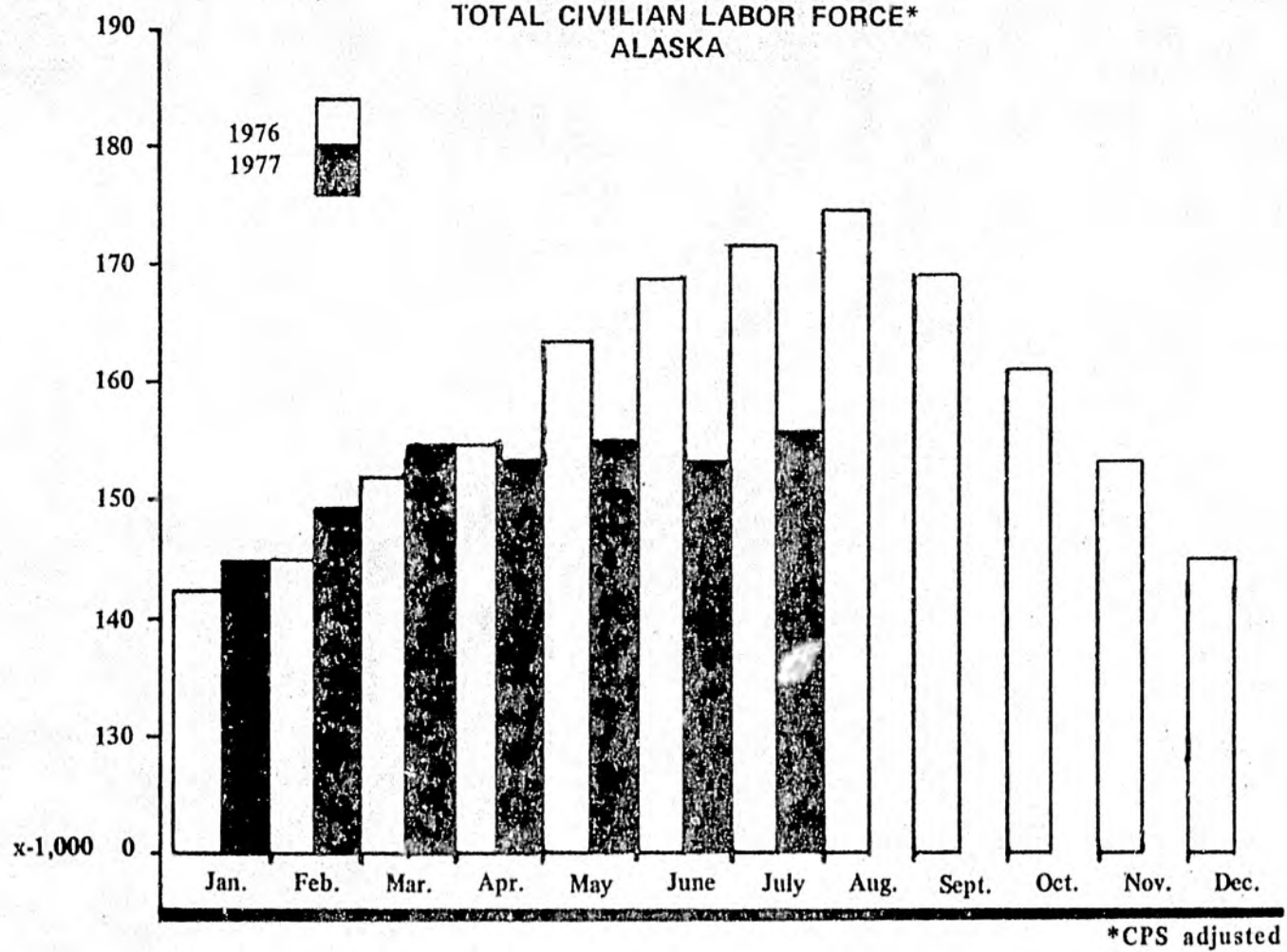
PRIVATE INDUSTRY INSURED UNEMPLOYMENT RATE (IUR)

AREA	<u>IUR</u> 7/77	<u>IUR</u> 6/77	<u>IUR</u> 7/76
Statewide	8.8	9.3	6.0
Anchorage	8.6	9.2	7.1
Fairbanks	9.5	9.9	3.7
Juneau	8.3	9.7	6.2
Ketchikan	10.4	9.4	5.3
Nome	NA	NA	NA
Kenai-Kodiak	8.8	9.1	8.7
Sitka	8.2	9.0	7.2

INDUSTRY	<u>IUR</u> 7/77	<u>IUR</u> 6/77	<u>IUR</u> 7/76
Total	8.8	9.3	6.0
Oil & Gas	5.2	5.1	7.1
Other Mining	7.3	9.8	4.4
Construction	18.5	19.8	8.5
Food Processing	6.2	9.1	7.1
Log, Lumber & Pulp	6.0	5.6	6.2
Other Mfg.	5.3	6.1	4.2
Trans. & Utilities	7.1	7.2	6.1
Wholesale Trade	3.6	3.4	2.5
Retail Trade	5.0	4.9	4.7
Finance	5.0	5.4	3.0
Service & Other	6.5	6.6	5.6

Insured Unemployment Rate: The IUR is derived by dividing the number of man weeks of unemployment claimed by the number of weeks for the month and then dividing this answer by the State U. I. covered employment from final employment figures relating to a quarter ending six months earlier. This IUR is not seasonally adjusted.

TOTAL CIVILIAN LABOR FORCE* ALASKA



ALASKA
DEPARTMENT OF LABOR
EMPLOYMENT SECURITY DIVISION
OFFICIAL BUSINESS

EMPLOYMENT SECURITY MAIL
POSTAGE AND FEES PAID

LAB 449

00670 G

ALASKA STATE LEGISLATURE
PERMANENT FUND
538 W 5TH AVE
ANCHORAGE AK 99501

DELIVERED TO THE
WRONG ADDRESS!!

ALASKA Economic Trends



**ARE FEDERAL
U.I. BENEFIT
STANDARDS
APPROPRIATE
FOR
ALASKA?**

JULY 1977
STATE OF ALASKA • DEPARTMENT OF LABOR
Employment Security Division • Research and Analysis Section

JAY S. HAMMOND, GOVERNOR

ARE FEDERAL U. I. BENEFIT STANDARDS APPROPRIATE FOR ALASKA?

This is a highlight of views of the Alaska Department of Labor staff that were shared with the Committee on Ways and Means of the U. S. House of Representatives.

National concern regarding the Federal-State Unemployment Insurance System has lead to the creation of the National Commission on Unemployment Compensation. This commission will be looking at both the tax and benefit provisions of the system. The most controversial topic to be discussed could be the establishment of national benefit standards. The U.S. Department of Labor currently advocates that unemployment benefits should be at least 50 percent or no more than 66 2/3 percent of a state's average weekly wage. A program such as this could potentially put an extreme burden on Alaska's unemployment insurance fund.

At the outset, it is most appropriate to list the critical conditions pertinent to the Unemployment Insurance Program and the State of Alaska today.

- (1) Alaska currently has the highest effective UI tax in the nation.
- (2) Using the U.S. Department of Labor's measurement criteria, Alaska has the least adequate benefits in the nation. Alaska's replacement of income through UI benefits now averages approximately 17 percent. In a period of time when the Congress is considering the imposition of National Benefit standards, the financial condition of Alaska's U.I. fund is in jeopardy.
- (3) Alaska has the highest average weekly wage in the nation—\$502.00 for calendar year 1976. Coupled with the high seasonality of the state's industries, a minimum federal benefit standard which is computed as a fixed percent of a state's average weekly wage would cause significant problems which should be addressed.
- (4) 50 percent of Alaska's U.I. benefits, which are designed to stabilize Alaska's economy, are currently going outside of this state.

- (5) With Alaska's oil and gas development forthcoming, we anticipate a continuation of these conditions at least through the mid-1980's.

With regard to Alaska's U.I. program, the major problem with Federal Benefit Standards results from laws regulating the payment of Interstate benefits. The current level of benefits the state now pays is terribly inadequate for anyone living in Alaska and yet they are quite adequate in relation to the benefits paid in other states when an individual is filing an Interstate claim.

If Alaska were to raise its maximum benefit amount to \$250.00 per week instead of the current \$90 per week, under current laws those who monetarily qualify for this amount must be paid equally regardless of whether they file in Alaska or from the lower '48'. As a result, 50 percent of our benefits would go out of state. These high Interstate benefits would serve as a disincentive for those outside the state to return to full-time work. If Alaska paid adequate benefits to residents and the same benefits to those outside the state, we would have to triple U.I. taxes and support a tremendous drain on the U.I. trust fund.

In the past, Alaska approached this problem by establishing a maximum Interstate payment of \$20.00 per week. Congress acted in 1972 to say that no state could reduce benefit payments to a claimant filing from another state solely because of their place of residence. The State of Alaska then began paying all claimants the same amount of benefits given the same wage conditions.

The U.S. Department of Labor has been encouraging all states to pay benefits of no less than 50 percent and no more than 66 2/3 percent of the state's average weekly wage. Doing this would satisfy the individuals that are concerned about adequate benefits but it would also make Alaska's program financially impractical.

An alternative approach would be to pay benefits as a percent of the average weekly wage in the State in which the claimant is filing.

This method of paying unemployment benefits would:

- (1) pay adequate benefits relative to the purchasing power in the area in which the claimant is living;
- (2) maintain a sound financial program for the State of Alaska; and
- (3) maintain equity so that all claimants will be receiving the same parity of benefits.

U. S. Department of Labor has stated that the above would be in violation of the current law. However, this opinion may be open to question, and the legality of such a program may have to be argued in court. In the meantime, the state is stymied in its efforts to bring about an adequate tax situation as well as equitable benefits consistent with U.I. program intent in the State of Alaska.

Although National U.I. benefit standards may be necessary to insure that all states maintain adequate benefits, it is most important that such standards take into account differences in the cost of living between each state. Without such a provision inequities in the program are certain to arise. Rigid benefit standards that cannot be adjusted for differences in cost of living would put an undue hardship on the unemployed in high cost areas, and would be more than adequate in areas where the cost of living is low. Foremore, such a program would be certain to increase the tax burden on employers in order to keep the program financially sound.

For those interested in further information about Alaska's Unemployment Insurance program, please contact the Research and Analysis Section of the Department of Labor and ask for the booklet, Unemployment Insurance Theory in Alaska: A Layperson's Guide.

ALASKA'S LABOR MARKET IN MAY

Employment and Unemployment: The employment and unemployment picture for Alaska's labor force during the month of May improved slightly over the previous month. Total employment increased less than one percent during the month. When compared to the same period one year ago, total employment has declined almost 13 percent. The primary factor behind this drop in employment, as well as the slow recovery of seasonal employment this summer, is completion of the Trans-Alaska Pipeline construction project.

Currently Alaska's unemployment rate is approximately 13.9 percent, slightly improved from April's revised figure of 14.2 percent. Although activity within the state should not reach levels experienced last year, summer expansion of the economy should be significant enough to have a positive effect on the economy and employment. The summer employment season should help to stabilize any impact of layoffs along the Trans-Alaska Pipeline.

Mining: The mining industry is currently in its normal spring time transition from winter activities to more warm weather operations. Employment in the oil industry is now declining slightly as most oil drilling operations are done during the winter months. On the other hand, hardrock mining is on the increase. Gold dredging and gravel quarrying operations generally operate during the summer months in order to avoid freeze-up conditions.

Construction: Though employment in the construction industry only dropped slightly during the month of May, this is a rather atypical trend when compared to previous years. In recent years pipeline construction has dominated the construction industry and at this time of year employment was usually rising rapidly as pipeline contractors geared up for the summer season.

Manufacturing: A five percent decline in employment in manufacturing was mainly caused by a decline in employment in the food processing sector. Employment declines are mainly among employers engaged in shellfish processing. Employment in the lumber industry remained steady during the month of May and the number of people in this industry continued to be greater than one year ago due to the warmer than normal weather conditions experienced this year.

Transportation, Communications & Utilities: With the exception of the trucking industry, which experienced a slight decline during the month of May, the transportation industry is showing signs of normal spring activity. Improved weather conditions have allowed firms in the air and water transportation industries to increase their activities.

Trade: When compared to previous years, employment in the trade industry this spring has remained somewhat suppressed. Normally at this time of year employment in this industry tends to pick up as Alaska's economy expands during the summer months. In May employment in the retail

INDICATORS OF ALASKA ECONOMIC ACTIVITY*

INDICATOR	Most Recent Month	Previous Month	Year Ago
	<u>5-77</u>	<u>4-77</u>	<u>5-76</u>
Selected Economic Activity Measures			
Total Labor Force <u>a/</u>	151,612	155,613	162,573
Total Unemployment Rate <u>a/</u>	14.5	12.2	8.6
Insured Unemployment (weekly average) <u>a/ b/</u>	13,707	12,434	9,000
New Employers (unadjusted) <u>c/</u>	263	248	260
Nonagricultural Wage Payments (millions \$, unadjusted)...	262	262	282
Wage Payments in Mining, Manufacturing & Construction..	100	100	134
Employment (1967=100) <u>a/</u>			
Nonagricultural Wage & Salary.....	197.3	208.2	229.9
Mining.....	233.2	237.6	171.4
Construction.....	310.0	410.7	515.7
Manufacturing.....	137.2	168.0	148.5
Transportation-Communications & Utilities.....	209.1	202.0	213.1
Trade.....	220.3	231.5	241.4
Finance-Insurance & Real Estate.....	318.5	319.3	297.0
Services.....	278.7	282.3	329.8
Government.....	143.2	144.5	149.4
Alaska State Employment Service Activities			
Nonagricultural Placements (unadjusted).....	2,142	1,400	2,076
Nonagricultural Placements (daily average) <u>a/</u>	90	103	97
Banking Activities (millions \$, unadjusted) <u>e/</u>			
Loans & Investments.....	992	1,028	919
Demand Deposits.....	533	578	500
Time Deposits.....	472	468	433
	<u>3-77</u>	<u>2-77</u>	<u>3-76</u>
Personal Income (millions \$ Annual Rate) <u>d/</u>	4,455.4	4,457.6	3,342.3
Crude Petroleum Production (000 bbls., unadj.) <u>f/</u>	5,402	4,968	6,178

* All data seasonally adjusted unless otherwise noted. Current month preliminary.

a/ Seasonally adjusted by the 1966 U.S. Bureau of Labor Statistics seasonal adjustment method.

b/ Unemployment in Alaska insured by State law.

c/ Employers newly subject to the Alaska Employment Security Act.

d/ Source: Business Week Magazine, seasonally adjusted by the Alaska Employment Security Division.

e/ Source: Federal Reserve Bank of San Francisco. Members banks only.

f/ Source: Alaska Department of Natural Resources, Division of Mines and Minerals.

**ALASKA CIVILIAN LABOR FORCE SUMMARY 1/ 4/
BY PLACE OF RESIDENCE**

	Changes From:						
	<u>5-77</u> ^{p/}	<u>4-77</u> ^{r/}	<u>5-76</u>	<u>4-77</u>	<u>5-76</u>	<u>5-77</u>	*
CIVILIAN LABOR FORCE.....	153,500	153,400	165,000	100	-11,500	190,500	
INVOLVED IN WORK STOPPAGES.....	100	0	100	100	0	100	
TOTAL UNEMPLOYMENT.....	21,300	21,800	13,500	-500	-7,800	29,900	
Percent of Labor Force.....	13.9	14.2	8.2	-	-	15.7	
TOTAL EMPLOYMENT <u>2/</u>	132,200	131,700	151,600	500	-19,400	160,600	

**NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT 1/
BY PLACE OF WORK**

	Changes From:				
	<u>5-77</u> ^{p/}	<u>4-77</u> ^{r/}	<u>5-76</u>	<u>4-77</u>	<u>5-76</u>
Nonagricultural Wage & Salary.....	154,300	154,100	176,500	200	-22,200
Mining.....	4,900	5,000	3,600	-100	1,300
Construction.....	18,800	18,900	33,000	-100	-1,200
Manufacturing.....	10,100	10,200	10,500	-100	0
Durable Goods.....	3,500	3,300	3,200	200	0
Lumber, Wood Products.....	2,700	2,700	2,300	0	0
Other Durable Goods.....	800	600	900	200	-1,000
Nondurable Goods.....	6,600	6,900	7,300	-300	-1,000
Food Processing.....	3,900	4,300	5,000	-400	-1,100
Other Nondurable Goods.....	2,700	2,600	2,300	100	400
Transp.-Comm. & Utilities.....	15,800	14,700	16,100	1,100	-300
Trucking & Warehousing.....	2,800	3,000	3,200	-200	-400
Water Transportation.....	2,300	1,400	1,300	900	1,000
Air Transportation.....	4,400	4,200	4,800	200	-400
Other Transp.-Comm. & Utilities..	6,300	6,100	6,800	200	-500
Trade.....	26,100	26,400	28,500	-300	-2,500
Wholesale Trade.....	5,500	5,500	6,200	0	-700
Retail Trade.....	20,600	20,900	22,400	-300	-1,800
General Merchandise & Apparel..	3,800	3,700	4,200	100	-400
Food Stores.....	3,100	3,300	3,100	-200	0
Eating & Drinking Places.....	6,400	6,400	7,000	0	-600
Other Retail Trade.....	7,300	7,500	8,100	-200	-800
Finance-Insurance & Real Estate....	7,400	7,300	6,900	100	500
Services & Miscellaneous.....	25,100	25,400	29,700	-300	-4,600
Government <u>3/</u>	46,100	46,200	48,100	-100	-2,000
Federal.....	18,200	17,600	18,000	600	200
State.....	14,100	14,500	16,300	-400	-2,200
Local.....	13,800	14,100	13,800	-300	0

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

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

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

4/ Adjusted to add to the national totals produced by the Current Population Survey method.

* Not adjusted by the Current Population Survey method.

^{p/} Denotes preliminary estimates.

^{r/} Denotes revised estimates.

trade industry declined by approximately 1½ percent. It is quite likely that the current decline in the size of Alaska's labor force due to completion of the Trans-Alaska Pipeline may be having a negative affect on this industry.

Finance, Insurance & Real Estate: With employment in the banking sector remaining essentially the same during the months of April and May growth in employment during the month of May was primarily the results of expansion in the real estate sector.

Services: Employment in the services industry declined by just over one percent in the month of May. The main factor behind this decline in employment was a drop in activity by firms engaged in services to businesses. Again it is suspected that the decline in pipeline activity has had some effect upon this industry.

Government: Employment growth on the federal level during the month of May was mainly seasonal in nature. Agencies involved with land management normally increase their staffing at this time in anticipation of the warmer summer months. Employment on the state and local level declined during May as most schools such as the University of Alaska and local school districts recessed for the summer during the month of May.

Private IUR: The insured unemployment rate for May for the state of Alaska was 10.4 percent. This represents a significant drop from April's rate of 12.3 percent. Though the insured unemployment rates for the various major industries tended to be somewhat higher than last year, without exception the IUR dropped in all categories during the month of May when compared to April.

Manpower Resources: Alaska's labor markets continue to be effected by a surplus of labor during the month of May. As would be expected, workers from a construction industry are currently the most plentiful. This situation is basically due to completion of the Trans-Alaska Pipeline.

Available Job Opportunities: The number of job opportunities improved somewhat during the month of May. Though the economy is somewhat sluggish this summer, new openings are becoming available. Its noteworthy to point out that while several occupations listed with the Department of Labor experienced an increase in the number of unfilled jobs available. Positions in the clerical field declined

during the month of May. More specifically this decline was mainly in the bookkeeping field.

Employment and Training Activities: Pending legislation in Congress will be creating the National Young Adult Conservation Corps. This program will be directed at the youth population ages 16-23. A major goal of the program will be to provide jobs for unemployed, out-of-school youth in conservation and wildlife management projects on federal and

CHARACTERISTICS OF THE INSURED UNEMPLOYED IN ALASKA

State Unemployment Insurance

Insured Unemployed
Based on Key Week

5-77 4-77 5-76
Total Weeks Claimed.....14,574 22,773 10,459

Characteristic	Percent Distribution		
Total.....	100	100	100

Sex and Age

Men			
Under 45.....	57	57	54
45 and over.....	18	18	20
Women			
Under 45.....	19	18	20
45 and over.....	6	5	6

Industry

Mining.....	2	2	3
Contract Construction.....	51	49	38
Manufacturing.....	8	8	11
Transp.-Comm. & Utilities...	9	9	11
Trade.....	11	11	14
Finance-Insurance & R. E....	1	3	3
Service & Miscellaneous.....	16	16	13
All Other.....	2	2	7

Occupation

Professional & Managerial...	6	7	7
Clerical & Sales.....	12	11	12
Service.....	10	9	11
Farming-Fishing & Forestry..	2	2	4
Processing.....	4	4	5
Machine Trades.....	4	4	4
Bench Work.....	-	-	1
Structural Work.....	42	43	38
Miscellaneous.....	17	17	15
Unknown.....	3	3	3

Length of Current Spell of Insured Unemployment

1-4 Weeks.....	30	26	32
5-14 Weeks.....	38	43	39
15 Weeks and over.....	32	31	29

AVAILABLE JOB OPPORTUNITIES 1/
ALASKA

UNFILLED JOB OPENINGS

<u>Occupation</u>	<u>May 1977</u>	<u>April 1977</u>
Professional & Managerial.....	206	181
Clerical.....	525	602
General Office.....	210	204
Book Keeping.....	231	299
Other.....	84	99
Sales.....	150	726
Domestic Service.....	47	46
Public Oriented Service.....	454	346
Food & Beverage Preparation.....	283	221
Lodging.....	51	40
Other.....	120	85
Farming, Fishing, Forestry.....	14	20
Processing.....	91	08
Machine Trades.....	103	85
Bench Work.....	56	46
Structural Work.....	211	180
Motor Freight & Transportation.....	110	90
Packaging and Materials Handling.....	70	71
Logging, Mining, Utilities.....	629	625

JOB OPENINGS UNFILLED AFTER 30 OR MORE DAYS

	<u>May 1977</u>	<u>April 1977</u>
Professional & Managerial.....	126	105
Clerical.....	306	411
General Office.....	134	136
Book Keeping.....	118	221
Other.....	54	54
Sales.....	81	80
Domestic Service.....	31	30
Public Oriented Service.....	250	237
Food & Beverage Preparation.....	141	132
Lodging.....	36	34
Other.....	73	71
Farming, Fishing, Forestry.....	12	19
Processing.....	62	84
Machine Trades.....	73	56
Bench Work.....	38	34
Structural Work.....	152	138
Motor Freight & Transportation.....	68	67
Packaging and Materials Handling.....	52	56
Logging, Mining, Utilities.....	618	620

ACTIVE APPLICANTS ON FILE

	<u>May 1977</u>	<u>April 1977</u>
Professional & Managerial.....	1,895	1,830
Clerical.....	2,652	2,435
General Office.....	875	790
Book Keeping.....	1,065	985
Other.....	712	660
Sales.....	638	599
Domestic Service.....	130	112
Public Oriented Service.....	2,122	2,036
Food & Beverage Preparation.....	1,181	1,153
Lodging.....	241	224
Other.....	700	659
Farming, Fishing, Forestry.....	280	290
Processing.....	255	278
Machine Trades.....	605	600
Bench Work.....	116	123
Structural Work.....	2,318	2,388
Motor Freight & Transportation.....	907	896
Packaging and Materials Handling.....	538	529
Logging, Mining, Utilities.....	302	350

1/ Data taken from the Employment Security Automated Reporting System (ESARS Table #96).

non-federal lands. The Department of Labor will be responsible for overall administration and referral of persons to the program. The Departments of Interior and Agriculture will manage the corps centers, determine work assignments, and be responsible for effective programming at each site. It is anticipated that this program will have a significant impact on Southeastern Alaska and in the Kenai Peninsula.

Employment and Unemployment Outlook: It is estimated that the total unemployment rate for June will be approximately 12.5 percent.

ANCHORAGE LABOR MARKET AREA

Employment and Unemployment: Increases in the civilian labor force equalled employment increases, an effect which steadied the number of unemployed. The enlarged job market has reduced the ratio of employed to unemployed therefore creating a decline in the unemployment rate from 10.2 percent to 10.0 percent. At present a balance has been achieved between the growth of the labor supply and the growth of the job market.

Pipeline employment seems to have peaked for the year during March and April. It is expected that Anchorage will attract a large portion of those workers who are laid-off the pipeline project. This may adversely affect the unemployment rate locally but the severity of this affect is unknown.

Local employment communities remain largely within service and trade occupations. Construction seems to be declining in importance as the local economy matures.

Mining: Mining employment has more than doubled over the past year. This rise is attributable to increased oil exploration activity in the Gulf of Alaska. As the focus of exploration shifts from the North Slope to the Gulf, Anchorage will continue to benefit in increased oil company support and supply related employment. The summer season should provide further gains in mining employment.

Construction: Employment in the construction industries continued to increase in May as it had in April. Several large projects are in full swing including the Calista Corporation's new hotel. In the public sector, summer projects will include the completion of the Peters Creek highway project and reconstruction of International Airport Road.

Despite the relatively active building seasons, total construction employment in May is well below 1976 levels. This situation was not unexpected in light of pipeline completion. In perspective, the present employment level is below what had been hoped for but is well above pre-pipeline employment. Through the period 1971-1973, employment increased at approximately 6 percent per year, as computed from May to May statistics. However, in the period 1973-1974, a 30 percent increase occurred. This pattern, although less forcefully, repeated itself through 1976. In 1977 employment growth has returned to pre-pipeline rates with an average growth from 1973 of slightly less than 5 percent per annum. These averages are computed from May figures. It is expected that this return to moderate growth rates will be lasting through this construction season.

Manufacturing: The increase in manufacturing activity this month is a result of construction support industries increasing their work forces. As building activity increases this summer a moderate gain in employment should occur. The over-the-year increase in manufacturing employment, unlike the monthly increase, is attributed to the food processing segment of this industry.

Transportation, Communications & Utilities: Transportation employment has not absorbed the net loss that has affected this season's construction industry. In part this is due to increased support services provided for Gulf of Alaska oil exploration. Port activities are less voluminous this year with a noticeable decline in inbound vehicle shipments. Increases in employment are normal for this season and the trend should continue in June.

Trade: Trade employment had rebounded from early year indecision. Retail store openings are responsible for the majority of this month's gain. Trade sector's strength as a source of new employment should be enhanced by the opening of the Dimond Center Shopping Mall. Increased restaurant employment is also foreseen.

Finance, Insurance & Real Estate: As local financial institutions have increased in both number and outlets so has this industry's employment. Functional sophistication of these institutions has demanded clerical and professional support personnel. This trend should decrease as financial institutions overtake current demand for services.

Service & Miscellaneous: Service has led all other

ANCHORAGE CIVILIAN LABOR FORCE SUMMARY 1/ 4/
BY PLACE OF RESIDENCE

Changes From:

	<u>p/</u> <u>5-77</u>	<u>r/</u> <u>4-77</u>	<u>5-76</u>	<u>4-77</u>	<u>5-76</u>	<u>5-77</u> *
CIVILIAN LABOR FORCE.....	73,850	72,300	69,400	1,550	4,450	91,100
INVOLVED IN WORK STOPPAGES.....	(0)	(150)	(0)	-	-	(0)
TOTAL UNEMPLOYMENT.....	7,350	7,350	4,350	0	3,000	10,350
Percent of Labor Force.....	10.0	10.2	6.3	-	-	11.4
TOTAL EMPLOYMENT <u>2/</u>	66,500	64,950	65,050	1,550	1,450	80,750

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT 1/
BY PLACE OF WORK

Changes From:

	<u>p/</u> <u>5-77</u>	<u>r/</u> <u>4-77</u>	<u>5-76</u>	<u>4-77</u>	<u>5-76</u>
Nonagricultural Wage & Salary.....	74,450	73,200	73,100	1,250	1,350
Mining.....	2,250	2,250	1,200	0	1,050
Construction.....	4,900	4,750	7,350	150	-2,450
Manufacturing.....	1,800	1,650	1,650	150	150
Food Processing.....	450	450	300	0	150
Other Manufacturing.....	1,350	1,200	1,350	150	0
Transp.-Comm. & Utilities.....	7,300	7,150	7,350	150	- 50
Trucking & Warehousing.....	1,400	1,400	1,300	0	100
Water Transportation.....	400	400	400	0	0
Air Transportation.....	2,500	2,500	2,750	0	-250
Other Transp.-Comm. & Utilities..	3,000	2,850	2,900	150	100
Trade.....	16,400	16,000	16,350	400	50
Wholesale Trade.....	4,100	4,050	4,250	50	-150
Retail Trade.....	12,300	11,950	12,100	350	200
General Merchandise & Apparel..	2,100	2,000	2,350	100	-250
Food Stores.....	1,400	1,500	1,250	-100	150
Eating & Drinking Places.....	3,850	3,850	3,900	0	- 50
Other Retail Trade.....	4,950	4,600	4,600	350	350
Finance-Insurance & Real Estate....	4,450	4,400	4,150	50	300
Services & Miscellaneous.....	17,500	16,950	15,800	550	1,700
Government <u>3/</u>	19,850	20,050	19,250	-200	600
Federal.....	10,100	9,950	9,900	150	200
State.....	4,150	4,400	3,900	-250	250
Local.....	5,600	5,700	5,450	-100	150

1/ Data contained in this report cover the Anchorage Election District area, which includes the City of Anchorage, the residential communities of Campbell, Spenard, Merrill Field, Mountain View, Elmendorf Air Force Base, Fort Richardson, and the interconnecting highways.

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

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

3/ Adjusted to add to the national totals produced by the Current Population Survey method.

* Not adjusted by the Current Population Survey method.

p/ Denotes preliminary estimates.

r/ Denotes revised estimates.

industries as a source of new employment over the past year. In fact, Anchorage has only experienced net employment declines over the year in construction and transportation. Persistent skepticism concerning future growth in services still exists. Yet many businessmen feel that service related industries have not peaked. This is based upon the assumption that there has been an excess demand situation throughout the recent growth boom. In other words, services are just catching up with the communities demands. This may be true but it would seem that services should proportionately match pre-pipeline industry employment ratios. What has happened, however, is an increase in service employment in relation to total nonagricultural wage and salary employment. Service employment as an annual average from 1970-1973 was 15 percent of total nonagricultural employment. This month service related employment has risen to 24 percent of that total. It is yet to be seen whether the local economy can support this level of services.

Government: Government recorded a decline from April but remains at a substantially higher level than May 1976. The decline for the month is a result of the end of the school year. Both the Anchorage school district and local colleges have made seasonal adjustments to summer sessions.

Private Industry IUR: Construction trades still hold a substantial lead over other industry groups in weeks claimed on private industry unemployment insurance. Weeks claimed in that industry have declined this month statewide but they are still at a rate more than twice that of May 1976. Though there is some hope that the private industry Insured Unemployment Rate (IUR) will decline, it is not believed that it will equal or go below last years rate. Anchorage area IUR rates should remain relatively high due to pipeline employment decreases in June. People with construction occupations will undoubtedly remain a large proportion of the IUR.

Manpower Resources: Anchorage's insured unemployed have decreased in number from April. A larger percentage of those remaining on unemployment insurance have moved to the over 15 week category. These long term unemployed are very likely those construction workers who have not been able to find work this season. Adequate demand has not materialized to handle the mass of workers formerly employed by the pipeline project. Any demand that is locally generated is not expected to offset this situation.

CHARACTERISTICS OF THE INSURED UNEMPLOYED IN ANCHORAGE

State Unemployment Insurance

Insured Unemployed
Based on Key Week

	5-77	4-77	5-76
Total Weeks Claimed.....	4,987	7,831	3,549

Characteristic	Percent Distribution		
Total.....	100	100	100

Sex and Age

	Percent Distribution		
Men			
Under 45.....	59	59	54
45 and over.....	18	20	20
Women			
Under 45.....	18	16	21
45 and over.....	5	5	5

Industry

Industry	5-77	4-77	5-76
Mining.....	2	2	3
Contract Construction.....	56	56	44
Manufacturing.....	3	3	4
Transp.-Comm. & Utilities...	8	7	11
Trade.....	12	12	17
Finance-Insurance & R. E....	2	2	3
Service & Miscellaneous.....	16	16	15
All Other.....	1	1	3

Occupation

Occupation	5-77	4-77	5-76
Professional & Managerial...	7	7	8
Clerical & Sales.....	14	13	15
Service.....	9	9	11
Farming-Fishing & Forestry..	1	-	-
Processing.....	-	1	1
Machine Trades.....	2	2	3
Bench Work.....	-	-	1
Structural Work.....	45	47	42
Miscellaneous.....	18	17	15
Unknown.....	4	4	4

Length of Current Spell of Insured Unemployment

Length of Current Spell	5-77	4-77	5-76
1-4 Weeks.....	31	31	37
5-14 Weeks.....	39	42	40
15 Weeks and over.....	30	27	23

Structural and miscellaneous occupations combine to account for 63 percent of those claiming. Miscellaneous occupations would include truck drivers, equipment operators and material handlers.

In addition to these occupations, job service statistics indicate that there is an adequate supply of clerical workers in the Anchorage market. The current labor supply should more than equal an foreseeable labor demand.

AVAILABLE JOB OPPORTUNITIES 1/
ANCHORAGE

UNFILLED JOB OPENINGS

Occupation	May 1977	April 1977
Professional & Managerial.....	117	108
Clerical.....	397	377
General Office.....	153	155
Book Keeping.....	183	153
Other.....	61	69
Sales.....	118	97
Domestic Service.....	36	27
Public Oriented Service.....	356	264
Food & Beverage Preparation.....	249	184
Lodging.....	45	34
Other.....	62	46
Farming, Fishing, Forestry.....	6	5
Processing.....	10	17
Machine Trades.....	67	59
Bench Work.....	30	26
Structural Work.....	129	122
Motor Freight & Transportation.....	81	66
Packaging and Materials Handling.....	51	49
Logging, Mining, Utilities.....	15	8

JOB OPENINGS UNFILLED AFTER 30 OR MORE DAYS

	May 1977	April 1977
Professional & Managerial.....	70	62
Clerical.....	252	247
General Office.....	110	108
Book Keeping.....	100	99
Other.....	42	40
Sales.....	66	63
Domestic Service.....	21	20
Public Oriented Service.....	191	186
Food & Beverage Preparation.....	124	124
Lodging.....	35	30
Other.....	32	32
Farming, Fishing, Forestry.....	4	5
Processing.....	-	7
Machine Trades.....	46	38
Bench Work.....	18	16
Structural Work.....	93	89
Motor Freight & Transportation.....	50	46
Packaging and Materials Handling.....	36	38
Logging, Mining, Utilities.....	7	6

ACTIVE APPLICANTS ON FILE

	May 1977	April 1977
Professional & Managerial.....	939	881
Clerical.....	1,271	1,176
General Office.....	373	346
Book Keeping.....	530	488
Other.....	368	342
Sales.....	292	259
Domestic Service.....	29	29
Public Oriented Service.....	891	808
Food & Beverage Preparation.....	532	481
Lodging.....	74	61
Other.....	285	266
Farming, Fishing, Forestry.....	27	31
Processing.....	49	41
Machine Trades.....	196	181
Bench Work.....	56	54
Structural Work.....	788	767
Motor Freight & Transportation.....	349	303
Packaging and Materials Handling.....	244	229
Logging, Mining, Utilities.....	87	62

1/ Data taken from the Employment Security Automated Reporting System (ESARS Table #96).

Anchorage Job Openings: An increase in Anchorage Job Service activities has been the result of seasonal increases in both labor demand and supply. The number of new applicants continues to exceed the number of new job orders for the month. Though this is the usual situation, the rate of increase in job openings over the past month has been greater than the rate of increase of applicants. This change in proportion decreases the number of applicants on file per job opening.

The number of applicants with clerical skills increased in May. An adequate demand still exists for these skills although job orders in this group were slightly below last year's level. The average starting wage for secretaries rose from \$5.16 per hour to \$6.07 per hour as compiled from job order averages for May 1976 and May 1977. The average wage for tellers, clerk typists and bookkeepers has also increased. The demand for tellers was much stronger this May than last. The average job order wage was \$4.51 per hour. Future demand for clerical services should be good throughout the summer.

Job Service orders should increase as the summer business cycle continues into June. A growing supply of applicants may fill some of the job openings which have remained open for more than 30 days. These openings are the result of low wages offered or hard to fill professional positions which demand a great deal of experience.

Employment and Unemployment Outlook: It is estimated that the total unemployment rate for June in the Anchorage labor market will be approximately 9.2 percent.

FAIRBANKS LABOR MARKET AREA

Highlights: The final weld on the Trans-Alaska Pipeline project was completed on May 30 bringing to a close one of the world's largest construction projects. Given the size of the local economy combined with such a tremendous project, the economic impact has created a totally new economic base. Pipeline impact will be the subject of study for some time to come. More importantly the immediate consequence of losing the majority of pipeline related employment is of community concern. Pipeline employment has already peaked this season in April. Excepting a brief spurt of activity in June's start-up, the decrease in jobs will be permanent. The Fairbanks economy now faces serious re-adjustments with respect to local business

expectations and growth rates. Some return to a statewide growth rate of 6 percent per-annum should be in the future.

Fortunately future economic input is already planned. Eventually a route selection for the natural gas pipeline will be of vital concern to the community. More immediate impact will be provided by the North Pole refinery. The refinery is expected to begin production sometime in August or

CHARACTERISTICS OF THE INSURED UNEMPLOYED IN FAIRBANKS

State Unemployment Insurance			
Insured Unemployed Based on Key Week			
	5-77	4-77	5-76
Total Weeks Claimed.....	3,196	4,797	1,629

Characteristic	Percent Distribution		
Total.....	100	100	100

Sex and Age			
<u>Men</u>			
Under 45.....	56	58	53
45 and over.....	18	18	21
<u>Women</u>			
Under 45.....	21	19	21
45 and over.....	5	5	5

Industry			
Mining.....	1	-	1
Contract Construction.....	60	59	47
Manufacturing.....	1	2	3
Transp.-Comm. & Utilities...	12	12	15
Trade.....	10	10	14
Finance-Insurance & R. E....	1	1	2
Service & Miscellaneous.....	15	15	16
All Other.....	-	1	2

Occupation			
Professional & Managerial...	7	7	9
Clerical & Sales.....	9	10	10
Service.....	12	10	12
Farming-Fishing & Forestry..	-	-	-
Processing.....	1	1	1
Machine Trades.....	5	4	5
Bench Work.....	-	-	-
Structural Work.....	40	41	36
Miscellaneous.....	19	19	21
Unknown.....	7	8	6

Length of Current Spell of Insured Unemployment			
1-4 Weeks.....	38	30	45
5-14 Weeks.....	36	42	39
15 Weeks and over.....	26	28	16

September. The project represents a 40 million dollar investment in its initial stage. Further capital improvements in the refinery are planned for 1978-79. Once in production the refinery will provide 40 to 50 jobs locally and add a substantial amount of money to the local system. A second source of investment in the area involves native corporate interests in local businesses. The recent purchase of Santa's Bakery by eleven Doyon region village corporations is an example of the potential native investment. This joint venture may prove to be an important precedent for local investment.

Employment—Unemployment: The unemployment rate was 17.0 percent in May. The civilian labor force continued to grow at a rate greater than the local job market could accommodate. Total employment increased by 300 and the labor force increased by 400. It is possible that a stabilization of labor supply and demand may occur in the Fairbanks labor market by July, as this trend has already begun to appear in the Anchorage labor market.

Area employment opportunities for the month were in the service sector. Future job openings should be in the area of oil exploration and local construction employment. Competition for construction work will be great, however, as the majority of the unemployed are people within this skill group.

Mining: Mining employment increased again in May. In part, industry employment has been dependent on oil field exploration. Atlantic Richfield has an interest in exploring the potential of the Kuparuk and Lisburne formations adjacent to the Prudhoe fields. Some gain in mining employment should accompany these explorations.

Construction: Construction employment has substantially declined from the 1975-76 building seasons. In terms of the early 1970's though, the industry is quite healthy. Twice as many people were employed in construction this May than were employed in comparable periods for the years 1970-1973. Another index of construction strength is the valuation of local building permits. Builders seem confident in local demand. Though valuations are not as high as the peak in 1976, building permit valuations continue to exceed those for the same period during the years 1973-75. The trend in construction employment should continue up for the next month.

Manufacturing: Employment in this sector increased from April and exceeded last year's May total. Mining and manufacturing, in fact, are the only industries employing more people this year than last. Construction support activities are responsible for this month's increase. As local building projects such as the Farmer's Loop to Fox Hill road work increase, so will employment in gravel supply operations.

Transportation, Communication & Utilities: Transportation employment declined from the month of April. Trucking and warehousing functions were the declining sectors. Pipeline employment peaks in March and April have an obvious linkage to this industry. Even though they have thus far moved in unison they may diverge as outbound equipment shipments create new demand. Communications employment should experience gradual increases over the year.

Trade: Trade employment remained constant from April to May. An increase in restaurant employment offset a decline in retail employment in this industry. The retail sector has been one of the most sensitive indicators of business opinion. As summer begins it is likely that high levels of unemployment have discouraged retail employers. In pre-pipeline perspective the industry is still strong. Since May 1973, trade employment has increased by 700 available jobs. Even from 1974 trade employment has grown by 6 percent. It may be a year for re-assessing community demand but it is not felt that any drastic reduction is in sight. The opening of the University Shopping Mall may bolster June retail employment.

Finance, Insurance and Real Estate: With the exception of 1976, industry employment is at its highest May level. Minor downward adjustments should be expected this year.

Service and Miscellaneous: Service employment as a percentage of non-agricultural wage and salary employment has been increasing since 1970. In 1970 service employment was 12 percent of the total. From 1975 to the present 19 percent has been the average. This trend toward higher levels of service employment seems to have peaked and some direct linkage to total non-agricultural wage and salary employment should appear.

Government: Net declines in this division were the result of end of the school year adjustments. Both the Borough school district and the University of Alaska have experienced staff reductions.

FAIRBANKS CIVILIAN LABOR FORCE SUMMARY 1/ 4/
BY PLACE OF RESIDENCE

Changes From:

	<u>5-77</u> ^{p/}	<u>4-77</u> ^{r/}	<u>5-76</u>	<u>4-77</u>	<u>5-76</u>	<u>5-77</u> [*]
CIVILIAN LABOR FORCE.....	20,300	19,900	22,600	400	-2,300	25,350
INVOLVED IN WORK STOPPAGES.....	(0)	(0)	(100)	-	-	(0)
TOTAL UNEMPLOYMENT.....	3,450	3,350	1,650	100	1,800	4,900
Percent of Labor Force.....	17.0	16.8	7.3	-	-	19.3
TOTAL EMPLOYMENT <u>2/</u>	16,850	16,550	20,950	300	-4,100	20,450

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT 1/
BY PLACE OF WORK

Changes From:

	<u>5-77</u> ^{p/}	<u>4-77</u> ^{r/}	<u>5-76</u>	<u>4-77</u>	<u>5-76</u>
Nonagricultural Wage & Salary.....	22,600	22,200	28,300	400	-5,700
Mining.....	200	150	150	50	50
Construction.....	2,400	2,200	5,500	200	-3,100
Manufacturing.....	500	450	400	50	100
Food Processing.....	50	50	50	0	0
Other Manufacturing.....	450	400	350	50	100
Transp.-Comm. & Utilities.....	3,300	3,400	3,550	-100	-250
Trucking & Warehousing.....	1,100	1,200	1,250	-100	-150
Water Transportation.....	50	50	50	0	0
Air Transportation.....	750	750	800	0	- 50
Other Transp.-Comm. & Utilities..	1,400	1,400	1,450	0	- 50
Trade.....	4,050	4,100	4,850	- 50	-800
Wholesale Trade.....	700	750	950	- 50	-250
Retail Trade.....	3,350	3,350	3,900	0	-550
General Merchandise & Apparel..	450	450	550	0	-100
Food Stores.....	600	600	650	0	- 50
Eating & Drinking Places.....	950	900	1,200	50	-250
Other Retail Trade.....	1,350	1,400	1,500	- 50	-150
Finance-Insurance & Real Estate....	900	950	1,050	- 50	-150
Services & Miscellaneous.....	4,350	4,000	5,450	350	-1,100
Government <u>3/</u>	6,900	7,050	7,350	-150	-450
Federal.....	2,500	2,400	2,500	0	0
State.....	2,650	2,800	3,100	-150	-450
Local.....	1,750	1,850	1,750	-100	0

1/ Data contained in this report covers the Fairbanks Election District area which includes the city of Fairbanks, the residential communities of College, International Airport, Fort Wainwright, Eielson Air Force Base, Farmer's Loop Road, Slaterville, Gilmore, Tok Junction, Big Delta and the inter-connecting highways.

2/ Includes: domestics, nonagricultural self-employed and unpaid family workers, agricultural workers and adjustment for commuting.

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

4/ Adjusted to add to the national totals produced by the Current Population Survey method.

* Not adjusted by the Current Population Survey method.

p/ Denotes preliminary estimates.

r/ Denotes revised estimates.

Private Industry IUR: The private industry insured unemployment rate (IUR) declined from April but remains much higher than last year. As expected, the majority of weeks claimed were in the construction industry. At this time last year construction claims were only 37 percent of the total. Service claims were the next significant claiming group comprising 18 percent of weeks claimed. It is not expected that Fairbanks area IUR rates will go below or equal last years rate. The outlook is for construction claims to remain the dominant group.

Manpower Resources: New claims for unemployment insurance were a greater proportion of total claims action this month than they were last. The percentage of claims in the 15 week and over category declined from April. 59 percent of those claiming declared their occupations in the area of structural work or miscellaneous occupations. These groups contain many pipeline related skills and it is easily assumed that these claimants will have great difficulty finding work this season. A decline in pipeline employment has already started this year where for the past three years the labor force was just beginning to go back to work.

Available labor resources are predominately construction related workers. As the local economy adjusts to life without pipeline jobs this pool of skilled labor will diminish. Other skill groups seem in adequate supply for local employment demands.

Employment and Unemployment Outlook: It is estimated that the total unemployment rate for the Fairbanks labor market for June will be approximately 16.5 percent.

PRIVATE INDUSTRY INSURED UNEMPLOYMENT RATE (IUR)

AREA	IUR 5-77	IUR 4-77	IUR 5-76
Statewide	10.4	12.3	8.0
Anchorage	10.9	12.4	9.4
Fairbanks	10.3	11.7	5.2
Juneau	9.4	11.1	6.6
Ketchikan	7.7	9.8	6.9
Nome	NA	NA	NA
Kenai-Kodiak	10.9	13.6	11.8
Sitka	9.3	12.3	8.3

INDUSTRY	IUR 5-77	IUR 4-77	IUR 5-76
Total	10.4	12.3	8.0
Oil & Gas	5.1	5.2	7.9
Other Mining	14.3	17.8	12.0
Construction	22.3	25.8	13.1
Food Processing	12.8	16.8	13.4
Log. Lumber & Pulp	6.9	11.9	9.3
Other Mfg.	7.8	9.2	6.2
Trans. & Utilities	7.7	9.4	7.1
Wholesale Trade	4.0	4.8	4.0
Retail Trade	5.4	6.1	5.1
Finance	5.5	6.4	4.4
Service & Other	7.0	8.3	6.5

Insured Unemployment Rate: The IUR is derived by dividing the number of man weeks of unemployment claimed by the number of weeks for the month and then dividing this answer by the State U. I. covered employment from final employment figures relating to a quarter ending six months earlier. This IUR is not seasonally adjusted.

HOURS AND EARNINGS - SELECTED INDUSTRIES ^{1/}

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	4-77	3-77	4-76	4-77	3-77	4-76	4-77	3-77	4-76
MINING.....	\$787.28	\$808.60	\$642.33	52.0	52.0	50.3	\$15.14	\$15.55	\$12.77
CONTRACT CONSTRUCTION.....	1,097.86	1,124.92	974.45	57.6	56.5	60.6	19.06	19.91	16.08
MANUFACTURING.....	341.82	357.44	302.47	40.5	42.3	40.6	8.44	8.45	7.45
Food Processing.....	204.86	249.53	187.11	38.8	44.4	38.9	5.28	5.62	4.81
Logging-Lumber & Pulp.....	428.00	414.17	380.84	42.8	41.5	42.6	10.00	9.98	8.94
WHOLESALE TRADE.....	344.92	333.38	368.18	39.6	39.5	41.0	8.71	8.44	8.98
RETAIL TRADE ^{2/}	237.87	230.05	219.87	32.9	31.6	34.9	7.23	7.28	6.30
FINANCE-INSURANCE & REAL ESTATE..	273.84	216.38	192.26	-	-	-	-	-	-

EXPLANATION NOTES:

AVERAGE HOURS & EARNINGS SERIES: Averages are based on data for full- and part-time production and non-supervisory workers and are for gross earnings and hours worked, or paid for, including overtime pay and hours. Administrative, supervisory, technical, and office personnel are excluded.

1/ Prepared in cooperation with Bureau of Labor Statistics, U. S. Department of Labor.

2/ Excluded eating and drinking places.

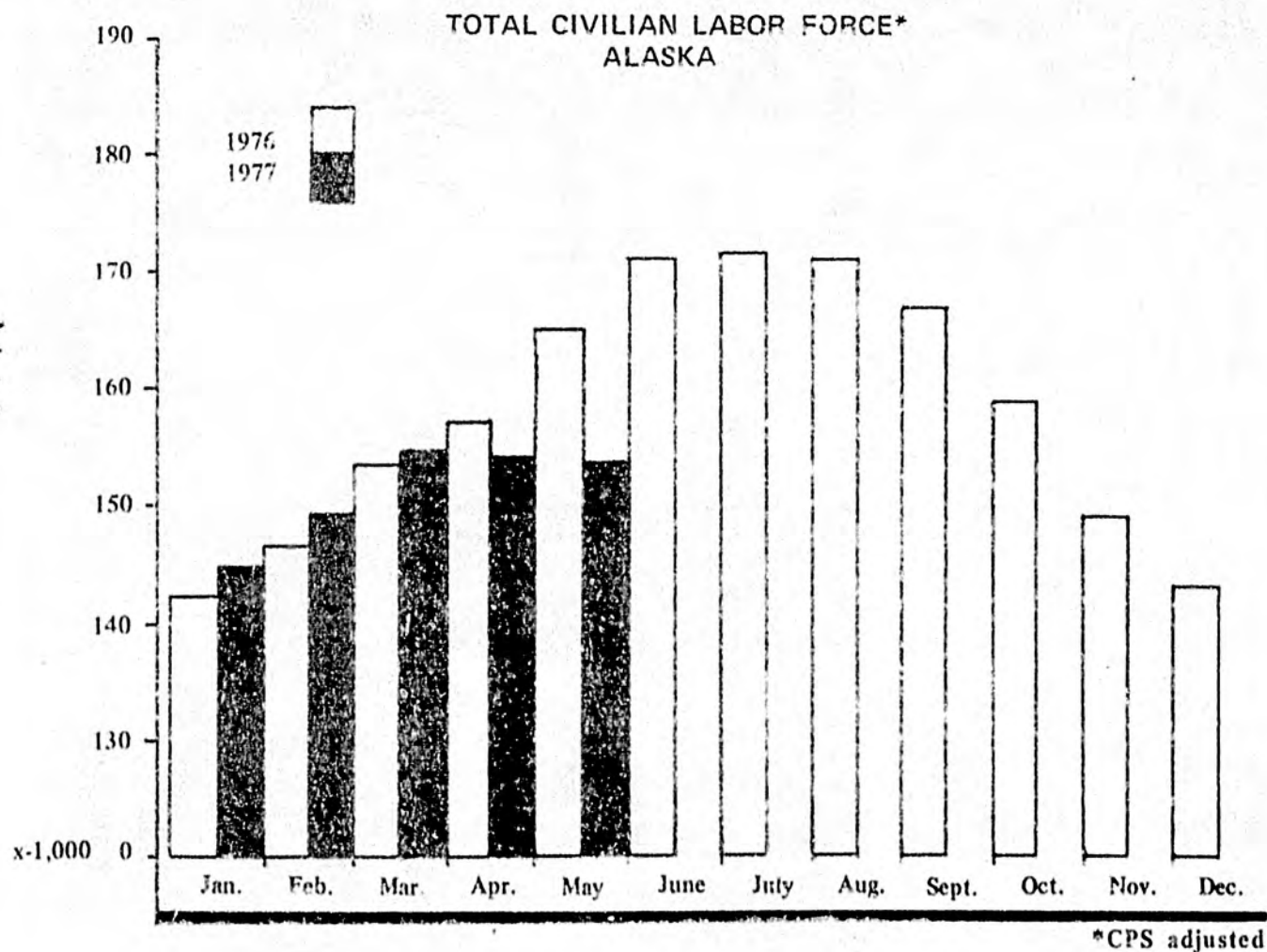
ALASKA
DEPARTMENT OF LABOR
 EMPLOYMENT SECURITY DIVISION
 OFFICIAL BUSINESS

EMPLOYMENT SECURITY MAIL
 POSTAGE AND FEES PAID

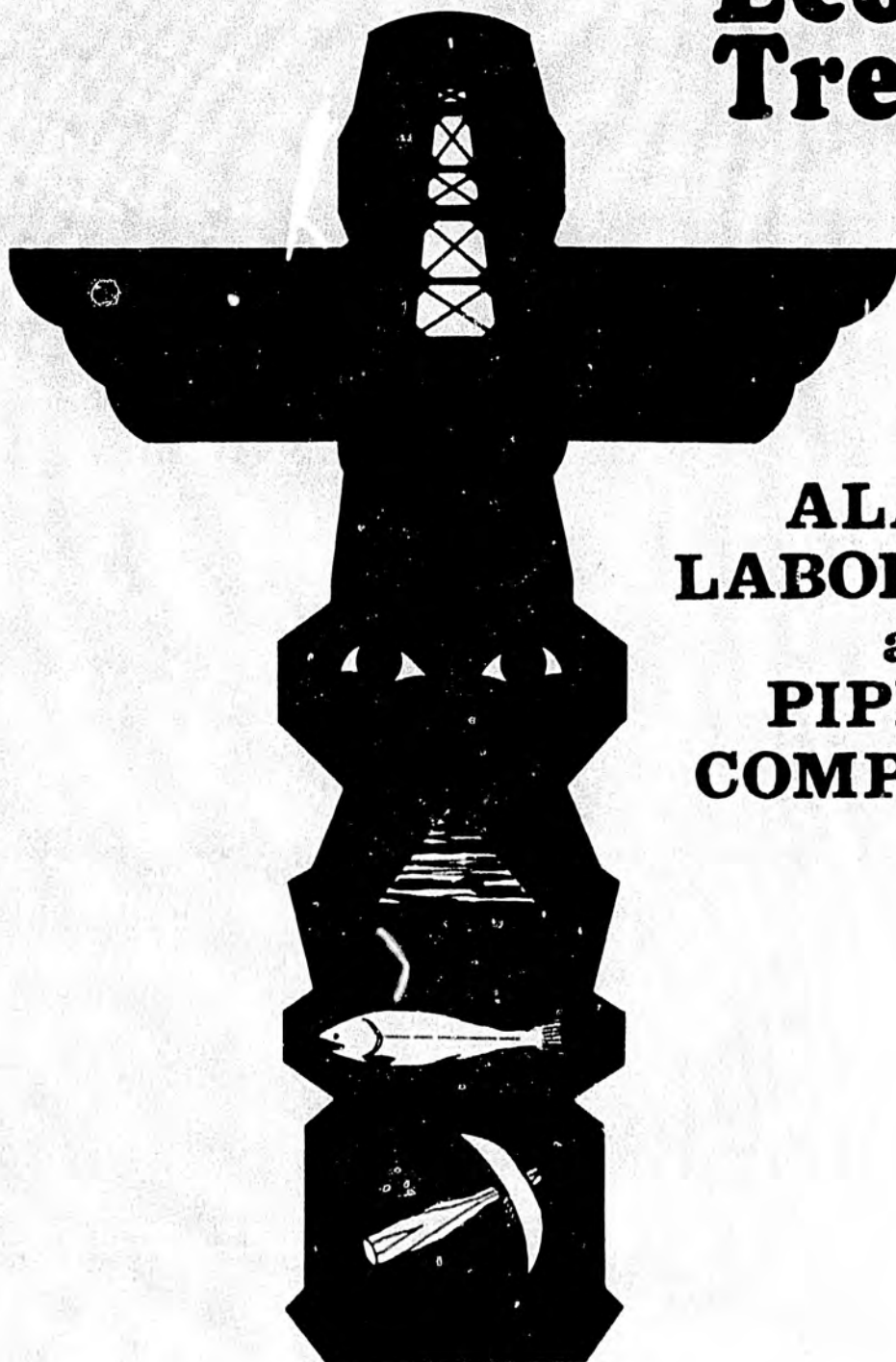
LAB 449

00655 G

ALASKA STATE LEGISLATURE
 PERMANENT FUND
 518 W 5TH AVE
 ANCHORAGE AK 99501



ALASKA Economic Trends



ALASKA LABOR FORCE and PIPELINE COMPLETION

JUNE 1977

STATE OF ALASKA • DEPARTMENT OF LABOR

Employment Security Division • Research and Analysis Section

JAY S. HAMMOND, GOVERNOR

ALASKA'S LABOR FORCE AND PIPELINE COMPLETION (A brief review and outlook)

By Christopher Miller

Currently, Alaska is going through the third and final phase of pipeline construction to impact the state's labor force. Phase one of the project consisted mainly of gearing up for the construction. Phase two was the actual construction of the line, and completion of the line and layoff of construction personnel is the last phase.

The effect of pipeline construction on Alaska's labor market can be seen as early as 1971. Unfortunately the pipeline's impact was somewhat negative at the time. Anticipation of the construction was in high gear until environmental and land claims issues put a halt to the project until the latter half of 1974. As a result many people were caught without anything to do. This created a jump in unemployment not experienced since the early sixties.

Actual construction of the trans-Alaska pipeline began in late 1974. The employment picture was already beginning to improve, as large numbers of workers were needed just to transport equipment and material to sites along the pipeline route. Due to the size and notoriety of the project immigration increased tremendously. Alaska's population began to grow rapidly, particularly in those areas close to the pipeline corridor. The city of Fairbanks was probably the most severely impacted by this population growth.

Pressure to complete the pipeline as soon as possible, as well as other factors, such as the sheer size of the project, climatic conditions, and isolation created a situation which soon had a tremendous impact throughout the state. The demand for almost every item available in Alaska skyrocketed. The most notable shortages were in housing, and to no one's surprise the amount of labor available to the local economy. Employers found it very difficult to compete for workers with the high wages paid to pipeline construction personnel. The tremendously high wages paid to pipeline workers occurred not so much from an extraordinarily high hourly wage, but from the almost unheard of amount of overtime

being worked. During peak condition it was not out of the ordinary for workers to put in 12 hours a day six or seven days a week.

During construction of the pipeline Alaska's economy boomed. New businesses sprung up every where in almost every major industry in the economy. Employment levels soared to record heights as business tried to keep up with the demand of the rapidly growing population. Economic activity continued at a feverish pace through all of 1975 and most of 1976, however, a slow down was in the offing as pipeline construction activity reached its peak around August 1976.

The first permanent layoffs along the pipeline began in October of 1976 and continued through November and December. By the end of the year approximately 10,000 pipeline workers had been laid off. The impact of this massive layoff was almost immediate. The CPS adjusted unemployment rate rose from 7.6 percent in October to a rate of 14.5 percent in February. Though unemployment records are not kept by individual firms, approximately one half of the total number of people claiming unemployment insurance were from the construction industry.

By March of this year, the final effort to finish the pipeline was well underway, however, the manpower needed to complete the project was substantially less than in previous years. Employment along the line reached a peak of about 10,500 workers during the month of April compared to the peak last year of approximately 23,000. Many ex-pipeline workers were unable to find pipeline work, and have now been forced to look elsewhere for employment. This has begun to create a surplus of labor in Alaska, where one year ago labor was at a premium.

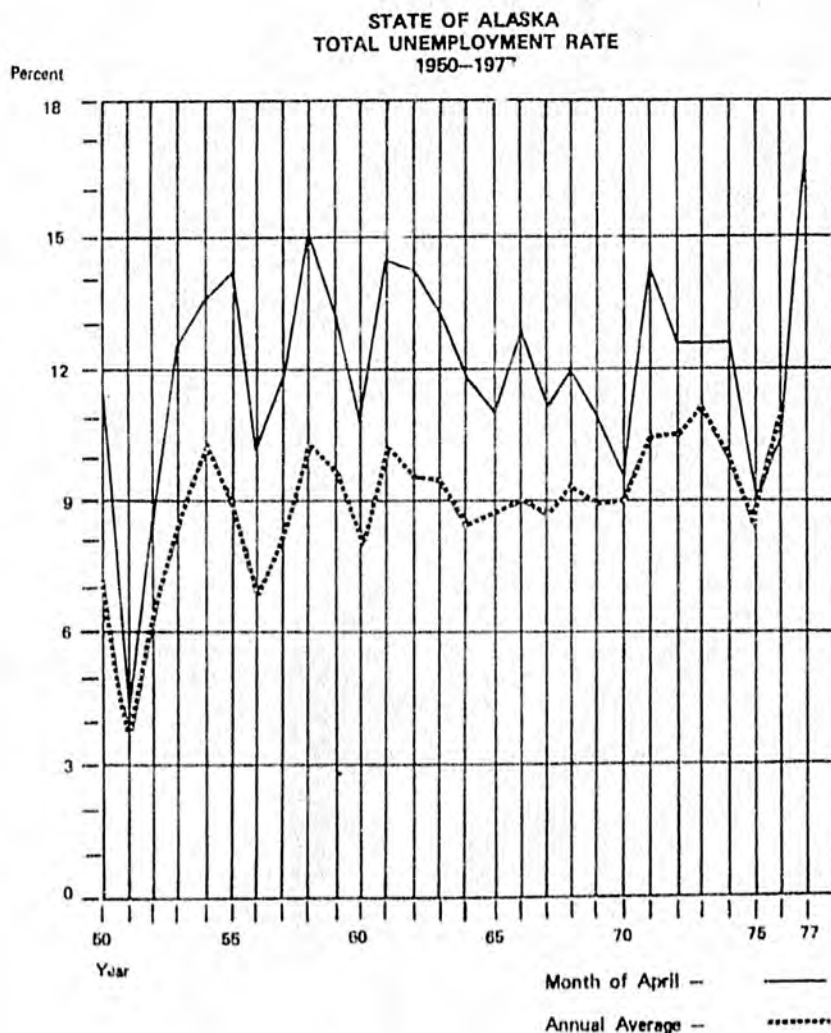
In April, unemployment in Alaska rose to a CPS adjusted rate of 15.4 percent. The unadjusted rate, which probably is more correct, rose to 16.9 percent. This is the first time this decade that the number of unemployed has increased during the month of April. This atypical trend most likely has its origins

in the decline of pipeline construction activity. A second round of layoffs began in May, and will continue to completion of the line in early July. By July the remaining 10,500 construction workers will be out of work. This massive layoff of workers will strengthen an already atypical employment trend. It is quite possible that Alaska's unemployment rate will rise during the early summer months of 1977, rather than decline as has been the case in more normal years.

Due to this large drop in construction employment other industries will also be affected in varying degrees. Those industries more closely involved in pipeline construction may experience a decline in activity by mid-summer as demand for their services begins to fall off. For industries not associated with pipeline construction, such as retail trade, any change in the current level of activity should take longer to take effect.

The coming summer employment season may help to ease some of the impact of pipeline completion. Summer is the normal time for increased employment, and most industries, with the possible exception of construction, should experience some growth in employment. However, this seasonal expansion of the economy will not provide nearly enough jobs to employ all of the pipeline workers looking for employment.

Looking beyond the summer months, Alaska's labor market will continue to decline, as the economy adjusts to a lower level of economic activity in the post pipeline era. It is generally agreed that Alaska's labor force will not return to prepipeline levels, but a reduction in total employment of approximately twelve percent in 1977 is quite likely.



ALASKA CIVILIAN LABOR FORCE SUMMARY 1/ 4/
BY PLACE OF RESIDENCE

Changes From:

	<u>4-77</u> ^{p/}	<u>3-77</u> ^{r/}	<u>4-76</u>	<u>3-77</u>	<u>4-76</u>	<u>4-77</u> [*]
CIVILIAN LABOR FORCE.....	159,800	153,800	156,900	6,000	2,900	197,500
INVOLVED IN WORK STOPPAGES.....	0	0	100	-	-	0
TOTAL UNEMPLOYMENT.....	24,600	21,700	12,900	2,900	11,700	33,300
Percent of Labor Force.....	15.4	14.1	8.2	-	-	16.9
TOTAL EMPLOYMENT <u>2/</u>	135,200	132,100	144,000	3,100	-8,800	164,200

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT 1/
BY PLACE OF WORK

Changes From:

	<u>4-77</u> ^{p/}	<u>3-77</u> ^{r/}	<u>4-76</u>	<u>3-77</u>	<u>4-76</u>
Nonagricultural Wage & Salary.....	154,900	151,500	168,300	3,400	-13,400
Mining.....	5,000	5,100	3,700	- 100	1,300
Construction.....	18,800	18,500	29,800	300	-11,000
Manufacturing.....	10,700	9,300	9,000	1,400	1,700
Durable Goods.....	3,200	2,900	2,700	300	500
Lumber, Wood Products.....	2,700	2,400	1,900	300	800
Other Durable Goods.....	500	500	800	0	- 300
Nondurable Goods.....	7,500	6,400	6,300	1,100	1,200
Food Processing.....	4,900	3,900	4,000	1,000	900
Other Nondurable Goods.....	2,600	2,500	2,300	100	300
Transp.-Comm. & Utilities.....	14,900	14,300	15,400	600	- 500
Trucking & Warehousing.....	3,200	2,800	3,000	400	200
Water Transportation.....	1,400	1,400	1,200	0	200
Air Transportation.....	4,200	4,100	4,600	100	- 400
Other Transp.-Comm. & Utilities..	6,100	6,000	6,600	100	- 500
Trade.....	26,400	26,000	27,300	400	- 900
Wholesale Trade.....	5,500	5,400	6,200	100	- 700
Retail Trade.....	20,900	20,600	21,100	300	- 200
General Merchandise & Apparel..	3,700	3,800	4,100	- 100	- 400
Food Stores.....	3,200	3,100	3,000	100	200
Eating & Drinking Places.....	6,600	6,500	6,300	100	300
Other Retail Trade.....	7,400	7,200	7,700	200	- 300
Finance-Insurance & Real Estate....	7,400	7,300	6,700	100	700
Services & Miscellaneous.....	25,600	25,100	28,900	500	-3,300
Government <u>3/</u>	46,100	45,900	47,500	200	-1,400
Federal.....	17,500	17,500	17,600	0	- 100
State.....	14,500	14,500	15,900	0	-1,400
Local.....	14,100	13,900	14,000	200	100

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

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

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

4/ Adjusted to add to the national totals produced by the Current Population Survey method.

* Not adjusted by the Current Population Survey method.

p/ Denotes preliminary estimates.

r/ Denotes revised estimates.

INDICATORS OF ALASKA ECONOMIC ACTIVITY*

INDICATOR	Most Recent Month	Previous Month	Year Ago
	<u>4-77</u>	<u>3-77</u>	<u>4-76</u>
Selected Economic Activity Measures			
Total Labor Force <u>a/</u>	161,786	160,045	160,750
Total Unemployment Rate <u>a/</u>	13.2	10.9	7.0
Insured Unemployment (weekly average) <u>a/ b/</u>	12,434	12,407	9,713
New Employers (unadjusted) <u>c/</u>	248	285	175
Nonagricultural Wage Payments (millions \$, unadjusted)...	267	261	242
Wage Payments in Mining, Manufacturing & Construction..	105	103	117
Employment (1967=100) <u>a/</u>			
Nonagricultural Wage & Salary.....	214.0	217.6	227.4
Mining.....	237.6	256.7	175.8
Construction.....	478.1	551.2	647.6
Manufacturing.....	176.2	180.1	148.2
Transportation-Communications & Utilities.....	204.7	208.0	211.6
Trade.....	234.2	234.6	239.4
Finance-Insurance & Real Estate.....	323.7	325.9	293.0
Services.....	291.1	295.8	328.6
Government.....	144.2	145.6	148.6
Alaska State Employment Service Activities			
Nonagricultural Placements (unadjusted).....	1,416	1,978	2,219
Nonagricultural Placements (daily average) <u>a/</u>	103	147	163
Banking Activities (millions \$, unadjusted) <u>e/</u>			
Loans & Investments.....	1,028	1,003	856
Demand Deposits.....	578	506	491
Time Deposits.....	468	492	419
	<u>2-77</u>	<u>1-77</u>	<u>2-76</u>
Personal Income (millions \$ Annual Rate) <u>d/</u>	4,457.6	4,433.7	3,105.9
Crude Petroleum Production (000 bbls., unadj.) <u>f/</u>	4,968	5,647	5,817

* All data seasonally adjusted unless otherwise noted. Current month preliminary.

a/ Seasonally adjusted by the 1966 U.S. Bureau of Labor Statistics seasonal adjustment method.

b/ Unemployment in Alaska insured by State law.

c/ Employers newly subject to the Alaska Employment Security Act.

d/ Source: Business Week Magazine, seasonally adjusted by the Alaska Employment Security Division.

e/ Source: Federal Reserve Bank of San Francisco. Members banks only.

f/ Source: Alaska Department of Natural Resources, Division of Mines and Minerals.

ALASKA'S LABOR MARKET IN APRIL

Employment and Unemployment: Unemployment continued to increase during the month of April. The number of unemployed in Alaska is estimated to be approximately 24,600 persons or 15.4 percent of civilian labor force. This is the first time that total unemployment has increased during the month of April since 1969, and is the highest unemployment rate in almost 20 years. The primary factor behind this atypical trend is the completion of the trans-Alaska pipeline.

Mining: Employment dropped slightly during the month of April. Most of this decline was in the oil industry and may have been caused by the spring thaw in the northern part of the state forcing some onshore oil operations to shut down.

Construction: The start-up of several non-pipeline related construction projects contributed to a modest increase in employment during the month of April. The tremendous seasonal expansion of the construction industry experienced in recent years may not occur this summer as a result of completion of the trans-Alaska pipeline. With completion of the pipeline, employment opportunities in this industry are expected to be significantly reduced. Completion of the pipeline may also have some effect on the amount of construction done elsewhere in the state. Many construction contractors are anticipating a drop in the volume of work done this summer.

Manufacturing: Employment in manufacturing increased by 15 percent during the month of April. Most of this increase occurred in the fish processing sector. Several canneries began operation during the month. Employment was also up in the logging industry, as many firms began gearing up for the summer season. Much of the work being done has been in road construction and other preparatory work.

Transportation: Employment in transportation increased by approximately four percent during the month of April, which is normal for this time of year. A majority of the increase was in the trucking and warehousing industry which was affected by increased activity by firms operating fish cold storage facilities.

Trade: Employment in the trade industry increased slightly during the month of April. Though some firms have reduced employment, most wholesale and retail businesses are maintaining a relatively stable level of employment.

Finance, Insurance & Real Estate: Employment improved slightly during the month of April. Continued growth in the banking sector, and improved employment opportunities in the real estate contributed to this growth in employment.

Service & Miscellaneous: Increased activity in the business services sector was a major factor behind the improved employment picture in the service industry during the month of April. However, it should be noted that with the completion of the trans-Alaska pipeline, employment in this industry is not expected to expand at the tremendous rate experienced during the last two or three years.

Government: Employment in the government sector remained relatively stable, increasing less than one percent during the month of April. Employment growth was mainly experienced on the local level, and may be attributed to normal spring maintenance.

Private IUR: Data on insured unemployment was not available at press time.

Manpower Resources: Alaska's unemployed labor pool continued to expand during the month of April. The length of unemployment has also been increasing over the past several months. Though a large percentage of the unemployed are from the construction industry, the occupational background of the unemployed is quite diversified. Clerical occupations are currently the largest group of unemployed, excluding the construction industry, experiencing a growth in unemployment.

Available Job Opportunities: The number of unfilled job openings available at Department of Labor Job Service offices declined during the month of April in almost all occupations. The decline in the number of unfilled job openings was most likely a result of the tremendous increase in the number of unemployed searching for work in a labor market that is experiencing only a small increase in new jobs.

Employment and Training Activities: The State of Alaska, prime sponsor for CETA programs for the balance of the State outside of the City of Anchorage, stated in their Solicitation for Proposals that, "Work intensive projects should provide a public service in the areas of: Housing and Winterization; Parks and Recreation; Public Works; Social Services; Environmental; Fire Protection; Law Enforcement; Creative Arts; Education." Applicants were urged to submit initial applications on or before July 1, 1977, for consideration by the Executive Committee of the Governor's Manpower Planning Council during July 1977. Applications received after July 1, will be considered at a later date.

Employment and Unemployment Outlook: It is estimated that the total unemployment rate for May will be approximately 15.1 percent (CPS adjusted).

CHARACTERISTICS OF THE INSURED UNEMPLOYED IN ALASKA

State Unemployment Insurance

Insured Unemployed
Based on Key Week

	4-77	3-77	4-76
Total Weeks Claimed.....	22,773	16,400	10,544

Characteristic	Percent Distribution		
Total.....	100	100	100

Sex and Age

Men			
Under 45.....	57	59	57
45 and over.....	18	18	19
Women			
Under 45.....	18	18	18
45 and over.....	5	5	6

Industry

Mining.....	2	2	3
Contract Construction.....	49	49	40
Manufacturing.....	8	9	11
Transp.-Comm. & Utilities...	9	10	11
Trade.....	11	10	14
Finance-Insurance & R. E....	3	2	3
Service & Miscellaneous.....	16	16	12
All Other.....	2	2	6

Occupation

Professional & Managerial...	7	5	7
Clerical & Sales.....	11	11	11
Service.....	9	9	10
Farming-Fishing & Forestry..	2	2	3
Processing.....	4	3	4
Machine Trades.....	4	5	5
Bench Work.....	-	1	1
Structural Work.....	43	42	39
Miscellaneous.....	17	19	17
Unknown.....	3	2	3

Length of Current Spell of Insured Unemployment

1-4 Weeks.....	26	28	29
5-14 Weeks.....	43	49	45
15 Weeks and over.....	31	23	26

AVAILABLE JOB OPPORTUNITIES 1/
ALASKA

UNFILLED JOB OPENINGS

<u>Occupation</u>	<u>April 1977</u>	<u>March 1977</u>
Professional & Managerial.....	181	203
Clerical.....	602	691
General Office.....	204	248
Book Keeping.....	299	339
Other.....	99	104
Sales.....	126	139
Domestic Service.....	46	47
Public Oriented Service.....	346	430
Food & Beverage Preparation.....	221	291
Lodging.....	40	45
Other.....	85	94
Farming, Fishing, Forestry.....	20	28
Processing.....	108	163
Machine Trades.....	85	91
Bench Work.....	46	42
Structural Work.....	180	230
Motor Freight & Transportation.....	90	124
Packaging and Materials Handling.....	71	78
Logging, Mining, Utilities.....	625	628

JOB OPENINGS UNFILLED AFTER 30 OR MORE DAYS

	<u>April 1977</u>	<u>March 1977</u>
Professional & Managerial.....	105	134
Clerical.....	411	506
General Office.....	136	170
Book Keeping.....	221	262
Other.....	54	74
Sales.....	80	98
Domestic Service.....	30	33
Public Oriented Service.....	237	312
Food & Beverage Preparation.....	132	205
Lodging.....	34	37
Other.....	71	70
Farming, Fishing, Forestry.....	19	20
Processing.....	84	161
Machine Trades.....	56	75
Bench Work.....	34	34
Structural Work.....	138	186
Motor Freight & Transportation.....	67	100
Packaging and Materials Handling.....	56	73
Logging, Mining, Utilities.....	620	626

ACTIVE APPLICANTS ON FILE

	<u>April 1977</u>	<u>March 1977</u>
Professional & Managerial.....	1,830	1,849
Clerical.....	2,435	2,318
General Office.....	790	768
Book Keeping.....	985	934
Other.....	660	616
Sales.....	599	552
Domestic Service.....	112	101
Public Oriented Service.....	2,036	2,038
Food & Beverage Preparation.....	1,153	1,172
Lodging.....	224	220
Other.....	659	646
Farming, Fishing, Forestry.....	290	257
Processing.....	278	279
Machine Trades.....	600	617
Bench Work.....	123	103
Structural Work.....	2,388	2,289
Motor Freight & Transportation.....	896	873
Packaging and Materials Handling.....	529	560
Logging, Mining, Utilities.....	350	312

1/ Data taken from the Employment Security Automated Reporting System (ESARS Table #96).

ANCHORAGE LABOR MARKET AREA

Highlights: The consumer price index for Anchorage has been released and indicates an inflation rate of 6.7 percent. This is the same annual growth rate that the index displayed at the first of the year, but is down considerably from the rate recorded during the pipeline buildup. The demand pull of the pipeline is gone but the national trend for large increases in consumer prices should keep the local annual rate at its present level or higher. Most goods consumed in this area are produced outside with the result that changes in the national CPI are reflected by changes in the Anchorage CPI.

The major dirt job coming up in the Anchorage area is the new north south runway at Anchorage International Airport. The clearing portion will be done this year with the earthwork starting in 1978. There is also some roadwork to be accomplished at the airport. Meanwhile, roadwork continues on the Muldoon Road project and the Glenn Highway near Peters Creek.

By the end of 1978, there will be some major upgrading in electrical power delivery to Anchorage. The new delivery loop will cross Knik Arm and the military reservations. This is in preference to the Cook Inlet crossing which had problems, or the overhead lines around the arm which stumbled over the Palmer Hay Flats. The capacity at the Beluga plant will be expanded by 130 megawatts to accompany the new delivery systems.

Employment: Total employment increased by a thousand this month as the seasonal economy gains momentum. This monthly change is not unusual and is similar to monthly changes in previous years. There are presently 2,800 more people employed in the Anchorage Labor Market Area than in April of last year. This is unusual in the sense that many people expected employment to decline in 1977. It is still possible for the annual average to show a decline, if monthly totals begin to reflect a lower level than last year. The actual end of pipeline construction, and the final layoffs are yet to occur and could have this effect. At this time the main effect of pipeline completion has been on unemployment and not local employment. Another factor which will contribute to a decline in economic activity is tourism. A decline in the number of tourist bookings is already being noted in the local area.

Mining: Employment in the industry rose at the start of the year and has now leveled off at 2,250, a considerable growth over last year. Oil industry exploration and development plus realignment of personnel caused by the completion of the pipeline seem to be responsible for the growth. The amount of this growth is so large that it seems unlikely that there will be any significant growth later in the year.

Construction: Employment in construction has finally turned up after a longer than normal seasonal decline. Employment in the industry will not match last years levels mainly because of local employment that was directly involved in pipeline construction. Other construction and resulting employment appears to be on a par with previous years. As construction is completed on existing projects, employment could fall off if new projects are not contracted. There is going to be a scarcity of new public projects and the private sector will probably be more cautious when starting a new project.

Manufacturing: Employment is not rising as rapidly this year resulting in an over-the-year decline of 50 workers. The industry will probably peak at a lower level this summer due to less pipeline influence, however this doesn't signal a new downward trend in employment.

Transportation, Communications and Utilities: The trend in employment in this industry is going to be up mainly because outer continental shelf activity will continue to make demands on the industry. The utilities sector will continue to expand since there was no spurt of activity associated with the pipeline. The communications sector is about to complete some pipeline contracts, but the Air Force is going to convert a military operation into a civilian one.

Trade: The only sector to show a decline in the industry is the General Merchantile and Apparel. This is significant because the larger firms respond very rapidly to changing business conditions. The expanding number of retail outlets continues to diminish the market share of individual locations making it difficult to get a true picture of the industry.

Finance, Insurance and Real Estate: Employment shows a growth of 500 compared to April of 1976. Most of this growth was accomplished last year in midsummer, and the trend has been essentially flat since July.

Service and Miscellaneous: The amount of growth so far this year is unusual considering how hesitant the growth pattern was last year along with the ending of the pipeline's service requirements this year.

Government: The local sector contributes most of the change to the industry. Even at that, local government employment continues to vary around a long range level of 5,500. Overall, government employment is at its highest level since 1975.

Private IUR: Data on insured unemployment was not available at press time.

Manpower Resources: The total number of unemployed increased by 500 this month in what is an unusual occurrence. Historically the number of unemployed begins declining in April as the seasonal growth in employment whittles away at the ranks of the unemployed. This year the pipeline is contributing unemployed from outside the labor market area faster than the local economy, even with seasonal growth, is employing workers. The result is a net gain in the number of unemployed even when employment is increasing. The immediate future will have larger numbers of workers terminated on the pipeline, but also larger numbers returning to work locally with a net result of a decline in unemployment. Obviously, there won't be an occupational match between the local employment and the workers coming off the pipeline. This will result in a more difficult unemployment situation for workers with pipeline associated skills.

Available Job Opportunities: The number of unfilled job openings at the Anchorage Job Service office declined from March to April. As in recent months, the drop in unfilled positions is more the result of increased competition among job seekers rather than a decline in the number of jobs that are available. The Anchorage economy has been fairly stable, and the number of job openings are reasonably plentiful. However, the tremendous number of unemployed entrants into the Anchorage labor market has outpaced the market's ability to provide new jobs.

Employment and Unemployment Outlook: It is estimated that the total unemployment rate for May will be approximately 10.9 percent.

CHARACTERISTICS OF THE INSURED UNEMPLOYED IN ANCHORAGE			
State Unemployment Insurance			
Insured Unemployed Based on Key Week			
	4-77	3-77	4-76
Total Weeks Claimed.....	7,831	6,134	4,013
Percent Distribution			
Characteristic	100	100	100
Total.....	100	100	100
Sex and Age			
Men			
Under 45.....	59	62	56
45 and over.....	20	18	19
Women			
Under 45.....	16	16	20
45 and over.....	5	4	5
Industry			
Mining.....	2	1	2
Contract Construction.....	56	55	46
Manufacturing.....	3	5	5
Transp.-Comm. & Utilities...	7	8	10
Trade.....	12	12	17
Finance-Insurance & R. E....	2	3	3
Service & Miscellaneous.....	16	15	14
All Other.....	1	1	3
Occupation			
Professional & Managerial...	7	6	8
Clerical & Sales.....	13	13	15
Service.....	9	8	10
Farming-Fishing & Forestry..	-	1	-
Processing.....	1	1	1
Machine Trades.....	2	3	3
Bench Work.....	-	1	-
Structural Work.....	47	46	42
Miscellaneous.....	17	19	17
Unknown.....	4	2	4
Length of Current Spell of Insured Unemployment			
1-4 Weeks.....	31	32	33
5-14 Weeks.....	42	48	46
15 Weeks and over.....	27	20	21

**ANCHORAGE CIVILIAN LABOR FORCE SUMMARY 1/ 4/
BY PLACE OF RESIDENCE**

Changes From:

	<u>p/</u> <u>4-77</u>	<u>r/</u> <u>3-77</u>	<u>4-76</u>	<u>3-77</u>	<u>4-76</u>	<u>4-77</u> *
CIVILIAN LABOR FORCE.....	73,800	72,300	67,700	1,500	6,100	90,900
INVOLVED IN WORK STOPPAGES.....	0	0	0	-	-	0
TOTAL UNEMPLOYMENT.....	8,100	7,600	4,800	500	3,300	11,100
Percent of Labor Force.....	10.9	10.5	7.1	-	-	12.2
TOTAL EMPLOYMENT 2/.....	65,700	64 700	62,900	1,000	2,800	79,800

**NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT 1/
BY PLACE OF WORK**

Changes From:

	<u>p/</u> <u>4-77</u>	<u>r/</u> <u>3-77</u>	<u>4-76</u>	<u>3-77</u>	<u>4-76</u>
Nonagricultural Wage & Salary.....	74,100	72,850	70,900	1,250	3,200
Mining.....	2,250	2,250	1,350	0	900
Construction.....	5,650	5,500	6,250	150	-600
Manufacturing.....	1,550	1,450	1,600	100	- 50
Food Processing.....	500	450	300	50	200
Other Manufacturing.....	1,050	1,000	1,300	50	-250
Transp.-Comm. & Utilities.....	7,150	7,050	7,100	100	50
Trucking & Warehousing.....	1,400	1,250	1,250	150	150
Water Transportation.....	400	350	400	50	0
Air Transportation.....	2,500	2,450	2,650	50	-150
Other Transp.-Comm. & Utilities..	2,850	3,000	2,800	-150	50
Trade.....	15,950	15,800	15,750	150	200
Wholesale Trade.....	4,000	3,950	4,250	50	-250
Retail Trade.....	11,950	11,850	11,500	100	450
General Merchandise & Apparel..	2,000	2,050	2,300	- 50	-300
Food Stores.....	1,500	1,450	1,200	50	300
Eating & Drinking Places.....	3,850	3,850	3,550	0	300
Other Retail Trade.....	4,600	4,500	4,450	100	150
Finance-Insurance & Real Estate....	4,550	4,450	4,050	100	500
Services & Miscellaneous.....	16,950	16,650	15,450	300	1,500
Government 3/.....	20,050	19,700	19,350	350	700
Federal.....	10,000	10,000	9,750	0	250
State.....	4,400	4,350	3,850	50	550
Local.....	5,650	5,350	5,750	300	-100

1/ Data contained in this report cover the Anchorage Election District area, which includes the City of Anchorage, the residential communities of Campbell, Spenard, Merrill Field, Mountain View, Elmendorf Air Force Base, Fort Richardson, and the interconnecting highways.

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

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

4/ Adjusted to add to the national totals produced by the Current Population Survey method.

* Not adjusted by the Current Population Survey method.

p/ Denotes preliminary estimates.

r/ Denotes revised estimates.

AVAILABLE JOB OPPORTUNITIES 1/
ANCHORAGE

UNFILLED JOB OPENINGS

Occupation	April 1977	March 1977
Professional & Managerial.....	108	133
Clerical.....	377	436
General Office.....	155	184
Book Keeping.....	153	153
Other.....	69	99
Sales.....	97	109
Domestic Service.....	27	30
Public Oriented Service.....	264	306
Food & Beverage Preparation.....	184	219
Lodging.....	34	36
Other.....	46	51
Farming, Fishing, Forestry.....	5	7
Processing.....	17	7
Machine Trades.....	59	64
Bench Work.....	26	21
Structural Work.....	122	145
Motor Freight & Transportation.....	66	81
Packaging and Materials Handling.....	49	48
Logging, Mining, Utilities.....	8	8

JOB OPENINGS UNFILLED AFTER 30 OR MORE DAYS

	April 1977	March 1977
Professional & Managerial.....	62	85
Clerical.....	247	301
General Office.....	108	121
Book Keeping.....	99	129
Other.....	40	51
Sales.....	63	79
Domestic Service.....	20	18
Public Oriented Service.....	186	225
Food & Beverage Preparation.....	124	154
Lodging.....	30	29
Other.....	32	42
Farming, Fishing, Forestry.....	5	7
Processing.....	7	7
Machine Trades.....	38	53
Bench Work.....	16	13
Structural Work.....	89	109
Motor Freight & Transportation.....	46	61
Packaging and Materials Handling.....	38	46
Logging, Mining, Utilities.....	6	7

ACTIVE APPLICANTS ON FILE

	April 1977	March 1977
Professional & Managerial.....	881	961
Clerical.....	1,176	1,165
General Office.....	346	362
Book Keeping.....	488	466
Other.....	342	337
Sales.....	259	257
Domestic Service.....	29	27
Public Oriented Service.....	808	878
Food & Beverage Preparation.....	481	532
Lodging.....	61	61
Other.....	266	285
Farming, Fishing, Forestry.....	31	20
Processing.....	41	56
Machine Trades.....	181	223
Bench Work.....	54	44
Structural Work.....	767	824
Motor Freight & Transportation.....	303	318
Packaging and Materials Handling.....	229	269
Logging, Mining, Utilities.....	62	74

1/ Data taken from the Employment Security Automated Reporting System (ESARS Table #96).

FAIRBANKS LABOR MARKET AREA

Nonagricultural wage and salary employment declined by 50 workers in the Fairbanks region. This decline in total employment was accompanied by an increase of 500 in the civilian labor force. The combination of shrinking labor demand and increasing labor supply resulted in an increase in the unemployment rate from 15.8 percent in March to 18.0 percent in April. With the conclusion of the Alyeska pipeline construction project, it is expected that unemployment will remain unusually high into the summer season.

Construction related employment was down 100 from March. This was an unusual trend and again is attributable to the pipeline slowdown. There were 2,450 fewer construction related jobs during April than at the same time in 1976. Another index of construction activity, the total building permit valuation for the City of Fairbanks, also evidences a substantial decline in area building projects. However, several major construction projects are planned for the summer season. These include the Farmer's Loop to Fox road highway project, the Chena River flood control project, and Fairbanks airport taxiway improvements.

Transportation and Trade groups showed advances in employment for the month of April, the only exception being a decline in wholesale trade. Retail trade employment increased from March although the past year has seen a 13 percent decrease in retail employment. Transportation, unlike trade and construction, maintained relative stability with respect to April 1976 employment numbers.

Service related industries have been very sensitive to pipeline construction. Service employed workers decreased by 1,300 when comparing April 1976. This represents a 24 percent reduction in the total work force. Although April showed a gain over March in Service employment it is not expected to be a strong segment in future employment.

If you accept the premise that economic activity will not return to prepipeline levels, but rather to some level that normal growth would have accomplished, then more than half of the employment decline has already taken place. Total nonagricultural wage and salary employment is down 4,800 compared to April

1976, and is now 22,250. In April 1973, before any major pipeline impact, nonagricultural wage and salary was 15,096, and even in April 1974 when the pipeline building had started, the level was only 16,996.

CHARACTERISTICS OF THE INSURED UNEMPLOYED IN FAIRBANKS

State Unemployment Insurance

Insured Unemployed
Based on Key Week

	4-77	3-77	4-76
Total Weeks Claimed.....	4,797	3,322	1,465

Characteristic	Percent Distribution		
Total.....	100	100	100

Sex and Age

Sex	Age		
Men			
Under 45.....	58	59	58
45 and over.....	18	17	19
Women			
Under 45.....	19	19	19
45 and over.....	5	5	4

Industry

Mining.....	-	1	1
Contract Construction.....	59	58	46
Manufacturing.....	2	1	5
Transp.-Comm. & Utilities...	12	15	16
Trade.....	10	9	15
Finance-Insurance & R. E....	1	1	1
Service & Miscellaneous.....	15	14	13
All Other.....	1	1	3

Occupation

Professional & Managerial...	7	5	10
Clerical & Sales.....	10	9	8
Service.....	10	10	11
Farming-Fishing & Forestry..	-	-	-
Processing.....	1	-	1
Machine Trades.....	4	6	7
Bench Work.....	-	1	-
Structural Work.....	41	42	36
Miscellaneous.....	19	22	23
Unknown.....	8	4	4

Length of Current Spell of Insured Unemployment

1-4 Weeks.....	30	34	40
5-14 Weeks.....	42	51	45
15 Weeks and over.....	28	15	15

**FAIRBANKS CIVILIAN LABOR FORCE SUMMARY 1/ 4/
BY PLACE OF RESIDENCE**

Changes From:

	<u>4-77</u> ^{p/}	<u>3-77</u> ^{r/}	<u>4-76</u>	<u>3-77</u>	<u>4-76</u>	<u>4-77</u> [*]
CIVILIAN LABOR FORCE.....	20,100	19,600	21,600	500	-1,500	25,100
INVOLVED IN WORK STOPPAGES.....	0	0	100	-	-	0
TOTAL UNEMPLOYMENT.....	3,600	3,100	1,600	500	2,000	5,100
Percent of Labor Force.....	18.0	15.8	7.1	-	-	20.2
TOTAL EMPLOYMENT 2/.....	16,500	16,500	20,000	0	-3,500	20,000

**NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT 1/
BY PLACE OF WORK**

Changes From:

	<u>4-77</u> ^{p/}	<u>3-77</u> ^{r/}	<u>4-76</u>	<u>3-77</u>	<u>4-76</u>
Nonagricultural Wage & Salary.....	22,250	22,200	27,050	50	-4,800
Mining.....	150	100	100	50	50
Construction.....	2,200	2,300	4,650	-100	-2,450
Manufacturing.....	400	350	350	50	50
Food Processing.....	50	50	50	0	0
Other Manufacturing.....	350	300	300	50	50
Transp.-Comm. & Utilities.....	3,400	3,350	3,500	50	-100
Trucking & Warehousing.....	1,200	1,150	1,200	50	0
Water Transportation.....	50	50	50	0	0
Air Transportation.....	750	750	800	0	- 50
Other Transp.-Comm. & Utilities..	1,400	1,400	1,450	0	- 50
Trade.....	4,000	3,950	4,700	50	-700
Wholesale Trade.....	700	750	950	- 50	-250
Retail Trade.....	3,300	3,200	3,750	100	-450
General Merchandise & Apparel..	450	450	550	0	-100
Food Stores.....	600	600	600	0	0
Eating & Drinking Places.....	900	800	1,150	100	-250
Other Retail Trade.....	1,350	1,350	1,450	0	-100
Finance-Insurance & Real Estate....	950	1,000	950	- 50	0
Services & Miscellaneous.....	4,050	3,950	5,350	100	-1,300
Government 3/.....	7,100	7,200	7,450	-100	-350
Federal.....	2,350	2,450	2,400	-100	- 50
State.....	2,900	2,900	3,200	0	-300
Local.....	1,850	1,850	1,850	0	0

1/ Data contained in this report covers the Fairbanks Election District area which includes the city of Fairbanks, the residential communities of College, International Airport, Fort Wainwright, Eielson Air Force Base, Farmer's Loop Road, Slaterville, Gilmore, Tok Junction, Big Delta and the inter-connecting highways.

2/ Includes: domestics, nonagricultural self-employed and unpaid family workers, agricultural workers and adjustment for commuting.

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

4/ Adjusted to add to the national totals produced by the Current Population Survey method.

* Not adjusted by the Current Population Survey method.

p/ Denotes preliminary estimates.

r/ Denotes revised estimates.

HOURS AND EARNINGS - SELECTED INDUSTRIES ^{1/}

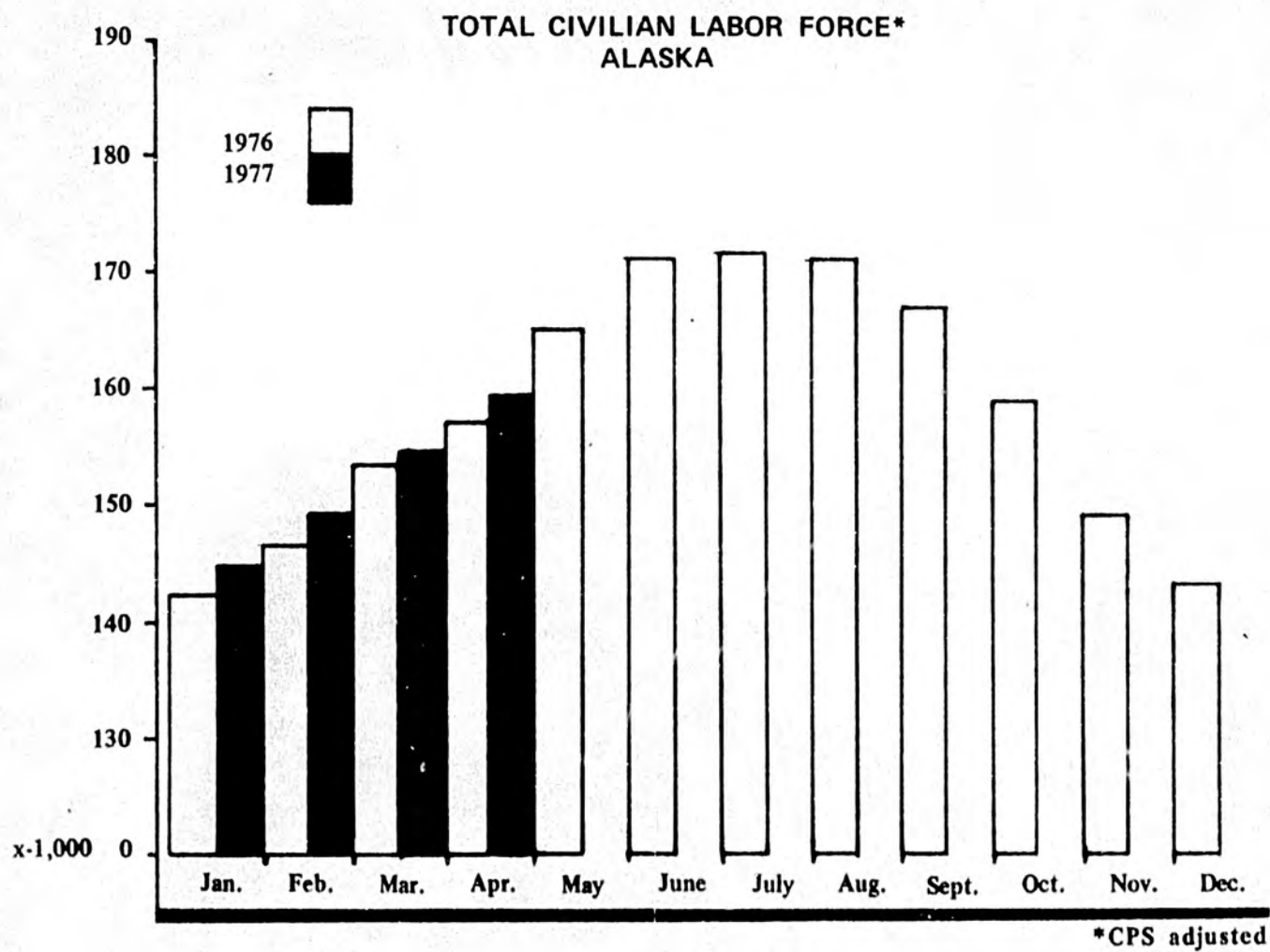
	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	<u>3-77</u>	<u>2-77</u>	<u>3-76</u>	<u>3-77</u>	<u>2-77</u>	<u>3-76</u>	<u>3-77</u>	<u>2-77</u>	<u>3-76</u>
MINING.....	\$694.78	\$735.11	\$725.74	50.9	53.0	54.2	\$13.65	\$13.87	\$13.39
CONTRACT CONSTRUCTION.....	876.68	920.96	977.06	50.5	53.7	61.8	17.36	17.15	15.81
MANUFACTURING.....	368.08	353.60	307.89	43.0	43.6	40.3	8.56	8.11	7.64
Food Processing.....	260.96	265.37	192.84	46.6	47.9	38.8	5.60	5.54	4.97
Logging-Lumber & Pulp.....	414.17	402.11	389.08	41.5	41.2	42.2	9.98	9.76	9.22
WHOLESALE TRADE.....	333.38	343.00	324.75	39.5	40.4	39.7	8.44	8.49	8.18
RETAIL TRADE ^{2/}	226.97	218.68	228.81	31.7	30.8	34.1	7.16	7.10	6.71
FINANCE-INSURANCE & REAL ESTATE..	216.38	197.74	182.08	-	-	-	-	-	-

EXPLANATION NOTES:

AVERAGE HOURS & EARNINGS SERIES: Averages are based on data for full- and part-time production and non-supervisory workers and are for gross earnings and hours worked, or paid for, including overtime pay and hours. Administrative, supervisory, technical, and office personnel are excluded.

1/ Prepared in cooperation with Bureau of Labor Statistics, U. S. Department of Labor.

2/ Excluded eating and drinking places.



ALASKA
DEPARTMENT OF LABOR
EMPLOYMENT SECURITY DIVISION
OFFICIAL BUSINESS

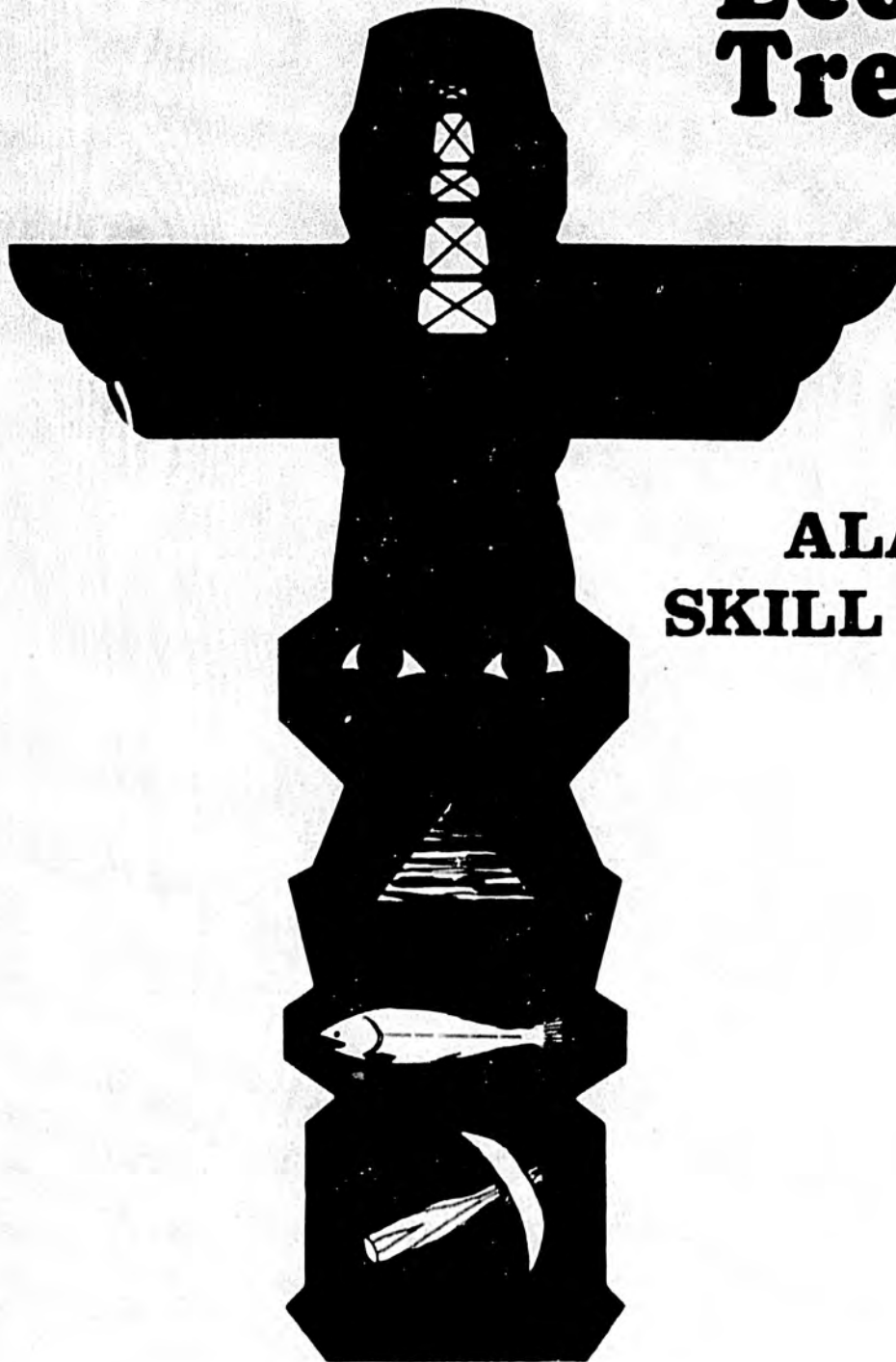
00655 G

ALASKA STATE LEGISLATURE
PERMANENT FUND
538 W 5TH AVE
ANCHORAGE AK 99501

EMPLOYMENT SECURITY MAIL
POSTAGE AND FEES PAID

LAB 449

ALASKA Economic Trends



**ALASKA
SKILL CENTER**

MAY 1977

STATE OF ALASKA • DEPARTMENT OF LABOR

Employment Security Division • Research and Analysis Section

JAY S. HAMMOND, GOVERNOR

ALASKA SKILL CENTER

According to Jerry Hiley, Director of Vocational and Continuing Education in the Department of Education, the seven-year-old Alaska Skill Center in Seward is in the initial stages of evolving into a more sophisticated vocational-technical school. Hiley is responsible for the day-to-day operation of the institution.

A conspicuous monolith towering the Seward skyline will notate the addition of the newest course. The course, which began April 4 with an enrollment of 24, is on oilfield utility technology. The monolith is a working 96-foot oil derrick capable of a 6,000 foot drilling depth. Most of the cost of the \$230,000 derrick was donated by the John Cassidy Companies, an Oklahoma oil firm. Federal Manpower monies covered about \$90,000 of that cost.

Hiley expects delivery of the derrick in June and erection on school property 1½ miles north of Seward later this summer.

The course was added to the mechanical cluster of courses at the skill center, one of four course clusters offered. Upon completion of the six month course, graduates can qualify for entry level oilfield jobs or can enter a petrochemical course leading to an associates degree at Kenai Peninsula Community College.

"I think it's going to be one of the best courses in the state," Hiley said, adding that the Alaska oil industry has endorsed the course. "The knowledge the students gain from the course will enable any graduate to hold jobs particularly in Alaska; it has great potential for the future."

The three other course clusters, building trades (carpentry, plumbing, electrical furnace repair), culinary (cooks, bakers), office occupations (typing, bookkeeping, filing) also are geared to train Alaskans to land jobs in Alaska. And with the addition of courses such as the oil utility course, the skill center is responding to the changing needs of the state's varied industries.

"One of the things that industrial representatives are emphasizing is that they want people trained at a higher level," Hiley said.

"We have always been geared pretty much to the basic entry level, or channeled students into an entry level job or to an on-the-job training program following their classroom training, but now they're beginning to ask for more technical people."

In the past, the skill center program has prepared students for job needs on the trans-Alaska pipeline. As job demands from the almost completed pipeline quieted, the skill center shifted its focus from training people for construction jobs to training people for pipeline finishing work, such as line insulators and pump station workers.

The new oilfield technology course is the center's initial effort to supply a continuing need of personnel to industry for routine oilfield work.

The center, the only residential training center for adults in Alaska, is capable of handling 175 students, some of whom go on to brighter-than-ever futures. For instance, skill center graduates have enjoyed a dramatic increase in wages over what they were earning prior to enrollment. A survey of more than 900 former students revealed that pre-training annual salaries averaged \$1,755 while post-training salaries leaped to \$8,628. Twenty-six had incomes more than \$20,000 annually.

Graduates today, estimates indicate, will gross more than \$5 million in annual wages and will pay back some \$1 million in taxes, a figure that exceeds training costs at the school.

The center curriculum includes high school completion through the General Education Development program. Although 100 of the equivalency diplomas are awarded annually, students are not required to obtain GEDs to graduate from one of the center's clusters.

Driver Education also is offered. Some 75 percent of the students lack drivers licenses. Counseling is offered to help trainees understand legal and health responsibilities.

During the two years from the beginning of 1974 to the end of 1975, a total of 919 students graduated from the center. Some 593 were Native Alaskans

and 307 were Caucasians. A total of 19 represent other ethnic groups.

Enrollment in the fall of 1976 indicated 65 percent were men and 35 percent women.

The skill center has removed many Alaskans from public assistance roles. Of 276 trainees surveyed during the first quarter of 1975 some 142, or 51 percent, had been on public assistance sometime since 1969. Immediately prior to enrolling at the school, 31.9 percent were receiving assistance of various types.

A post training review of the 142 students indicated that only 20, or 14 percent of the original 275, had received public assistance since entering training.

Federal Manpower dollars support about 80 percent of total tuition costs, and room and board payments.

ALASKA'S LABOR MARKET IN MARCH

Employment and Unemployment: Alaska's unemployment rate dropped slightly from 14.5 percent in February to 14.4 percent in March. Though the actual number of unemployed still increased slightly during the month of March, a moderate increase in total employment produced the drop in the unemployment rate. The improved employment picture during the month of March was primarily the result of seasonal activity. Those industries which are normally thought to be highly seasonal showed some increase in employment during the month of March. It should be pointed out that the seasonal increases in employment experienced in recent years will not occur this year. The completion of the trans-Alaska pipeline is the main factor behind this new trend. Not only will there be just a modest increase in seasonal employment this summer, but as the pipeline is completed in early summer there will be a mass layoff of workers almost similar to that experienced during the months of October, November, and December of 1976. This massive layoff of workers will actually produce an atypical trend during the summer of 1977, with total employment actually declining slightly rather than increasing.

Mining: Employment in the mining industry rose 2 percent during the month of March. Increased activity in the oil industry continues to be a major source of new employment in this industry.

Construction: Employment in the construction industry is showing signs of seasonal improvement. There are several projects throughout the state which began to get underway during the month of March. Employment also increased along the trans-Alaska pipeline where it is estimated that employment will peak at approximately 10,500 persons by early April.

Manufacturing: Employment in the manufacturing industries continues to be above levels experienced one year ago. Improved employment opportunities in the lumber and wood products industry continue

CHARACTERISTICS OF THE INSURED UNEMPLOYED IN ALASKA			
State Unemployment Insurance			
Insured Unemployed Based on Key Week			
	3-77	2-77	3-76
Total Weeks Claimed.....	16,400	16,341	12,883
Percent Distribution			
Characteristic	100	100	100
Total.....	100	100	100
Sex and Age			
Men			
Under 45.....	59	60	57
45 and over.....	18	19	20
Women			
Under 45.....	18	16	17
45 and over.....	5	5	6
Industry			
Mining.....	2	2	3
Contract Construction.....	49	51	43
Manufacturing.....	9	8	12
Transp.-Comm. & Utilities...	10	10	11
Trade.....	10	10	12
Finance-Insurance & R. E....	2	3	2
Service & Miscellaneous.....	16	14	12
All Other.....	2	2	5
Occupation			
Professional & Managerial...	6	6	7
Clerical & Sales.....	11	10	10
Service.....	9	10	10
Farming-Fishing & Forestry..	2	2	2
Processing.....	3	3	4
Machine Trades.....	5	6	5
Bench Work.....	1	-	-
Structural Work.....	42	41	41
Miscellaneous.....	19	21	18
Unknown.....	2	1	3
Length of Current Spell of Insured Unemployment			
1-4 Weeks.....	28	29	32
5-14 Weeks.....	49	52	46
15 Weeks and over.....	23	19	22

ALASKA CIVILIAN LABOR FORCE SUMMARY 1/ 4/
BY PLACE OF RESIDENCE

Changes From:

	<u>p/</u> <u>3-77</u>	<u>r/</u> <u>2-77</u>	<u>3-76</u>	<u>2-77</u>	<u>3-76</u>	<u>3-77</u> *
CIVILIAN LABOR FORCE.....	150,600	148,800	153,500	1,800	-2,900	186,900
INVOLVED IN WORK STOPPAGES.....	0	0	100	-	-	0
TOTAL UNEMPLOYMENT.....	21,700	21,600	14,800	100	6,900	30,300
Percent of Labor Force.....	14.4	14.5	9.7	-	-	16.2
TOTAL EMPLOYMENT <u>2/</u>	128,900	127,200	138,700	1,700	-9,800	156,600

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT 1/
BY PLACE OF WORK

Changes From:

	<u>p/</u> <u>3-77</u>	<u>r/</u> <u>2-77</u>	<u>3-76</u>	<u>2-77</u>	<u>3-76</u>
Nonagricultural Wage & Salary.....	150,500	149,000	162,100	1,500	-11,600
Mining.....	5,000	4,900	3,800	100	1,200
Construction.....	17,500	17,000	26,800	500	-9,300
Manufacturing.....	9,100	8,500	8,000	600	1,100
Durable Goods.....	2,800	2,100	2,100	700	700
Lumber, Wood Products.....	2,300	1,600	1,400	700	900
Other Durable Goods.....	500	500	700	0	-200
Nondurable Goods.....	6,300	6,400	5,900	-100	400
Food Processing.....	3,800	3,900	3,600	-100	200
Other Nondurable Goods.....	2,500	2,500	2,300	0	200
Transp.-Comm. & Utilities.....	14,300	14,300	15,200	0	-900
Trucking & Warehousing.....	2,800	2,800	3,000	0	-200
Water Transportation.....	1,400	1,400	1,100	0	300
Air Transportation.....	4,000	4,000	4,500	0	-500
Other Transp.-Comm. & Utilities..	6,100	6,100	6,600	0	-500
Trade.....	26,200	26,700	26,100	-500	100
Wholesale Trade.....	5,400	5,400	6,100	0	-700
Retail Trade.....	20,800	21,300	20,000	-500	800
General Merchandise & Apparel..	3,900	4,000	3,900	-100	0
Food Stores.....	3,100	3,100	2,800	0	300
Eating & Drinking Places.....	6,500	6,800	6,000	-300	500
Other Retail Trade.....	7,300	7,400	7,300	-100	0
Finance-Insurance & Real Estate....	7,300	7,400	6,600	-100	700
Services & Miscellaneous.....	25,400	24,800	28,500	600	-3,100
Government <u>3/</u>	45,700	45,400	47,100	300	-1,400
Federal.....	17,500	17,500	17,700	0	-200
State.....	14,300	14,000	15,600	300	-1,300
Local.....	13,900	13,900	13,800	0	100

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

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

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

4/ Adjusted to add to the national totals produced by the Current Population Survey method.

* Not adjusted by the Current Population Survey method.

p/ Denotes preliminary estimates.

r/ Denotes revised estimates.

INDICATORS OF ALASKA ECONOMIC ACTIVITY*

INDICATOR	Most Recent Month	Previous Month	Year Ago
	<u>3-77</u>	<u>2-77</u>	<u>3-76</u>
Selected Economic Activity Measures			
Total Labor Force <u>a/</u>	157.0	159.1	160.1
Total Unemployment Rate <u>a/</u>	11.1	11.3	7.3
Insured Unemployment (weekly average) <u>a/ b/</u>	12,407	10,300	8,587
New Employers (unadjusted) <u>c/</u>	285	150	414
Nonagricultural Wage Payments (millions \$, unadjusted)...	248	244	242
Wage Payments in Mining, Manufacturing & Construction..	87	84	117
Employment (1967=100) <u>a/</u>			
Nonagricultural Wage & Salary.....	211.7	214.2	228.0
Mining.....	251.6	261.9	191.3
Construction.....	444.5	453.9	680.3
Manufacturing.....	176.2	180.8	154.9
Transportation-Communications & Utilities.....	208.0	208.7	221.1
Trade.....	236.4	245.0	235.5
Finance-Insurance & Real Estate.....	325.9	332.1	294.6
Services.....	299.4	298.2	335.9
Government.....	145.0	145.2	149.4
Alaska State Employment Service Activities			
Nonagricultural Placements (unadjusted).....	1,978	1,155	2,219
Nonagricultural Placements (daily average) <u>a/</u>	90	64	101
Banking Activities (millions \$, unadjusted) <u>e/</u>			
Loans & Investments.....	1,003	991	819
Demand Deposits.....	506	518	510
Time Deposits.....	492	489	421
	<u>1-77</u>	<u>12-76</u>	<u>1-76</u>
Personal Income (millions \$ Annual Rate) <u>d/</u>	4433.7	4384.8	3105.9
Crude Petroleum Production (000 bbls., unadj.) <u>f/</u>	5,647	5,765	6,305

* All data seasonally adjusted unless otherwise noted. Current month preliminary.
a/ Seasonally adjusted by the 1966 U.S. Bureau of Labor Statistics seasonal adjustment method.

b/ Unemployment in Alaska insured by State law.

c/ Employers newly subject to the Alaska Employment Security Act.

d/ Source: Business Week Magazine, seasonally adjusted by the Alaska Employment Security Division.

e/ Source: Federal Reserve Bank of San Francisco. Members banks only.

f/ Source: Alaska Department of Natural Resources, Division of Mines and Minerals.

AVAILABLE JOB OPPORTUNITIES 1/

ALASKA

UNFILLED JOB OPENINGS

Occupation	March 1977	Feb. 1977
Professional & Managerial.....	203	182
Clerical.....	691	679
General Office.....	248	243
Book Keeping.....	339	323
Other.....	104	113
Sales.....	139	132
Domestic Service.....	47	52
Public Oriented Service.....	430	452
Food & Beverage Preparation.....	291	294
Lodging.....	45	59
Other.....	94	99
Farming, Fishing, Forestry.....	28	33
Processing.....	163	206
Machine Trades.....	91	108
Bench Work.....	42	44
Structural Work.....	230	253
Motor Freight & Transportation.....	124	127
Packaging and Materials Handling.....	78	90
Logging, Mining, Utilities.....	628	633

JOB OPENINGS UNFILLED AFTER 30 OR MORE DAYS

	March 1977	Feb. 1977
Professional & Managerial.....	134	137
Clerical.....	506	567
General Office.....	170	195
Book Keeping.....	262	287
Other.....	74	85
Sales.....	98	104
Domestic Service.....	33	42
Public Oriented Service.....	312	402
Food & Beverage Preparation.....	205	262
Lodging.....	37	51
Other.....	70	89
Farming, Fishing, Forestry.....	20	31
Processing.....	161	202
Machine Trades.....	75	98
Bench Work.....	34	42
Structural Work.....	186	227
Motor Freight & Transportation.....	100	120
Packaging and Materials Handling.....	73	84
Logging, Mining, Utilities.....	626	628

ACTIVE APPLICANTS ON FILE

	March 1977	Feb. 1977
Professional & Managerial.....	1,849	1,771
Clerical.....	2,318	2,186
General Office.....	768	723
Book Keeping.....	934	876
Other.....	616	587
Sales.....	552	499
Domestic Service.....	101	106
Public Oriented Service.....	2,038	1,761
Food & Beverage Preparation.....	1,172	1,011
Lodging.....	220	195
Other.....	646	555
Farming, Fishing, Forestry.....	257	214
Processing.....	279	254
Machine Trades.....	617	556
Bench Work.....	103	99
Structural Work.....	2,289	2,023
Motor Freight & Transportation.....	873	807
Packaging and Materials Handling.....	560	514
Logging, Mining, Utilities.....	312	240

1/ Data taken from the Employment Security Automated Reporting System (ESARS Table #96).

REVISED STATEWIDE 1976 EMPLOYMENT

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Annual Average
Total Non-agricultural	149,700	155,300	162,100	168,300	176,500	183,200	188,800	192,500	187,400	177,000	164,000	155,400	171,700
Mining	3,400	3,700	3,800	3,700	3,600	3,900	4,300	4,300	4,300	4,200	4,200	4,200	4,000
Construction	19,900	22,800	26,800	29,800	33,000	35,400	38,700	39,400	37,200	33,200	26,400	20,000	30,200
Manufacturing	6,700	7,500	8,000	9,000	10,500	12,000	14,100	14,800	13,100	11,700	9,800	9,100	10,500
Durable Goods	1,600	1,800	2,100	2,700	3,200	3,300	3,300	3,600	3,500	3,300	2,800	2,300	2,800
Lumber & Wood Prod.	1,000	1,100	1,400	1,900	2,300	2,400	2,400	2,700	2,700	2,600	2,200	1,700	2,000
Other Durable Goods	600	700	700	800	900	900	900	900	800	700	600	600	800
Non-Durable Goods	5,100	5,700	5,900	6,300	7,300	8,700	10,800	11,200	9,600	8,400	7,000	6,800	7,700
Food Processing	2,900	3,400	3,600	4,000	5,000	6,300	8,200	8,600	7,000	5,900	4,500	4,300	5,300
Other Non-Durable Goods	2,200	2,300	2,300	2,300	2,300	2,400	2,600	2,600	2,600	2,500	2,500	2,500	2,400
Transp.-Comm. & P.U.	15,200	15,200	15,200	15,400	16,100	16,700	16,500	16,900	17,100	16,300	15,100	15,300	15,900
Trucking & Warehousing	3,200	3,100	3,000	3,000	3,200	3,300	3,300	3,700	3,700	3,600	3,300	3,200	3,300
Water Transportation	1,200	1,100	1,100	1,200	1,300	1,500	1,500	1,500	1,500	1,500	1,500	1,600	1,400
Air Transportation	4,400	4,400	4,500	4,600	4,800	5,100	5,000	5,000	5,000	4,700	4,000	4,200	4,600
Other Transportation	6,400	6,600	6,600	6,600	6,800	6,800	6,700	6,700	6,900	6,500	6,300	6,300	6,600
Trade	26,100	25,800	26,100	27,300	28,600	29,500	29,100	29,400	29,100	28,600	28,500	28,600	28,000
Wholesale Trade	6,000	6,000	6,100	6,200	6,200	6,400	6,300	6,300	6,200	5,700	5,500	5,500	6,000
Retail Trade	20,100	19,800	20,000	21,100	22,400	23,100	22,800	23,100	22,900	22,900	23,000	23,100	22,000
Gen. Merch. & Apparel	4,200	4,000	3,900	4,100	4,200	4,300	4,300	4,400	4,500	4,500	4,600	4,700	4,300
Food Stores	2,800	2,700	2,800	3,000	3,100	3,100	3,100	3,200	3,200	3,100	3,200	3,200	3,000
Eating & Drinking Pl.	5,800	5,900	6,000	6,300	7,000	7,300	7,100	7,200	7,000	7,000	7,100	7,000	6,700
Other Retail Trade	7,300	7,200	7,300	7,700	8,100	8,400	8,300	8,300	8,200	8,300	8,100	8,200	8,000
Finance, Ins. & R.E.	6,400	6,500	6,600	6,700	6,900	7,300	7,600	7,900	7,700	7,600	7,500	7,500	7,200
Service & Miscellaneous	26,500	27,600	28,500	28,900	29,700	30,400	30,600	31,300	30,700	28,700	26,600	25,100	28,700
Government	45,500	46,200	47,100	47,500	48,100	48,000	47,900	48,500	48,200	46,700	45,900	45,600	47,100
Federal	17,700	17,700	17,700	17,600	18,000	18,200	18,300	18,300	18,500	18,100	17,600	17,500	17,900
State	14,400	14,900	15,600	15,500	16,300	16,100	15,100	15,500	15,100	14,400	14,200	14,000	15,100
Local	13,400	13,600	13,800	14,000	13,800	13,700	14,500	14,700	14,600	14,200	14,100	14,100	14,000

to be the result of warmer than normal weather. Employment in the food processing industry declined slightly during the month of March. A moderate tanner crab season in the Kodiak area is seen as a major factor in the decline of employment in this sector.

Transportation, Communication & Utilities:

Employment in the transportation industries is estimated to have remained stable between the months of February and March. Preliminary estimates for the month of February indicated no substantial drop in employment in this industry during the month of February, however, revised estimates indicate that employment dropped 6 percent during the month of February when compared to January. The lack of employment growth in this industry is indicative of the lack of any major construction or mining activity within the state.

Trade: Preliminary estimates for employment during the month of March indicate a decline of approximately 2 percent in the number of people working in the trade industry. When compared to one year ago employment in the trade industry is somewhat mixed. Due to the winding down of operations along the trans-Alaska pipeline, employment in the wholesale trade sector is down compared to that experienced one year ago. Brought about by the tremendous need for equipment and materials along the trans-Alaska pipeline construction project, employment in wholesale trade expanded significantly. This situation is no longer the case and many employers are now reducing the size of their staff. On the other hand, employment in the retail trade sector has remained relatively stable and in some cases has continued to increase. The current employment trend in the retail trade sector may be the result of industry's attempt to catch up with consumer demand which has exceeded supply for many years.

Finance, Insurance, and Real Estate: Employment in the finance industry dropped slightly from February to March. Employment in the finance and insurance sectors remained relatively constant with reduced employment in the real estate sector contributing to most of the decline.

Services & Miscellaneous: Employment in the services and miscellaneous industry rose approximately 2.4 percent during the month of March. Employment gains were generally

widespread, however, significant gains in employment were experienced in the health service field as well as specialized consulting firms in the fields of engineering, architecture and surveying.

Government: Employment in government increased approximately one percent during the month of March. Increased employment on the state level was primarily responsible for this growth of employment.

Private IUR: Insured unemployment continued to expand rapidly during the month of March. Alaska's insured unemployment rate rose to 14.1 percent in March compared to February's rate of 12.4. When looking at insured unemployment rates for various areas throughout the state it is apparent that many unemployed workers are now traveling to Anchorage to file their claim and then search for new employment. The insured unemployment rate in Anchorage during the month of March was 15.3 percent compared to 12.0 percent the month before. Many of these workers are from the construction industry and presumably are ex-pipeline workers.

Manpower Resources: The increase in the number of jobless workers has temporarily reached a plateau. The number of unemployed only increased slightly whereas employment opportunities brought about by normal seasonal expansion is now having a positive effect on the labor force. Though the number of unemployed is temporarily not increasing at a rapid rate, there continues to be a large number of unemployed persons, particularly from the construction and service industries. Many of these people were either directly or indirectly related to the construction of the trans-Alaska oil pipeline.

Available Job Opportunities: With the onset of spring, job opportunities in such industries as construction, food processing and services were beginning to become available during the month of March. Though more jobs were opening up, the competition for those jobs was and will continue to be high. Unemployed workers until recently have attempted to avoid what they considered to be less than desirable employment, but in March this trend may have changed as the number of jobs which remained unfilled for more than 30 days declined by 12 percent.

Employment and Training Activities: As of March 1, 742 persons have been served by various CETA programs. The average hourly wage for those persons finding employment improved from \$3.61 before they received training to \$5.82 after training.

Employment and Unemployment Outlook: It is estimated that the total unemployment for April will be approximately 14.2 percent.

ANCHORAGE LABOR MARKET AREA

Highlights: Anchorage Helicopter Service, Inc., which cut back operations recently, has sold its Merrill Field hangar, its operating certificate and eleven helicopters to Offshore Logistics. This, coupled with the fact that Flying Tiger Line is likely to receive authority to carry cargo between Anchorage and the Far East, should provide a boost to the air transportation industry. In other transportation news the contract for the building of phase three of the Anchorage Port expansion has been awarded to SKW Contractors. The \$2 million job won't be all that big in terms of jobs, but it will impact the economy by providing a larger port facility by the end of this November.

School enrollment in Anchorage is about 400 below last year's March level, whereas it was even at the start of the school year. Most other indicators including employment show a more stable or even a positive trend. Since the enrollment drop is concentrated in the secondary grades it may not indicate a population change or if it does it would indicate an out migration of older people with high school age children.

Employment and Unemployment: Total employment declined this month by 750 indicating a slow start of the seasonal buildup. The main decline was in construction, retail trade and state government. This should be the low point in the year for employment with the seasonal buildup yet to come. The coming completion of the pipeline is providing an excess of unemployed, and even though job opportunities are expanding it is anticipated that many unemployed workers may not be able to find jobs.

Mining: Employment took a drop of 150 this month yet remained well above year ago levels. This is just a drop from the abnormally high February figure. Employment still remains above the January level and above any time last year.

Construction: Employment dropped 600 this month and resulted in an over-the-year decline of 150. This is the first time in 1977 that the industry has shown fewer employees than the previous year. Pipeline contractors are mainly responsible for the decline in Anchorage, as local construction continues in good

shape. There are numerous large projects either starting up or continuing and residential building permits have been issued for 67 percent more housing units than by the end of March of last year. The increase in authorizations for single family units is the most surprising, since multi-family housing can be dominated by one or two large housing projects starting early in the year when volume is normally low.

Manufacturing: An increase in employment of 50 is typical for this time of the year and the

CHARACTERISTICS OF THE INSURED UNEMPLOYED IN ANCHORAGE

State Unemployment Insurance

Insured Unemployed
Based on Key Week

	3-77	2-77	3-76
Total Weeks Claimed.....	6,134	5,305	4,702

Characteristic	Percent Distribution		
Total.....	100	100	100

Sex and Age

	Percent Distribution		
Men			
Under 45.....	62	63	60
45 and over.....	18	17	18
Women			
Under 45.....	16	16	17
45 and over.....	4	4	5

Industry

Mining.....	1	2	2
Contract Construction.....	55	56	49
Manufacturing.....	5	4	6
Transp.-Comm. & Utilities...	8	9	9
Trade.....	12	12	14
Finance-Insurance & R. E....	3	2	3
Service & Miscellaneous.....	15	14	14
All Other.....	1	1	3

Occupation

Professional & Managerial...	6	7	9
Clerical & Sales.....	13	14	12
Service.....	8	8	9
Farming-Fishing & Forestry..	1	1	1
Processing.....	1	1	1
Machine Trades.....	3	3	3
Bench Work.....	1	-	-
Structural Work.....	46	42	44
Miscellaneous.....	19	23	18
Unknown.....	2	1	3

Length of Current Spell of Insured Unemployment

1-4 Weeks.....	32	37	37
5-14 Weeks.....	48	48	45
15 Weeks and over.....	20	15	18

**ANCHORAGE CIVILIAN LABOR FORCE SUMMARY 1/ 4/
BY PLACE OF RESIDENCE**

Changes From:

	<u>3-77</u> ^{p/}	<u>2-77</u> ^{r/}	<u>3-76</u>	<u>2-77</u>	<u>3-76</u>	<u>3-77</u> [*]
CIVILIAN LABOR FORCE.....	72,000	72,650	67,600	-650	4,400	88,800
INVOLVED IN WORK STOPPAGES.....	0	0	0	-	-	0
TOTAL UNEMPLOYMENT.....	7,600	7,500	5,700	100	1,900	10,600
Percent of Labor Force.....	10.5	10.3	8.5	-	-	11.9
TOTAL EMPLOYMENT 2/.....	64,400	65,150	61,900	-750	2,500	78,200

**NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT 1/
BY PLACE OF WORK**

Changes From:

	<u>3-77</u> ^{p/}	<u>2-77</u> ^{r/}	<u>3-76</u>	<u>2-77</u>	<u>3-76</u>
Nonagricultural Wage & Salary.....	71,600	72,550	69,800	-950	1,800
Mining.....	2,050	2,200	1,400	-150	650
Construction.....	5,450	6,050	5,600	-600	-150
Manufacturing.....	1,500	1,450	1,400	50	100
Food Processing.....	500	500	250	0	250
Other Manufacturing.....	1,000	950	1,150	50	-150
Transp.-Comm. & Utilities.....	7,100	7,150	7,200	-50	-100
Trucking & Warehousing.....	1,250	1,300	1,250	-50	0
Water Transportation.....	350	350	350	0	0
Air Transportation.....	2,450	2,450	2,550	0	-100
Other Transp.-Comm. & Utilities..	3,050	3,050	3,050	0	0
Trade.....	15,550	15,700	15,300	-150	250
Wholesale Trade.....	4,000	4,000	4,200	0	-200
Retail Trade.....	11,550	11,700	11,100	-150	450
General Merchandise & Apparel..	2,100	2,200	2,250	-100	-150
Food Stores.....	1,400	1,350	1,150	50	250
Eating & Drinking Places.....	3,600	3,600	3,600	0	0
Other Retail Trade.....	4,450	4,550	4,100	-100	350
Finance-Insurance & Real Estate....	4,400	4,500	3,950	-100	450
Services & Miscellaneous.....	16,100	15,950	15,750	150	350
Government 3/.....	19,450	19,550	19,200	-100	250
Federal.....	10,050	10,000	9,800	50	250
State.....	3,900	4,050	3,900	-150	0
Local.....	5,500	5,500	5,500	0	0

1/ Data contained in this report cover the Anchorage Election District area, which includes the City of Anchorage, the residential communities of Campbell, Spenard, Merrill Field, Mountain View, Elmendorf Air Force Base, Fort Richardson, and the interconnecting highways.

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

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

4/ Adjusted to add to the national totals produced by the Current Population Survey method.

* Not adjusted by the Current Population Survey method.

p/ Denotes preliminary estimates.

r/ Denotes revised estimates.

AVAILABLE JOB OPPORTUNITIES 1/
ANCHORAGE

UNFILLED JOB OPENINGS

<u>Occupation</u>	<u>March 1977</u>	<u>Feb. 1977</u>
Professional & Managerial.....	133	107
Clerical.....	436	374
General Office.....	184	143
Book Keeping.....	153	153
Other.....	99	78
Sales.....	109	102
Domestic Service.....	30	29
Public Oriented Service.....	306	275
Food & Beverage Preparation.....	219	184
Lodging.....	36	38
Other.....	51	53
Farming, Fishing, Forestry.....	7	8
Processing.....	7	9
Machine Trades.....	64	62
Bench Work.....	21	22
Structural Work.....	145	128
Motor Freight & Transportation.....	81	69
Packaging and Materials Handling.....	48	52
Logging, Mining, Utilities.....	8	8

JOB OPENINGS UNFILLED AFTER 30 OR MORE DAYS

	<u>March 1977</u>	<u>Feb. 1977</u>
Professional & Managerial.....	85	80
Clerical.....	301	308
General Office.....	121	117
Book Keeping.....	129	132
Other.....	51	59
Sales.....	79	82
Domestic Service.....	18	22
Public Oriented Service.....	225	236
Food & Beverage Preparation.....	154	157
Lodging.....	29	32
Other.....	42	47
Farming, Fishing, Forestry.....	7	8
Processing.....	7	8
Machine Trades.....	53	55
Bench Work.....	13	20
Structural Work.....	109	106
Motor Freight & Transportation.....	61	63
Packaging and Materials Handling.....	46	50
Logging, Mining, Utilities.....	7	7

ACTIVE APPLICANTS ON FILE

	<u>March 1977</u>	<u>Feb. 1977</u>
Professional & Managerial.....	961	921
Clerical.....	1,165	1,173
General Office.....	362	340
Book Keeping.....	466	484
Other.....	337	349
Sales.....	257	263
Domestic Service.....	27	22
Public Oriented Service.....	870	764
Food & Beverage Preparation.....	532	458
Lodging.....	61	61
Other.....	285	245
Farming, Fishing, Forestry.....	20	20
Processing.....	56	50
Machine Trades.....	223	203
Bench Work.....	44	43
Structural Work.....	824	700
Motor Freight & Transportation.....	318	331
Packaging and Materials Handling.....	269	245
Logging, Mining, Utilities.....	74	70

1/ Data taken from the Employment Security Automated Reporting System (ESARS Table #96).

REVISED ANCHORAGE 1976 EMPLOYMENT

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Annual Average
Nonagr. Wage & Salary	67,300	68,700	69,800	70,900	73,100	75,800	76,550	77,950	77,000	77,100	74,850	74,500	73,650
Mining	1,300	1,350	1,400	1,350	1,200	1,400	1,550	1,600	1,550	1,500	1,650	1,700	1,450
Construction	5,150	5,350	5,600	6,250	7,350	8,500	9,500	10,000	9,700	10,050	7,950	7,650	7,750
Manufacturing	1,300	1,350	1,400	1,600	1,650	1,650	1,850	2,000	1,950	1,800	1,700	1,650	1,750
Food Processing	250	250	250	300	300	300	400	500	500	500	500	500	400
Logging-Lumber & Pulp	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Manufacturing	1,050	1,100	1,150	1,300	1,350	1,350	1,450	1,500	1,450	1,300	1,200	1,150	1,350
Transp.-Comm. & Util.	7,150	7,200	7,200	7,100	7,350	7,700	7,750	7,850	7,900	7,850	7,650	7,500	7,500
Trucking & Warehousing	1,350	1,300	1,250	1,250	1,300	1,450	1,400	1,500	1,500	1,500	1,500	1,400	1,400
Water Transportation	350	350	350	400	400	400	450	450	450	400	400	400	400
Air Transportation	2,450	2,500	2,550	2,650	2,750	2,900	2,900	2,900	2,850	2,600	2,550	2,550	2,650
Other	3,000	3,050	3,050	2,800	2,900	2,950	3,000	3,000	3,100	3,350	3,200	3,150	3,050
Trade	15,300	15,150	15,300	15,750	16,350	16,750	16,600	16,800	16,600	16,600	16,600	16,800	16,200
Wholesale Trade	4,150	4,200	4,200	4,250	4,250	4,350	4,350	4,400	4,300	4,100	4,050	4,000	4,200
Retail Trade	11,150	10,950	11,100	11,500	12,100	12,400	12,250	12,400	12,300	12,500	12,550	12,800	12,000
General Merch. & App.	2,500	2,250	2,250	2,300	2,350	2,400	2,400	2,350	2,400	2,450	2,500	2,600	2,400
Food Stores	1,150	1,150	1,150	1,200	1,250	1,300	1,300	1,400	1,400	1,400	1,450	1,450	1,300
Eating & Drinking Pl.	3,450	3,550	3,600	3,550	3,900	4,000	3,900	4,000	3,950	3,900	3,900	3,950	3,800
Other Retail Trade	4,050	4,000	4,100	4,450	4,600	4,700	4,650	4,650	4,550	4,750	4,700	4,800	4,500
Finance-Ins. & Real Estate	3,800	3,850	3,950	4,050	4,150	4,350	4,500	4,550	4,550	4,450	4,400	4,450	4,250
Service & Miscellaneous	14,750	15,350	15,750	15,450	15,800	15,900	15,450	15,750	15,750	15,450	15,200	15,050	15,450
Government	18,550	19,100	19,200	19,350	19,250	19,550	19,350	19,400	19,000	19,400	19,700	19,700	19,300
Federal	9,800	9,850	9,800	9,750	9,900	10,000	9,900	9,850	9,900	9,950	9,900	9,900	9,900
State	3,600	3,800	3,900	3,850	3,900	3,950	4,050	4,000	4,250	4,250	4,250	4,200	4,000
Local	5,150	5,450	5,500	5,750	5,450	5,600	5,400	5,550	4,850	5,200	5,550	5,600	5,400

over-the-year increase of 100 is not surprising considering the mildness of the winter. The seasonal peak in employment this coming summer should be similar to the 1976 levels.

Transportation, Communications and Utilities: Employment in this industry continues to decline this month and is finally below last year's winter level. The air transportation sector is mainly responsible for the over-the-year decline and may continue to do so, since it has benefited the most from pipeline construction.

Trade: Employment declined 150 this month, however the employment level is still above March of last year. It is unusual for employment to be declining at this time of the year, however employment in the industry has been somewhat unusual for the past year.

Finance, Insurance and Real Estate: The over-the-year growth rate in March is over 11 percent. F.I.R.E. declined by a hundred this month, but the February figure was abnormally high and the March figure of 4,400 still remains within the upward trend.

Service and Miscellaneous: Employment in the service industry turned up this month having completed a respectable seasonal cycle. The annual growth rate in March was 2 percent. The rate of employment growth in this industry has been gradually declining, and in the near future employment may actually begin to drop. The over-the-year change should stabilize this summer with new service establishments beginning in addition to normal seasonal growth.

Government: Government employment dropped by one percent during the month of March. The state sector was mainly responsible for the decline as the local and federal sectors have had essentially stable employment with only some minor fluctuations.

Private IUR: The number of initial claims filed in the Anchorage area began to level off during March. The massive number of initial claims filed during the first of the year was caused by pipeline layoffs, and another influx of unemployed pipeline workers is not expected until early summer. Due to the tendency of ex-pipeline workers to come to Anchorage, the city now has an insured unemployment rate of 15.3 percent. This is currently one of the highest insured unemployment rates in the state.

Manpower Resources: It is easy to see the effect of the pipeline on the characteristics of Anchorage's insured unemployed. Eighty percent of the claimants are males most of whom are under 45 years old. Fifty-five percent of the claimants are from the contract construction industry and 45 percent are from structural occupations. An additional 19 percent are from miscellaneous occupations, which include truck drivers, equipment operators and materials handlers resulting in a total of 65 percent of the claimants who are from pipeline related occupations. These totals would normally dominate the statistics in the winter since they are derived from seasonal occupations, but not to the extent of this year or for that matter even last year. This should be the area impacted later on when the claimant's work is in season and there is no pipeline work to return to. Then we should see an over-the-year change greater than we see now. A slight increase in the number of claimants drawing compensation for more than 15 weeks is beginning to appear. It is up to 20 percent of the total compared to 18 percent last year in March.

Available Job Opportunities: The number of job openings received at Anchorage Job Service increased in March indicating the start of the seasonal buildup. The level of activity is slightly below 1976, but there are still adequate openings. At the start of the seasonal buildup there is also an adequate supply of applicants with many openings being filled as soon as they are available. There are, nevertheless, some openings that remain unfilled and a large percentage of these become hard to fill openings remaining open for more than thirty days. Openings remain unfilled for a variety of reasons, but the major cause in Anchorage is insufficient wages. Unfilled openings also result from jobs that are very specific and have high qualifications such as accountant. The demand for secretaries is falling off from what was a relatively high level, but other clerical positions continue to have strong demand. Cooks and waiter/waitress positions also show good demand, but as with the most clerical positions there is an adequate supply of workers for the good paying openings.

Employment and Unemployment Outlook: It is estimated that the total unemployment rate for April will be approximately 10.3 percent.

FAIRBANKS LABOR MARKET AREA

Unemployment in the Fairbanks area stabilized as

FAIRBANKS CIVILIAN LABOR FORCE SUMMARY 1/ 4/
BY PLACE OF RESIDENCE

Changes From:

	<u>3-77</u> ^{p/}	<u>2-77</u> ^{r/}	<u>3-76</u>	<u>2-77</u>	<u>3-76</u>	<u>3-77</u> [*]
CIVILIAN LABOR FORCE.....	20,050	19,400	21,450	650	-1,400	25,000
INVOLVED IN WORK STOPPAGES.....	0	0	100	-	-	0
TOTAL UNEMPLOYMENT.....	3,250	3,250	1,850	0	1,400	4,600
Percent of Labor Force.....	16.2	16.8	8.6	-	-	18.3
TOTAL EMPLOYMENT <u>2/</u>	16,800	16,150	19,600	650	-2,800	20,400

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT 1/
BY PLACE OF WORK

Changes From:

	<u>3-77</u> ^{p/}	<u>2-77</u> ^{r/}	<u>3-76</u>	<u>2-77</u>	<u>3-76</u>
Nonagricultural Wage & Salary.....	22,500	21,350	26,350	1,150	-3,850
Mining.....	100	100	150	0	- 50
Construction.....	2,300	2,000	4,650	300	-2,350
Manufacturing.....	350	350	300	0	50
Food Processing.....	50	50	50	0	0
Other Manufacturing.....	300	300	250	0	50
Transp.-Comm. & Utilities.....	3,350	3,200	3,250	150	100
Trucking & Warehousing.....	1,200	1,050	1,100	150	100
Water Transportation.....	50	50	50	0	0
Air Transportation.....	700	700	850	0	-150
Other Transp.-Comm. & Utilities..	1,400	1,400	1,250	0	150
Trade.....	4,300	4,250	4,500	50	-200
Wholesale Trade.....	750	750	1,000	0	-250
Retail Trade.....	3,550	3,500	3,500	50	50
General Merchandise & Apparel..	500	500	500	0	0
Food Stores.....	600	550	500	50	100
Eating & Drinking Places.....	1,100	1,100	1,050	0	50
Other Retail Trade.....	1,350	1,350	1,450	0	-100
Finance-Insurance & Real Estate....	1,000	950	1,000	50	0
Services & Miscellaneous.....	4,000	3,550	5,300	450	-1,300
Government <u>3/</u>	7,100	6,950	7,200	150	-100
Federal.....	2,500	2,500	2,500	0	0
State.....	2,750	2,600	2,850	150	-100
Local.....	1,850	1,850	1,850	0	0

1/ Data contained in this report covers the Fairbanks Election District area which includes the city of Fairbanks, the residential communities of College, International Airport, Fort Wainwright, Eielson Air Force Base, Farmer's Loop Road, Slaterville, Gilmore, Tok Junction, Big Delta and the inter-connecting highways.

2/ Includes: domestics, nonagricultural self-employed and unpaid family workers, agricultural workers and adjustment for commuting.

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

4/ Adjusted to add to the national totals produced by the Current Population Survey method.

* Not adjusted by the Current Population Survey method.

^{p/} Denotes preliminary estimates.

^{r/} Denotes revised estimates.

REVISED FAIRBANKS 1976 EMPLOYMENT

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Annual Average
Nonagr. Wage & Salary	25,200	25,750	26,350	27,050	28,300	29,350	29,500	30,050	29,650	27,550	24,500	23,100	27,200
Mining	100	100	150	100	150	150	200	200	200	100	50	50	150
Construction	4,350	4,400	4,650	4,650	5,500	6,200	6,950	7,250	6,800	5,400	3,150	2,500	5,150
Manufacturing	300	300	300	350	400	400	400	400	400	350	350	350	350
Food Processing	50	50	50	50	50	50	50	50	50	50	50	50	50
Logging-Lumber & Pulp	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Manufacturing	250	250	250	300	350	350	350	350	350	300	300	300	300
Transp.-Comm. & Util.	3,250	3,300	3,250	3,500	3,550	3,550	3,650	3,900	3,800	3,750	3,550	3,800	3,600
Trucking & Warehousing	1,150	1,150	1,100	1,200	1,250	1,200	1,200	1,450	1,400	1,400	1,200	1,450	1,250
Water Transportation	50	50	50	50	50	50	50	50	50	50	50	50	50
Air Transportation	850	850	850	800	800	800	800	800	800	800	850	850	850
Other	1,200	1,250	1,250	1,450	1,450	1,500	1,600	1,600	1,550	1,500	1,450	1,450	1,450
Trade	4,600	4,500	4,500	4,700	4,850	5,000	4,750	4,750	4,700	4,700	4,500	4,500	4,650
Wholesale Trade	1,000	1,000	1,000	950	950	950	950	950	950	1,000	900	900	950
Retail Trade	3,600	3,500	3,500	3,750	3,900	4,050	3,800	3,800	3,750	3,700	3,600	3,600	3,700
General Merch. & App.	550	550	500	550	550	550	550	550	550	550	550	550	550
Food Stores	500	500	500	600	650	650	550	600	600	600	600	550	600
Eating & Drinking Pl.	1,050	1,000	1,050	1,150	1,200	1,250	1,100	1,100	1,100	1,050	1,000	1,000	1,050
Other Retail Trade	1,500	1,450	1,450	1,450	1,500	1,600	1,600	1,550	1,500	1,500	1,450	1,500	1,500
Finance-Ins. & Real Estate	1,000	1,000	1,000	950	1,050	1,050	1,000	1,050	1,000	1,000	1,000	1,000	1,000
Service & Miscellaneous	4,800	5,050	5,300	5,350	5,450	5,750	5,600	5,700	5,600	5,200	4,750	3,900	5,200
Government	6,800	7,100	7,200	7,450	7,350	7,250	6,950	6,800	7,150	7,050	7,150	7,000	7,100
Federal	2,550	2,550	2,500	2,400	2,500	2,600	2,550	2,550	2,600	2,550	2,650	2,600	2,550
State	2,450	2,750	2,850	3,200	3,100	2,800	2,600	2,650	2,850	2,700	2,700	2,650	2,750
Local	1,800	1,800	1,850	1,850	1,750	1,850	1,800	1,600	1,700	1,800	1,800	1,750	1,800

seasonal opportunities began to open up during the month of March. Local, non-union wage rates have declined slightly and employers continued to report more and more well qualified persons seeking employment. As an illustration, one employer recently offered \$700/month for a teletype operator on a 4 am to noon shift, and reported 24 well qualified applicants applied for the job. During 1976 the employer had great difficulty in filling the same position, as suitable applicants were only interested in pipeline work where \$700 could be earned in 3-4 days.

CHARACTERISTICS OF THE INSURED UNEMPLOYED IN FAIRBANKS			
State Unemployment Insurance			
Insured Unemployed Based on Key Week			
	3-77	2-77	3-76
Total Weeks Claimed.....	3,322	3,365	2,038
Percent Distribution			
Characteristic			
Total.....	100	100	100
Sex and Age			
<u>Men</u>			
Under 45.....	59	60	56
45 and over.....	17	19	24
<u>Women</u>			
Under 45.....	19	17	16
45 and over.....	5	4	4
Industry			
Mining.....	1	1	1
Contract Construction.....	58	61	53
Manufacturing.....	1	2	3
Transp.-Comm. & Utilities...	15	14	18
Trade.....	9	8	10
Finance-Insurance & R. E....	1	1	1
Service & Miscellaneous.....	14	13	12
All Other.....	1	-	2
Occupation			
Professional & Managerial...	5	5	8
Clerical & Sales.....	9	7	10
Service.....	10	11	8
Farming-Fishing & Forestry..	-	-	-
Processing.....	-	-	-
Machine Trades.....	6	7	5
Batch Work.....	1	1	-
Structural Work.....	42	43	41
Miscellaneous.....	22	23	21
Unknown.....	4	3	7
Length of Current Spell of Insured Unemployment			
1-4 Weeks.....	34	36	45
5-14 Weeks.....	51	52	42
15 Weeks and over.....	15	12	13

CETA Activity Report

Cumulative - March, 1977

	<u>All Programs</u>	<u>Title I</u>	<u>Title II</u>	<u>Title VI</u>
Total Expenditures.	3,065,633.	1,285,944	1,366,276	413,413
Persons Served.	1,742	769	705	268
Persons Entering Employment . . .	221	93	127	1
Persons Continuing Training Through Other Programs	285	22	261	2
Persons Unable to Find Work After Training	397	142	241	14
Average Hourly Wage Before Training	\$3.61	\$4.61	\$4.22	\$2.00
Average Hourly Wage After Training	\$5.82	\$5.77	\$5.70	\$6.00

January 1977

<u>INDUSTRY</u>	<u>Statewide</u>
Nonagr. Wage & Salary.....	148,200
Mining.....	4,600
Construction.....	16,800
Manufacturing.....	7,900
Durable Goods.....	1,700
Lumber, Wood Products.....	1,200
Other Durable Goods.....	500
Non-Durable Goods.....	6,200
Food Processing.....	3,700
Other Non-Durable Goods...	2,500
Trans.-Comm. & Util.....	14,600
Trucking & Warehousing.....	3,100
Water Transportation.....	1,500
Air Transportation.....	4,000
Other.....	6,000
Trade.....	27,300
Wholesale Trade.....	5,400
Retail Trade.....	21,900
General Merch. & Appar....	4,300
Food Stores.....	3,100
Eating & Drinking Pl.....	7,000
Other Retail Trade.....	7,500
Finance-Ins. & Real Estate....	7,300
Service & Miscellaneous.....	24,100
Government.....	45,600
Federal.....	17,500
State.....	14,000
Local.....	14,100

<u>INDUSTRY</u>	<u>Anchorage</u>	<u>Fairbanks</u>
Nonagr. Wage & Salary.....	73,850	21,700
Mining.....	1,900	50
Construction.....	6,900	2,200
Manufacturing.....	1,500	350
Food Processing.....	500	50
Other Manufacturing.....	1,000	300
Transp.-Comm. & Util.....	7,150	3,350
Trucking & Warehousing.....	1,200	1,200
Water Transportation.....	350	50
Air Transportation.....	2,550	700
Other.....	3,050	1,400
Trade.....	16,150	4,300
Wholesale Trade.....	4,000	800
Retail Trade.....	12,150	3,500
General Merch. & App.....	2,400	500
Food Stores.....	1,450	550
Eating & Drinking Pl.....	3,900	1,050
Other Retail Trade.....	4,400	1,400
Finance-Ins. & Real Estate....	4,500	1,000
Service & Miscellaneous.....	16,250	3,700
Government.....	19,500	6,750
Federal.....	9,950	2,500
State.....	4,000	2,450
Local.....	5,550	1,800

PRIVATE INDUSTRY INSURED UNEMPLOYMENT RATE (IUR)

AREA	IUR 3-77	IUR 2-77	IUR 3-76
Statewide	14.1	12.4	11.2
Anchorage	15.3	12.0	13.1
Fairbanks	12.0	12.3	7.1
Juneau	11.9	12.7	10.9
Ketchikan	12.0	12.3	11.1
Nome	NA	NA	NA
Kenai-Kodiak	17.2	15.2	14.5
Sitka	15.1	15.2	12.6

INDUSTRY	IUR 3-77	IUR 2-77	IUR 3-76
Total	14.1	12.4	11.2
Oil & Gas	8.2	7.0	7.1
Other Mining	31.3	16.2	18.8
Construction	34.7	27.3	22.7
Food Processing	24.2	14.0	14.7
Log, Lumber & Pulp	22.2	17.5	19.5
Other Mfg.	14.2	10.7	9.2
Trans. & Utilities	11.7	9.7	8.6
Wholesale Trade	4.1	3.4	5.6
Retail Trade	7.8	6.8	6.2
Finance	8.1	5.8	4.8
Service & Other	2.5	8.5	8.2

Insured Unemployment Rate: The IUR is derived by dividing the number of man weeks of unemployment claimed by the number of weeks for the month and then dividing this answer by the State U. I. covered employment from final employment figures relating to a quarter ending six months earlier. This IUR is not seasonally adjusted.

HOURS AND EARNINGS - SELECTED INDUSTRIES ^{1/}

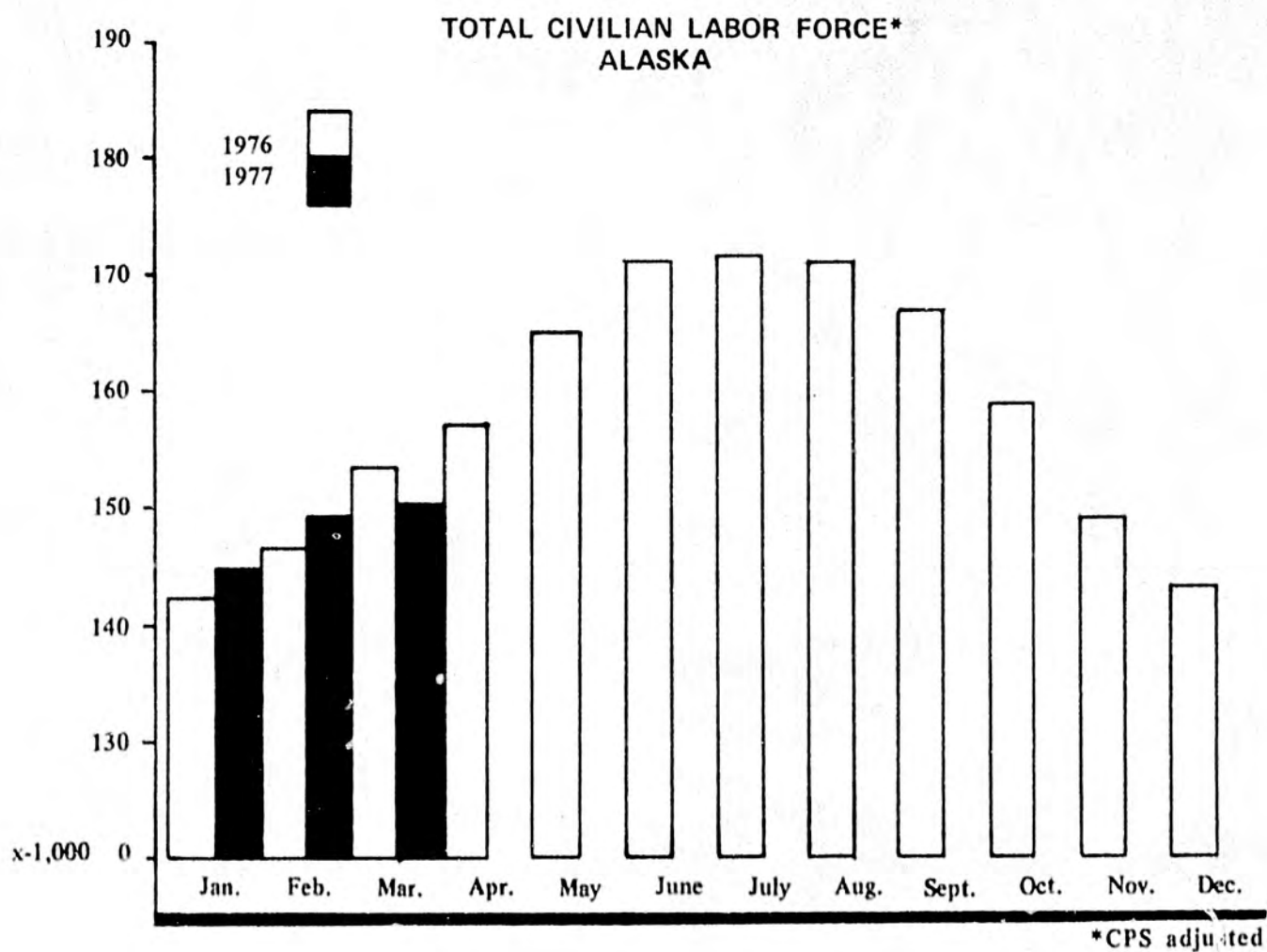
	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	2-77	1-77	2-76	2-77	1-77	2-76	2-77	1-77	2-76
MINING.....	\$828.36	\$768.08	\$695.19	54.0	54.4	53.6	\$15.34	\$14.45	\$12.97
CONTRACT CONSTRUCTION.....	1158.72	1019.60	885.71	59.3	52.1	55.6	19.54	19.57	15.93
MANUFACTURING.....	341.88	333.20	296.84	44.4	42.5	41.0	7.70	7.84	7.24
Food Processing.....	402.11	440.92	377.50	41.2	44.9	42.8	9.76	9.82	8.82
Logging-Lumber & Pulp.....	261.79	219.47	203.52	48.3	41.1	40.3	5.42	5.34	5.05
WHOLESALE TRADE.....	343.00	355.04	341.99	40.4	40.3	39.4	8.49	8.81	8.68
RETAIL TRADE 2/.....	204.20	210.20	237.50	30.8	31.8	35.5	6.63	6.61	6.69
FINANCE-INSURANCE & REAL ESTATE..	225.41	229.81	198.08	-	-	-	-	-	-

EXPLANATION NOTES:

AVERAGE HOURS & EARNINGS SERIES: Averages are based on data for full- and part-time production and non-supervisory workers and are for gross earnings and hours worked, or paid for, including overtime pay and hours. Administrative, supervisory, technical, and office personnel are excluded.

1/ Prepared in cooperation with Bureau of Labor Statistics, U. S. Department of Labor.

2/ Excluded eating and drinking places.



ALASKA
DEPARTMENT OF LABOR
EMPLOYMENT SECURITY DIVISION
OFFICIAL BUSINESS

Box 1149 Juneau, Ak 99502

Alaska State Legislature
Permanent Fund
538 W 5th Avenue
Anchorage, Ak 99501

EMPLOYMENT SECURITY MAIL
POSTAGE AND FEES PAID
LAB 449

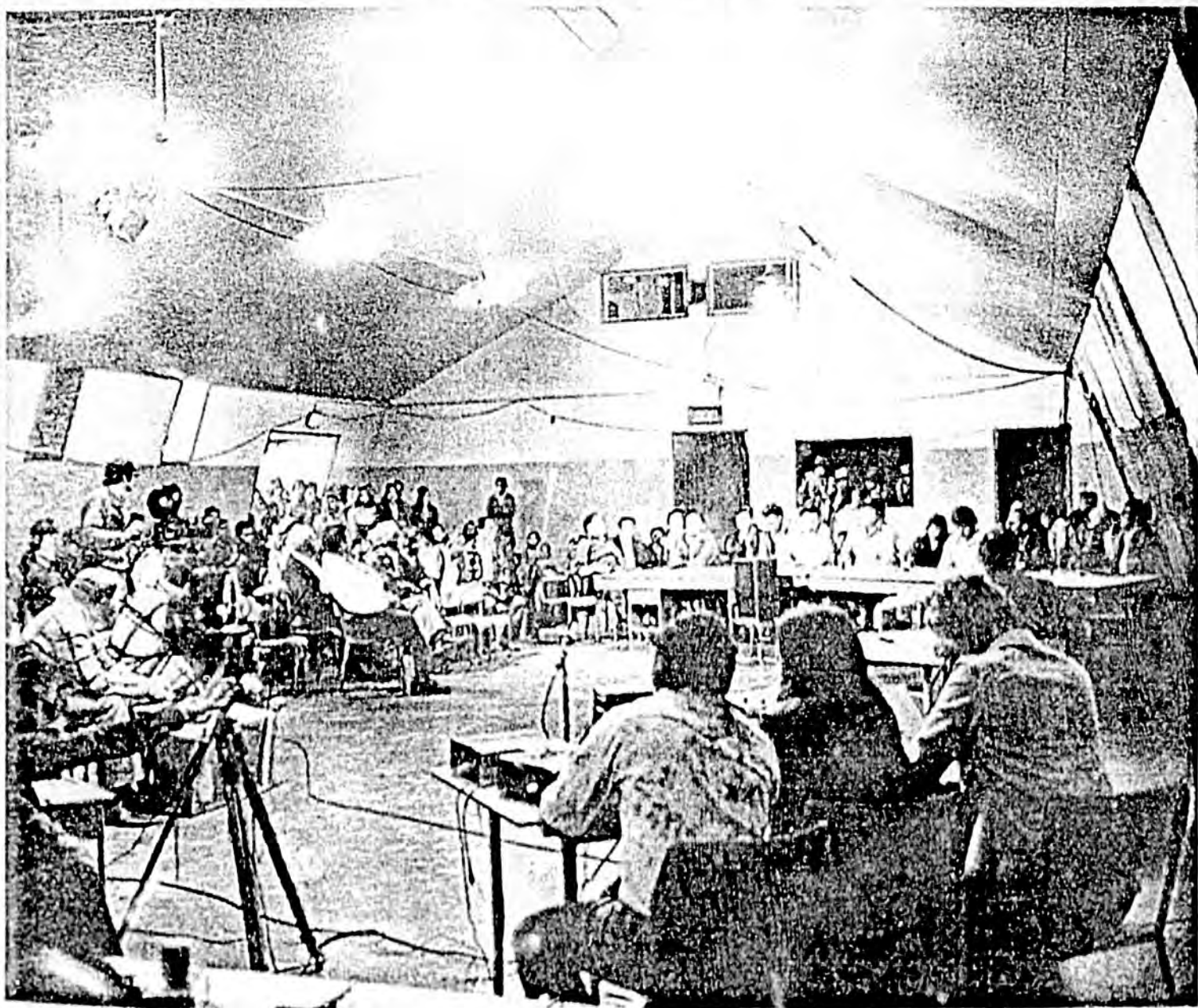
SCOMM

#9:70

NORTHERN FRONTIER NORTHERN HOMELAND



REPORT OF THE MACKENZIE VALLEY PIPELINE INQUIRY - VOLUME ONE



Design and Photocomposition:
Alphatext Ltd.

© Minister of Supply and Services Canada
1977

Available by mail from
Printing and Publishing
Supply and Services Canada
Ottawa, Canada K1A 0S9
or through your bookseller

Catalogue number:
English edition CP32-25/1977-1
French edition CP32-25/1977-1F

ISBN:
English edition 0-660-00775-4
French edition 0-660-00776-2

Price: Canada \$5.00; other countries \$6.00
Price subject to change without notice

Table of Contents

This is Volume One of a two-volume report. It deals with the broad social, economic and environmental impacts that a gas pipeline and an energy corridor would have in the Mackenzie Valley and the Western Arctic. In it certain basic recommendations are made. Volume Two will set out the terms and conditions that should be imposed if a pipeline is built.

LETTER TO THE MINISTER vii

1 THE NORTH 1

- 1 Northern Frontier, Northern Homeland
- 2 The Northern Biome
- 5 Northern Peoples

2 THE CORRIDOR CONCEPT 9

- 9 The Corridor Concept and Cumulative Impact
- 10 The Northern Yukon Corridor and the Mackenzie Valley Corridor
- 10 The United States' Interest in the Corridor

3 ENGINEERING AND CONSTRUCTION 13

- 15 The Project: Its Scope and Scale
- 18 Buried Refrigerated Pipeline: Frost Heave
- 22 The Construction Plan and Schedule

4 THE NORTHERN ENVIRONMENT 29

- 29 Environmental Attitudes and Environmental Values
- 30 Wilderness
- 31 Wilderness and Northern Land Use

5 THE NORTHERN YUKON 33

- 33 A Unique Heritage
- 35 The Pipeline and the Corridor
- 36 Man and the Land: Old Crow
- 38 Porcupine Caribou Herd
- 43 Other Environmental Concerns
- 46 A National Wilderness Park for the Northern Yukon
- 49 An Alternative Route Across the Yukon

6 THE MACKENZIE DELTA- BEAUFORT SEA REGION 51

- 51 Man and the Land
- 54 Region and Environment
- 58 Industry's Plans
- 61 Delta Region Impacts
- 64 Whales and a Whale Sanctuary
- 66 Offshore Concerns
- 70 Spill Clean-up
- 75 Summary

7 THE MACKENZIE VALLEY 77

- 77 The Region
- 77 The People and the Land
- 78 Environmental Concerns
- 81 Corridor Development
- 82 Balancing Development with the Environment

8 CULTURAL IMPACT 85

- 85 Cultural Impact: A Retrospect
- 90 Schools and Native Culture
- 93 The Persistence of Native Values
- 100 The Native Economy
- 109 Native Preferences and Aspirations

9 ECONOMIC IMPACT 115

- 116 The Development of the Northern Economy
- 119 Objectives of Economic Development
- 121 The Mixed Economy
- 123 The Local Experience of Economic Development
- 125 Impacts and Returns
- 134 Employment on the Pipeline
- 139 If the Pipeline is Not Built Now

10 SOCIAL IMPACT 143

- 143 The Northern Population
- 148 Social Impact and Industrial Development
- 150 Specific Impacts
- 160 The Limits to Planning

11 NATIVE CLAIMS 163

- 163 History of Native Claims
- 172 Self-Determination and Confederation
- 176 Native Claims: Their Nature and Extent
- 180 Native Claims: A Closer Examination
- 181 The Claim to Native Control of Education
- 185 The Claim to Renewable Resources
- 191 Native Claims and the Pipeline

12 EPILOGUE: THEMES FOR THE NATIONAL INTEREST 197

APPENDICES 201

- 203 The Inquiry and Participants
- 209 Bibliographic Note and Terminology
- 211 Photographs and Diagrams
- 213 Acknowledgements

MACKENZIE VALLEY PIPELINE INQUIRY

COMMISSIONER

Mr. Justice Thomas R. Berger

10th Floor
One Nicholas Street
Ottawa, Ontario K1N 7B7

April 15, 1977

The Honourable Warren Allmand
Minister of Indian Affairs and Northern Development
House of Commons
Ottawa, Ontario

Dear Mr. Allmand:

We are now at our last frontier. It is a frontier that all of us have read about, but few of us have seen. Profound issues, touching our deepest concerns as a nation, await us there.

The North is a frontier, but it is a homeland too, the homeland of the Dene, Inuit and Metis, as it is also the home of the white people who live there. And it is a heritage, a unique environment that we are called upon to preserve for all Canadians.

The decisions we have to make are not, therefore, simply about northern pipelines. They are decisions about the protection of the northern environment and the future of northern peoples.

At the formal hearings of the Inquiry in Yellowknife, I heard the evidence of 300 experts on northern conditions, northern environment and northern peoples. But, sitting in a hearing room in Yellowknife, it is easy to forget the real extent of the North. The Mackenzie Valley and the Western Arctic is a vast land where people of four races live speaking seven different languages. To hear what they had to say, I took the Inquiry to 35 communities — from Sachs Harbour to Fort Smith, from Old Crow to Fort Franklin — to every city and town, village and settlement in the Mackenzie Valley and the Western Arctic. I listened to the evidence of almost one thousand northerners.

I discovered that people in the North have strong feelings about the pipeline and large-scale frontier development. I listened to a brief by northern businessmen in Yellowknife who favour a pipeline through the North. Later, in a native village far away, I heard virtually the whole community express vehement opposition to such a pipeline. Both were talking about the same pipeline; both were talking about the same region — but for one group it is a frontier, for the other a homeland.

All those who had something to say — white or native — were given an opportunity to speak. The native organizations claim to speak for the native people. They oppose the pipeline without a settlement of native claims. The Territorial Council claims to speak for all



viii NORTHERN FRONTIER, NORTHERN HOMELAND

northerners. It supports the pipeline. Wally Firth, Member of Parliament for the Northwest Territories, opposes the pipeline. I decided that I should give northerners an opportunity to speak for themselves. That is why I held hearings in all northern communities, where the people could speak directly to the Inquiry. I held hearings in the white centres of population, and in the native villages. I heard from municipal councillors, from band chiefs and band councils and from the people themselves. This report reflects what they told me.

The North is a region of conflicting goals, preferences and aspirations. The conflict focuses on the pipeline. The pipeline represents the advance of the industrial system to the Arctic. The impact of the industrial system upon the native people has been the special concern of the Inquiry, for one thing is certain: the impact of a pipeline will bear especially upon the native people. That is why I have been concerned that the native people should have an opportunity to speak to the Inquiry in their own villages, in their own languages, and in their own way.

I have proceeded on the assumption that, in due course, the industrial system will require the gas and oil of the Western Arctic, and that they will have to be transported along the Mackenzie Valley to markets in the South. I have also proceeded on the assumption that we intend to protect and preserve Canada's northern environment, and that, above all else, we intend to honour the legitimate claims and aspirations of the native people. All of these assumptions are embedded in the federal government's expressed northern policy for the 1970s.

*The Corridor Concept
and Cumulative Impact*

The proposed natural gas pipeline is not to be considered in isolation. The Expanded Guidelines for Northern Pipelines, tabled in the House of Commons on June 28, 1972, assume that, if a gas pipeline is built, an oil pipeline will follow, and they call for examination of the proposed gas pipeline from the point of view of cumulative impact. We must

Spring on the Yukon Coastal Plain. (ISL-G. Calet)

Pingos near Tuktoyaktuk. (GNWT)

Old Crow River. (ISL-G. Calet)

Autumn on Mackenzie River. (R. Fumoleau)



consider, then, the impact of a transportation corridor for two energy systems, a corridor that may eventually include roads and other transportation systems.

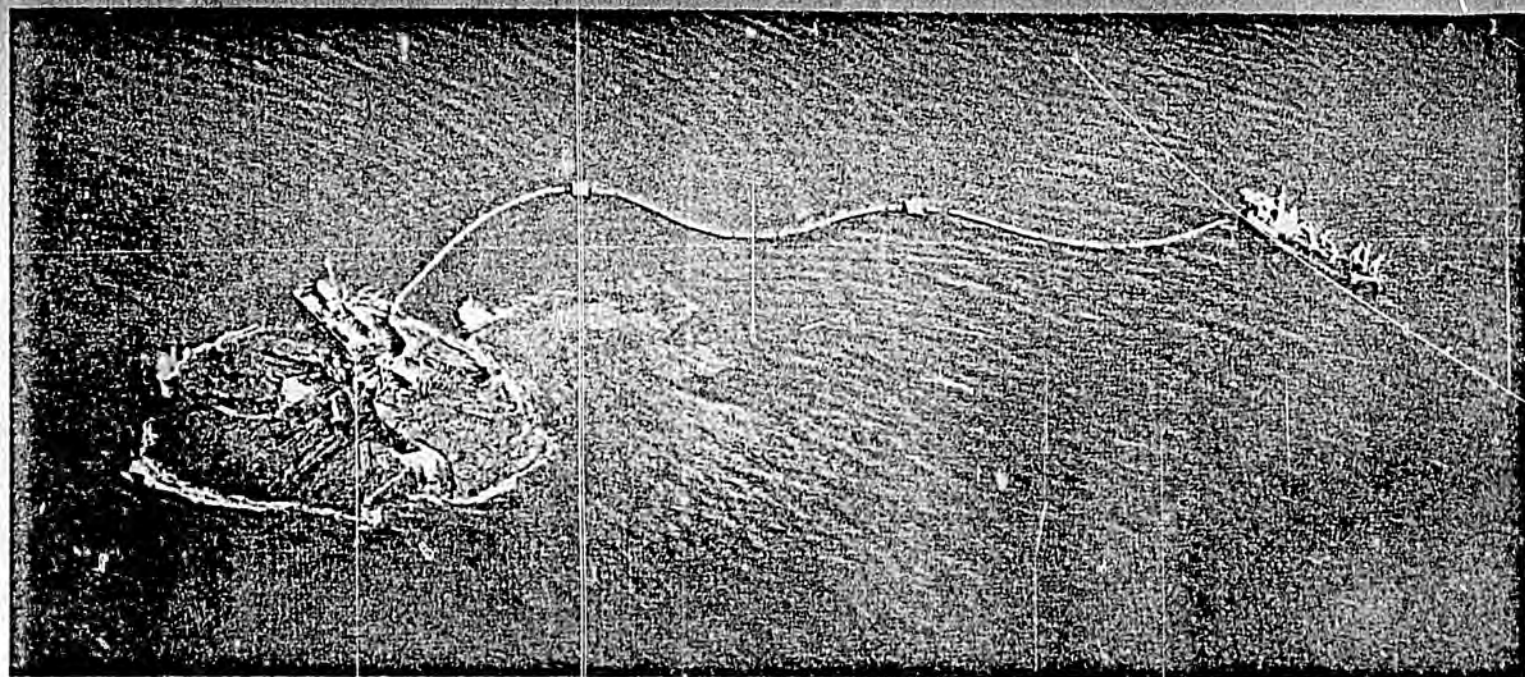
The construction of a gas pipeline and the establishment of an energy corridor will intensify oil and gas exploration activity all along the corridor. The cumulative impact of all these developments will bring immense and irreversible changes to the Mackenzie Valley and the Western Arctic. And we must bear in mind that we have two corridors under consideration: a corridor from Alaska across the Northern Yukon to the Mackenzie Delta, and a corridor along the Mackenzie Valley from the Delta to the Alberta border.

The Project: Its Scope and Scale

A gas pipeline will entail much more than a right-of-way. It will be a major construction project across our northern territories, across a land that is cold and dark in winter, a land largely inaccessible by rail or road, where it will be necessary to construct wharves, warehouses, storage sites, airstrips — a huge infrastructure — just to build the pipeline. There will be a network of hundreds of miles of roads built over the snow and ice. Take the Arctic Gas project: the capacity of the fleet of tugs and barges on the Mackenzie River will have to be doubled. There will be 6,000 construction workers required North of 60 to build the pipeline, and 1,200 more to build gas plants and gathering systems in the Mackenzie Delta. There will be about 130 gravel mining operations. There will be 600 river and stream crossings. There will be innumerable aircraft, tractors, earth-movers, trucks and trailers. Indeed, the Arctic Gas project has been described as the greatest construction project, in terms of capital expenditure, ever contemplated by private enterprise.

Engineering and Construction

The gas pipeline across the North from Prudhoe Bay and from the Mackenzie Delta will confront designers and builders with major challenges of engineering and logistics. These relate not only to the



x NORTHERN FRONTIER, NORTHERN HOMELAND

size and complexity of the project but also to its remote setting, the arctic climate and terrain, and those components of the project and its design that are innovative or lack precedent.

The question of frost heave is basic to the engineering design of the gas pipeline. Both Arctic Gas and Foothills propose to bury their pipe throughout its length, and to refrigerate the gas to avoid the engineering and environmental problems resulting from thawing permafrost. But where unfrozen ground is encountered, in the zone of discontinuous permafrost or at river crossings, the chilled gas will freeze the ground around the pipe, and may produce frost heave and potential damage to the pipe.

The pipeline companies are obviously having trouble in designing their proposal to deal with frost heave. They are making fundamental changes in the methods proposed for heave control; the methods seem to be getting more complex, and the conditions for success more restrictive. It is likely that the companies will make yet further changes in their proposals, changes that are likely to increase costs and to alter substantially the environmental impact of the project.

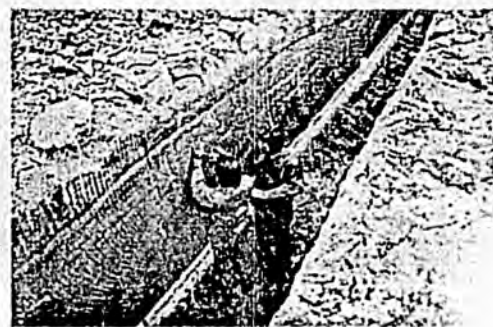
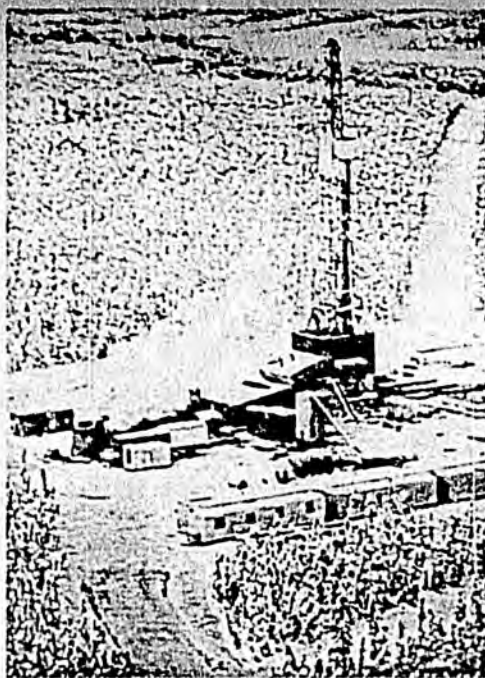
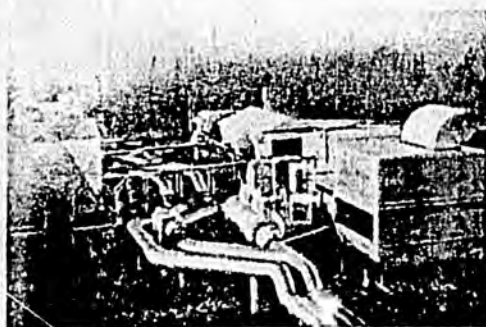
Another issue is construction scheduling. The pipeline companies propose to construct the pipeline in winter. But we have limited experience of pipelining in far northern latitudes and in permafrost. There are uncertainties about scheduling, so far as logistics, the construction of snow roads, and productivity are concerned. In this respect, the greatest challenges will be encountered in the Northern Yukon, which is also the most environmentally sensitive area along the route. I am not persuaded that Arctic Gas can meet its construction schedule across the Northern Yukon. Should this occur, there is a likelihood of cost overruns, of construction being extended into the summer, or even of a permanent road being built to permit summer construction. The environmental impact of a change to summer construction would be very severe. The project would then have to be completely reassessed.

Construction of artificial island in the Beaufort Sea.
(J. Inglis)

Compressor unit, Sans Sault Test Site. (Arctic Gas)

Drill site on the Eagle Plain, southeast of Old Crow.
(ISI—G. Calef)

Permafrost test at Sans Sault Test Site. (Arctic Gas)



Letter to the Minister

I recognize, of course, that the proposals of the pipeline companies are in a preliminary, conceptual stage, not in their final design stage. I recognize, too, that improvements will appear in the final design. But my responsibility is to assess the project proposals as they now stand.

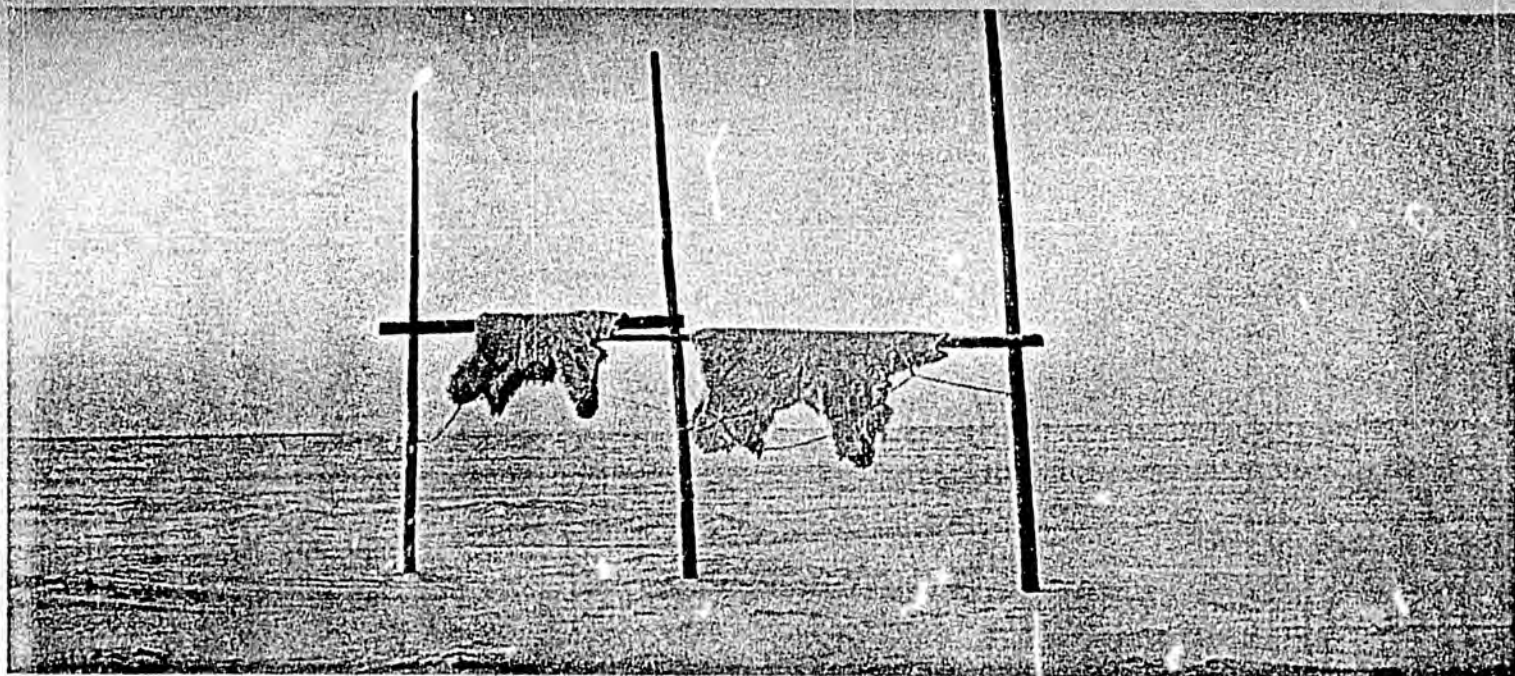
Given the uncertainties relating to design and construction, illustrated by the foregoing comments on frost heave and scheduling, and given the bearing they have on environmental impact and the enforcement of environmental standards, it seems to me unreasonable that the Government of Canada should give unqualified approval to a right-of-way or provide financial guarantees to the project without a convincing resolution of these concerns.

The Northern Environment

There is a myth that terms and conditions that will protect the environment can be imposed, no matter how large a project is proposed. There is a feeling that, with enough studies and reports, and once enough evidence is accumulated, somehow all will be well. It is an assumption that implies the choice we intend to make. It is an assumption that does not hold in the North.

It is often thought that, because of the immense geographic area of the North, construction of a gas pipeline or establishment of a corridor could not cause major damage to the land, the water or the wildlife. But within this vast area are tracts of land and water of limited size that are vital to the survival of whole populations of certain species of mammals, birds and fish at certain times of the year. Disturbance of such areas by industrial activities can have adverse biological effects that go far beyond the areas of impact. This concern with critical habitat and with critical life stages lies at the heart of my consideration of environmental issues.

We should recognize that in the North, land use regulations, based on the concept of multiple use, will not always protect environmental



values, and they will never fully protect wilderness values. Withdrawal of land from any industrial use will be necessary in some instances to preserve wilderness, wildlife species and critical habitat.

The Northern Yukon

The Northern Yukon is an arctic and sub-arctic wilderness of incredible beauty, a rich and varied ecosystem inhabited by thriving populations of wildlife. The Porcupine caribou herd, comprising 110,000 animals or more, ranges throughout the Northern Yukon and into Alaska. It is one of the last great caribou herds in North America. The Yukon Coastal Plain and the Old Crow Flats provide essential habitat for hundreds of thousands of migratory waterfowl each summer and fall. This unique ecosystem — the caribou, the birds, other wildlife, and the wilderness itself — has survived until now because of the inaccessibility of the area. But it is vulnerable to the kind of disturbance that industrial development would bring.

The Arctic Gas pipeline, to carry gas from Prudhoe Bay, Alaska, to markets in the Lower 48, would cross this region, either along the Coastal Route or, as a second choice, along the Interior Route. Once a gas pipeline is approved along either route, exploration and development in the promising oil and gas areas of Northern Alaska will accelerate, and it is inevitable that the gas pipeline will be looped and that an oil pipeline, a road and other developments will follow.

Gas pipeline and corridor development along the Coastal Route, passing through the restricted calving range of the Porcupine caribou herd, would have highly adverse effects on the animals during the critical calving and post-calving phases of their life cycle. The preservation of the herd is incompatible with the building of a gas pipeline and the establishment of an energy corridor through its calving grounds. If a pipeline is built along the Coastal Plain, there will be serious losses to the herd. With the establishment of the corridor I foresee that, within our lifetime, this herd will be reduced to a remnant. Similarly, some of the large populations of migratory

Polar bear skins, Sachs Harbour. (M. Jackson)

Inuit woman cutting up whale, Tuktoyaktuk. (D. Campbell)

Scraping a caribou hide. (A. Steen)

Arctic fox pelts, Sachs Harbour. (M. Jackson)



Letter to the Minister

xiii

waterfowl and sea birds along the Coastal Route, particularly the fall staging snow geese, would likely decline in the face of pipeline and corridor development.

Gas pipeline and corridor development along the Interior Route would open up the winter range of the caribou herd. The impact of this development combined with that of the Dempster Highway could substantially reduce the herd's numbers and undermine the caribou-based economy of the Old Crow people.

Thus, I have concluded that there are sound environmental reasons for not building a pipeline or establishing an energy corridor along the Coastal Route. There are also sound environmental reasons for not building a pipeline or establishing an energy corridor along the Interior Route, although they are not as compelling as for the Coastal Route. A pipeline and corridor along the Interior Route would have a devastating impact on Old Crow, the only community in the Northern Yukon. All the people in the village told me they are opposed to the pipeline. They fear it will destroy their village, their way of life, and their land.

I recommend that no pipeline be built, and no energy corridor be established across the Northern Yukon, along either route. Moreover, if we are to protect the wilderness, the caribou, birds and other wildlife, we must designate the Northern Yukon, north of the Porcupine River, as a National Wilderness Park. Oil and gas exploration, pipeline construction and industrial activity must be prohibited within the Park. The native people must continue to have the right to hunt, fish and trap within the Park. The Park must indeed be the means for protecting their renewable resource base.

You and your colleagues will have to consider whether Canada ought to provide a corridor across the Yukon for the delivery of Alaskan gas and oil to the Lower 48. I recommend that no such route be approved across the Northern Yukon. An alternate route has been proposed across the Southern Yukon, along the Alaska Highway.



xiv NORTHERN FRONTIER, NORTHERN HOMELAND

Some of the concerns about wildlife, wilderness, and engineering and construction that led me to reject the corridor across the Northern Yukon do not appear to apply in the case of the Alaska Highway Route. It is a route with an established infrastructure. In my view, the construction of a pipeline along this route would not threaten any substantial populations of any species in the Yukon or in Alaska. But I am in no position to endorse such a route: an assessment of social and economic impact must still be made, and native claims have not been settled.

The Mackenzie Delta and the Beaufort Sea

The Mackenzie Delta and Beaufort Sea region supports a unique and vulnerable arctic ecosystem. Its wildlife has been a mainstay of the native people of the region for a long time, and still is today.

In my opinion, unlike the Northern Yukon, oil and gas development in the Mackenzie Delta-Beaufort Sea region is inevitable. Notwithstanding the disappointing level of discoveries so far, the Delta-Beaufort region has been rated by the Department of Energy, Mines and Resources as one of three frontier areas in Canada that potentially contain major undeveloped reserves of oil and gas.

A decision to build the pipeline now would act as a spur to oil and gas exploration and development in the Mackenzie Delta and the Beaufort Sea. Future discoveries will probably lead to offshore production. It is the impact of this whole range of oil and gas exploration and development activity that must concern us.

In order to protect the Delta ecosystem, the birds and the whales, I recommend that no corridor should cross the outer Delta. This means that the Arctic Gas Cross-Delta Route must not be permitted. Also, strict limitations will have to be placed on other oil and gas facilities on the Delta, particularly the outer Delta. Special measures will be needed to avoid disturbance to fish populations within the Delta. I also propose that a bird sanctuary should extend across the outer part of the Delta to protect migratory waterfowl, giving the Canadian

Caribou fording Porcupine River. (ISL-G. Calef)

Caribou with newborn calves migrating. (ISL-G. Calef)

Fording caribou in the Northern Yukon. (ISL-G. Calef)

Bull caribou. (C. Dauphiné Jr.)



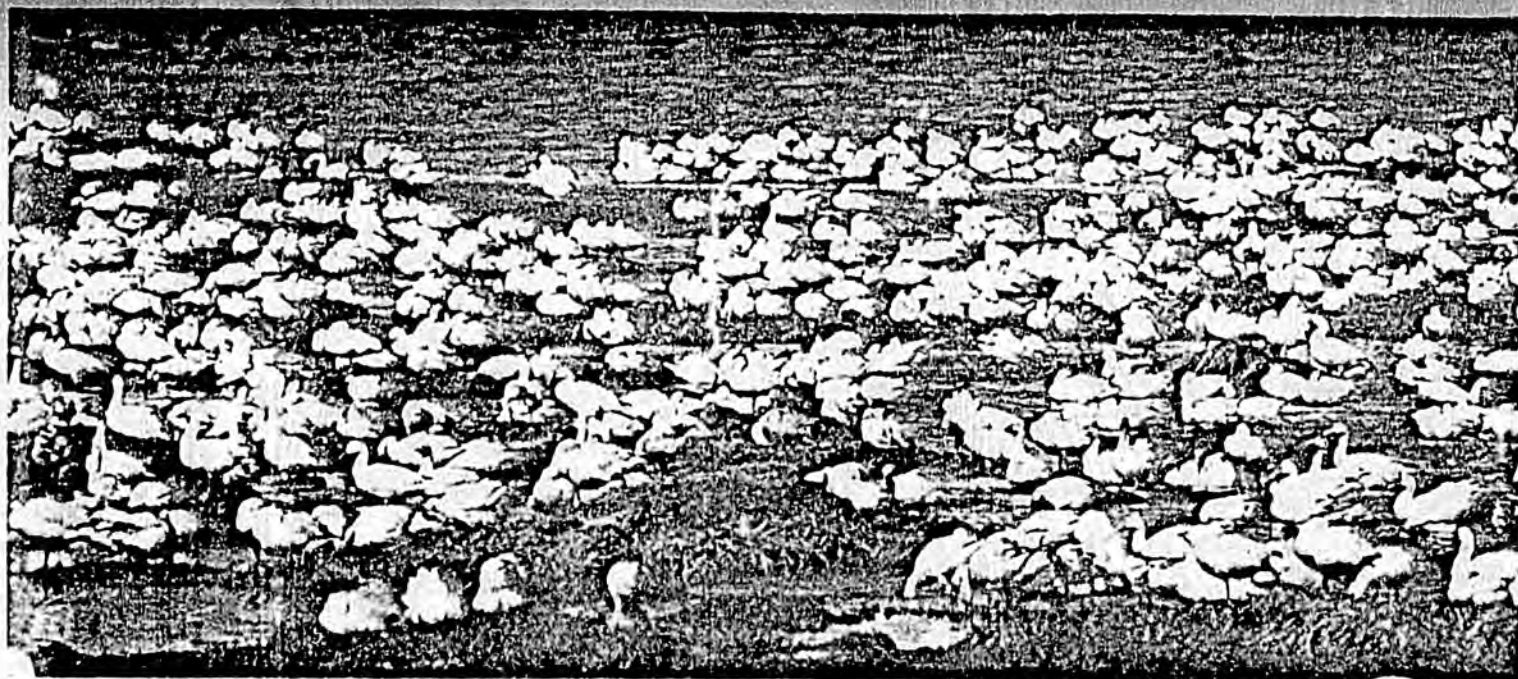
Wildlife Service jurisdiction to regulate industrial activity in the sanctuary.

The white whales of the Beaufort Sea — 5,000 in number — come to the warm waters bordering the Mackenzie Delta each summer to have their young. To preserve this population from declining in the face of pipeline construction and the cumulative stresses imposed by ongoing oil and gas exploration, production and transportation, I recommend that a whale sanctuary be established in west Mackenzie Bay covering the principal calving area. If the herd is driven from its calving area, it will die out. Unlike the bird sanctuary, the whale sanctuary will be an area in which oil and gas exploration and development would be forbidden at any time of the year.

Much of the oil and gas potential of the region is believed to lie offshore beneath the Beaufort Sea. You and your colleagues have decided that the risk entailed in the Dome exploratory drilling program in the Beaufort Sea is acceptable, on the ground that it is in the national interest to begin delineating the extent of these reserves. I am not offering any opinion on that decision. I am, however, urging that, once the Dome program is completed, careful consideration be given to the timing and extent of the drilling and development that may take place thereafter. A proliferation of oil and gas exploration and development wells in the Beaufort Sea will pose an environmental risk of a different order of magnitude than the risk entailed in drilling 16 exploration wells to see if oil and gas are to be found there.

The matter is not, however, simply one of Canadian drilling activity in arctic waters. We have preceded all of the other circumpolar countries — the United States, the Soviet Union, Denmark and Norway — across this geographic and technological frontier. We are pioneering on this frontier and establishing the standards that may well guide other circumpolar countries in future arctic drilling and production programs.

The greatest concern in the Beaufort Sea is the threat of oil spills. In



xvi NORTHERN FRONTIER, NORTHERN HOMELAND

my opinion, the techniques presently available will not be successful in controlling or cleaning up a major spill in this remote area, particularly under conditions involving floating ice or rough water. Therefore, I urge the Government of Canada to ensure that improvements in technology for prevention of spills and development of effective technology for containment and clean-up of spills precede further advance of industry in the Beaufort Sea. I further urge that advances in knowledge of the environmental consequences of oil spills should likewise keep ahead of offshore development. Here I am referring not only to impacts on mammals, birds and fish in the Beaufort Sea area but also to the possibility that accumulation of oil in the Arctic Ocean could affect climate. In this I am referring to the possibility that oil spills from offshore petroleum development by all the circumpolar powers could diminish the albedo (the reflective capacity of ice), causing a decrease in the sea ice cover and hence changes in climate. Canada should propose that research be undertaken jointly by the circumpolar powers into the risks and consequences of oil and gas exploration, development and transportation activities around the Arctic Ocean.

The Mackenzie Valley

The Mackenzie Valley is a natural transportation route that has already seen several decades of industrial development. It is the longest river system in Canada, one of the ten longest rivers in the world, and one of the last great rivers that is not polluted.

I have concluded that it is feasible, from an environmental point of view, to build a pipeline and to establish an energy corridor along the Mackenzie Valley, running south from the Mackenzie Delta to the Alberta border. Unlike the Northern Yukon, no major wildlife populations would be threatened and no wilderness areas would be violated. I believe that we can devise terms and conditions that will allow a pipeline to be built and an energy corridor established along the Mackenzie Valley without significant losses to the populations of

Snow geese feeding. (Arctic Gas)

Willow ptarmigan. (A. Steen)

Peregrine falcon. (R. Fyfe)

Gyr falcon. (R. Fyfe)



Letter to the Minister

xvii

birds, furbearers, large mammals and fish. A pipeline along the Mackenzie Valley would impinge on the outer limits of the winter ranges of the Bluenose and the Bathurst caribou herds, but would not cross their calving grounds or disturb their main migration routes. These herds are not threatened.

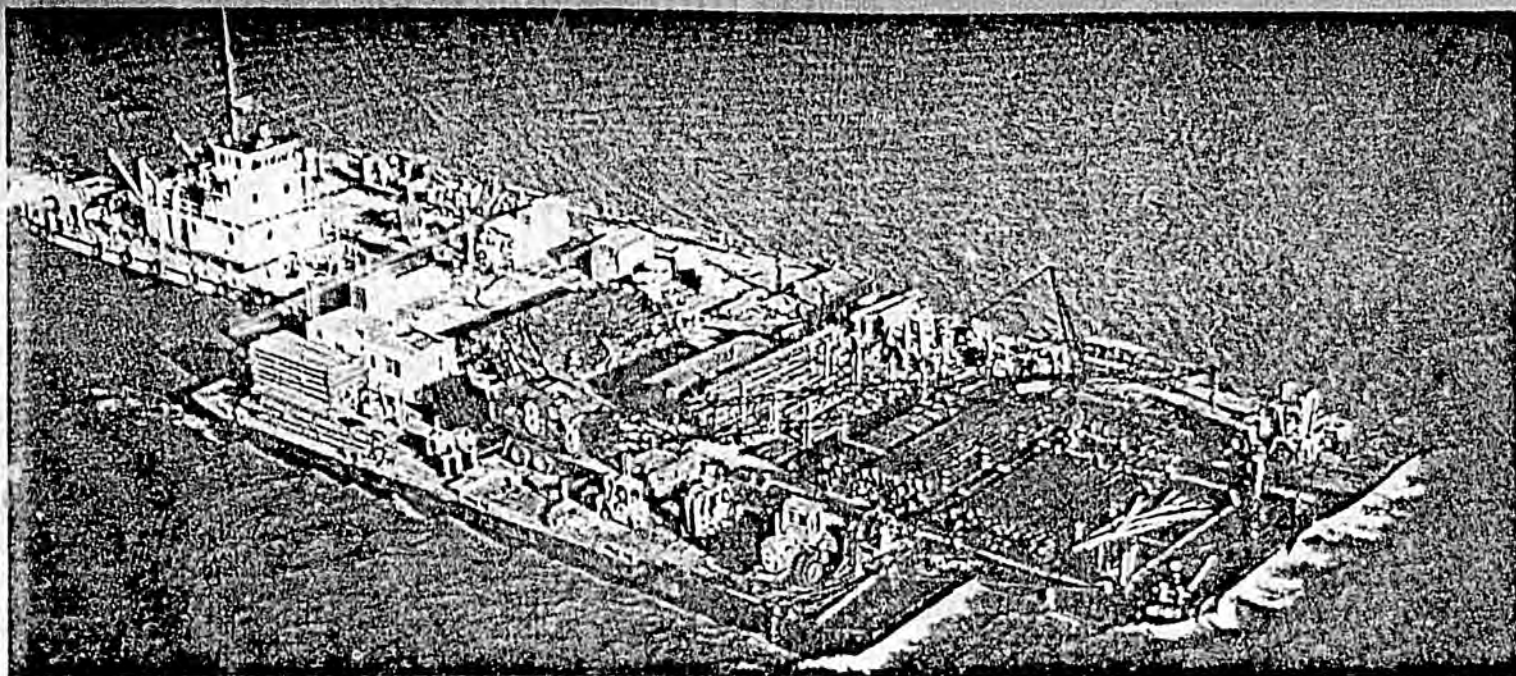
However, to keep the environmental impacts of a pipeline to an acceptable level, its construction and operation should proceed only under careful planning and strict regulation. The corridor should be based on a comprehensive plan that takes into account the many land use conflicts apparent in the region even today.

Comprehensive land use planning in the Mackenzie Valley can emerge only from a settlement of native claims, but, on purely environmental grounds, there are several areas of land that warrant immediate protection. I recommend sanctuaries to protect migratory waterfowl and the already endangered falcons. These sites have been identified under the International Biological Programme, namely: the Campbell Hills-Dolomite Lake site, which is important to nesting falcons, and the Willow Lake and Mills Lake sites, which are of importance to migratory waterfowl.

Northern Science and Research

Throughout the Inquiry, we found that there are critical gaps in the information available about the northern environment, about environmental impact, and about engineering design and construction on permafrost terrain and under arctic conditions. I have already referred to the inadequate state of knowledge about frost heave. This is a very practical question. Others, such as the albedo question, that seem to be less definite or to lie far in the future also demand our attention now. There is a whole range of issues that fall between, many of which are discussed in this report.

We are entering an era in the North when the government, its departments and agencies, will have to be in a position to assess — and to judge — the feasibility, desirability and impact of a whole series of



proposals for northern oil and gas exploration and development. Industry proposes: government disposes. But for government to make an intelligent disposition of industry's proposals — whether they be for pipelining in permafrost, for drilling in the Beaufort Sea, for under the sea transportation systems, or for tankering in arctic waters — it must have an independent body of knowledge. A continuing and comprehensive program of northern science and research is called for.

Cultural Impact

It is, however, the people who live in the North that we ought to be most concerned about, especially the native people. Euro-Canadian society has refused to take native culture seriously. European institutions, values and use of land were seen as the basis of culture. Native institutions, values and language were rejected, ignored or misunderstood and — given the native people's use of land — the Europeans had no difficulty in supposing that native people possessed no real culture at all. Education was perceived as the most effective instrument of cultural change: so, educational systems were introduced that were intended to provide the native people with a useful and meaningful cultural inheritance, since their own ancestors had left them none.

The culture, values and traditions of the native people amount to a great deal more than crafts and carvings. Their respect for the wisdom of the elders, their concept of family responsibilities, their willingness to share, their special relationship with the land — all of these values persist today, although native people have been under almost unremitting pressure to abandon them.

Native society is not static. The things the native people have said to this Inquiry should not be regarded as a lament for a lost way of life, but as a plea for an opportunity to shape their own future, out of their own past. They are not seeking to entrench the past, but to build on it.

Today white and native populations in the Mackenzie Valley and Western Arctic are about equal in number. But it is the native people