

# Alaska Economy Not Too Bad—

## 'About Same as Last Year and Last Year Biggest'

By LAEL MORGAN

One of the favorite topics of the day is how bad Alaska's economy is without the pipeline, because of the Land Claims battle and the Long Shore strike.

Yet despite the tie-ups, a national recession and gloomy predictions by Alaska's governor, economists and private business sector, Alaska's economy is doing surprisingly well.

In Fairbanks, plans for building two refineries have been suspended but real estate sales are booming.

"It's just about the same as last year and last year was the

biggest ever," a spokesman for Meyer's Real Estate said.

Vernon Forbes, president of Mt. McKinley Savings and Loan, says 1971 is their biggest year for single family housing starts and he's so encouraged he's building a \$700,000 addition on his own establishment.

"Oh, there's a slowdown. A year and a half ago things were moving around the clock," he admits. "Then, Bingo, a lot of people got hurt. But it's the speculators that have been slowed down and I think rightly so."

"There's millions of dollars

worth of equipment at the end of the road. The people who own it may be hurt. But it may be they could come out of it in an even better position for the wait. They're ready to move when things get moving again."

Safeway is building a \$750,000 market on the outskirts of Fairbanks and putting \$275,000 into expansion of its downtown store. McDonald's Hamburgers plans to build. Walter Hickel more than doubled the capacity of his Fairbanks Traveler's Inn this summer and the manager reports business, "much better

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# Economy Not Bad at All

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than expected."

"One thing that hurt, the people here did gear up for Expansion," explains Wally Baer, Fairbanks Chamber of Commerce manager. "But the great majority are going to make it all right. And the lull has given us a chance to do some planning. A tremendous opportunity to avoid the complete boom and bust cycle."

Baer maintains his area has tremendous reserves of hard rock minerals, copper and timber. These, he thinks, can be developed along with oil when a road to the North Slope opens up the country.

He also believes settlement of the Native Land Claims is important.

"It's one of the biggest things we have on the horizon and I don't think many people realize it. There's a great deal of money funneled into Fairbanks. We have an opportunity to develop services here to fit the needs of the Bush."

State unemployment figures range from 13.8 to 25 per cent. Only skeleton crews now work on the slope but road and building construction have taken up some of the slack.

The University of Alaska has six major building projects in Fairbanks totalling \$20.4 million. A road is being completed to link Fairbanks and Anchorage via McKinley Park and there are many other highway and bush building projects continuing despite the Long Shore Strike.

James O'Rourke, head of the Fairbanks state employment office, expects a rough winter but notes there were less transients and better placement of local workers this summer than last.

Surfcote, assigned the job of protecting stored pipeline from weathering, is employing 65 to 80 men, seven days a week, 10 hours a day in Fairbanks and another crew on the Slope.

In Valdez, planned pipeline terminus, Surfcote employs 165 people, working two 10 hour shifts daily. The operation will continue at least until December. Six more loads of pipe are expected from Japan before the job is completed.

Valdez has been reported hard hit because of the pipeline holdup but Ed Walker, mayor pro tem, disagrees.

"I'd wager we're the most employed town in the U.S. We have very few single income families. Some have as many as five!"

Herbert Lehfeldt, recently hired as city manager after his predecessor project a \$1.39 million budget, is going conservative.

"The Council made a \$500,000 cutback. We've adopted a realistic budget. The revenues are coming in in beautiful shape. Valdez will survive, pipeline or not!"

Richard Selway, head of Alaska's foodstamp program, notes use of his welfare program is up only slightly from last year and is tapering off.

In March 1,365 families in Fairbanks were on stamps. Only 1,065 registered in July. There were 1,290 households registered in Bethel and 181 in Fort Yukon in March and 1,065 and 168 respectively for those areas in July.

Firefighting jobs were available in some areas which may explain the drop.

The number of bankruptcies filed in Fairbanks dropped from 31 in 1967 to 28 in 1970 and currently stands at 19 for 1971.

The fishing industry is having a generally good year. State revenues are coming in ahead of projections.

There are some fears that Nixon's new economic policies may hamper Alaska's ambitious trade program with Japan and raise the cost of construction materials. There is also talk that the pipeline could be re-routed through Canada if recent oil finds there are large enough.

By and large, however, there is more optimism in the state than there was this spring. Oil men, off the record, are saying Nixon will intercede for the pipeline in the name of national defense if necessary.

Alternate shipping routes have successfully circumvented the shipping strike without too many shortages or a drastic rise in prices.

Native leaders believe their land suit could be settled this session of Congress.

In addition, old timers note, it's a good year for rabbits which usually means there will be plenty of game. If nothing else, at least Alaskans should have good hunting.