



REVIEW OF BUSINESS AND ECONOMIC CONDITIONS

UNIVERSITY OF ALASKA, INSTITUTE OF SOCIAL, ECONOMIC AND GOVERNMENT RESEARCH

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The Juneau Economic Community

Juneau is Alaska's capital and its third largest population center. Often called America's most scenic capital, the city lies on Southeast Alaska's sheltered Inside Passage, 75 miles from the open ocean and about 900 miles northwest of Seattle, Washington. Behind the capital rise Mt. Juneau and Mt. Roberts; in front is Gastineau Channel, and to the north and south the fingers of the mainland ice field reach to the fiord-cut coast. The channel separates Juneau from the smaller residential city of Douglas. The two are connected by a bridge and a short highway.

It is a beautiful setting, often silvered by mist and rain. Like all of Alaska seaward of the Coast Range, Juneau is warm for its latitude. The average temperature in July is 56 degrees F. and in January, 29.5 degrees. Annual rainfall is about 85 inches and annual snowfall about 100 inches. The snow does not accumulate to this depth, as much of it melts or is washed off by rain.

History

The valleys in which Juneau and its suburbs lie were originally part of the territory of the Tlingit Indian nation. The Tlingits had one of the most highly developed aboriginal cultures in North America, with a prosperous economy based on the abundant forest, fishing and mineral resources of the Southeast Alaskan region.

Although the Hudson's Bay Company ran a fur trading post south of Juneau at Taku Bay from 1841 to 1843, the area was not permanently settled by whites until 1880. In 1879 Joe Juneau and his partner Richard Harris discovered gold near the present town, and Juneau, then called Harrisburg, sprang up as a gold rush town the following year.

More lode discoveries followed, like those at the now almost non-existent settlements of Thane, Perseverance and Jualin. The Treadwell Mine on Douglas Island became the largest producer of gold in Southeast Alaska, and Juneau was the Territory's gold mining center until the early twentieth century gold rushes into Alaska's Interior. As the city grew, other industries flourished there: salmon and halibut fishing, Southeast Alaska's other two major export industries; and lumbering and farming for local consumption. Juneau incorporated as a city and was made the capital of the Territory in 1900, thus assuring that it would not wither like many another mining boom town.

The Treadwell Mine flooded after a cave-in and was closed in 1917. Although this reduced the population of Douglas, gold mining continued to bring new people into the Juneau area through the 1930's, when the rise in the gold price made the industry particularly prosperous. Significant gold production ended in 1944, when the Alaska-Juneau mine, the last of the large mines in the area, closed under pressure of World War II conditions. The mines were not reopened after the war due to higher production costs and the unchanged price of gold.

Juneau's economy was nearly at a standstill during World War II. After the war, growth began again with expanded government activities and increased tourism.

The important commercial fisheries — salmon and halibut — had been over-exploited and were past their peak catches. Agricultural production declined as competition from food shipped from other states increased. Attempts to ship wood products out of the area failed, and no new mineral industries appeared. Juneau became the city it is today — a government town with important trade and service sectors; an economy with (for Alaska) low unemployment and little seasonal variation in employment; stability and a slow but steady rate of growth.

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and Government ResearchVictor Fischer, Editor Francis R. Eels, Associate Editor
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In 1960 the Juneau election district had a population of 9,745. Since 1960, the population of the area has increased 27.4 percent to 12,418 (see Table 1). The growth, which is the result both of immigration and Alaska's high rate of natural increase, is taking place in Juneau's suburbs rather than within the city limits of Juneau or Douglas.

An indication of Juneau's population stability was provided by the 1960 census, which showed that Juneau's residents were less transient than other Alaskans: 27.6 percent of the area's 1960 population had been living in another state in 1955, while the comparable figure for Alaska's total population was 42.1 percent. Thirteen percent of the 1960 population was of native Alaskan origin.

As a result of the predominance of government employment, Juneau had the highest proportion of white-collar workers in its labor force of any area in the State. And the median number of school years completed by its adult inhabitants was the highest in Alaska (12.4 for males, 12.5 for females). With the general population increase, there has been an increase in the proportion of

TABLE 1
POPULATION OF JUNEAU AREA

	Juneau Election District ^a	City of Juneau	City of Douglas
1900	3,472	1,864	825
1910	4,806	1,644	1,722
1920	4,723	3,058	919
1929	5,009	4,043	593
1939	7,390	5,729	522
1950	7,789	5,956	699
1960	9,745	6,797	1,042
1965	12,418	7,286	

^a The election district includes an area of 5,376 square miles but there is virtually no population outside of commuting distance from Juneau. The figure of 7,286 is an estimate.

SOURCES: U.S. Bureau of the Census; Alaska Department of Labor, Current Population Estimates; and Preliminary estimates for Greater Juneau Borough Planning Study by Hubert J. Gellert.

persons who are under 18 years of age: from 39 percent in 1960 to 45 percent in 1965.

Employment

Juneau's unemployment rate is the lowest in Alaska: 4.1 percent in 1965, as compared with the State average of 7.1 percent. However, the 6.1 percent increase in employment from 1961 to 1965 is slight compared to the 19.1 percent increase for all of Alaska over the same period. Juneau has the least seasonal variation of employment in Alaska. The difference between the January low and July high in 1965 was 600, or only about 10 percent of the work force.

Government employment has comprised about 50 percent of total employment in Juneau during the past five years, and it increased more than total employment from 1960 through 1965. Trade has been Juneau's second most important employment category, followed by transportation, communications and public utilities. Table 2 shows that employment in the construction, manufacturing and transportation, communications and utilities industries seems to be fluctuating without a definite trend. Mining employment is insignificant, while employment in finance and real estate has increased. The small employment rise in the trade category actually represents a nine percent increase in retail employment and a decline in wholesaling.

Income

According to the 1960 census, the median annual income of families in the Juneau area was the highest in Alaska: \$9,553, compared to a State median of \$7,305. Juneau's high average income is due to low unemployment, little seasonal variation in employment and the high rate of participation in the workforce, especially among females.

In spite of these high average incomes, a substantial number of Juneau's residents have incomes that are below standard. In 1960, 9.1 percent of Juneau families earned less than \$3,000. This was about the same as in Anchorage (9.2 percent), and lower than in Ketchikan (11.1 percent), Fairbanks (11.2 percent) or the State as a whole (14.5 percent). At least 1,000 persons in the Juneau area received some form of welfare assistance in 1965, either through the Bureau of Indian Affairs or the Alaska Department of Health and Welfare.

Prices

Between 1961 and 1965 the Juneau price index rose 6.3 percentage points. The greatest increases were in housing, services (particularly medical care), and food away from home (Table 3).

Prices in Juneau rose at about the same rate as those

in Seattle, so the "All Items" index figure shown in Table 4 was the same in 1965 as in 1961. Most of the individual items have not changed greatly in comparison with the larger city; the cost of rental housing shows the biggest relative decrease but still remains the most expensive item as compared with costs in Seattle. It is interesting to note that while the Juneau-Seattle price relationship has remained stable, Anchorage, Fairbanks and Ketchikan prices have risen less than Seattle prices since 1961.

Land and Buildings

Mountains and water limit the usable land in the Juneau area, but enough remains to accommodate any foreseeable growth of population or industry. There still are large privately owned tracts of land suitable for development among the patented mining claims and the original 45,780 acre townsite set apart from the Tongass National Forest which surrounds Juneau. The State has so far selected only 17,130 acres of the total 400,000 it may acquire from the Tongass National Forest under provisions of the statehood act; 2,840 acres of these selections have been in the Juneau area. As the road around the north end of Douglas Island is built, another large area of land suitable for development will be opened.

The Juneau area has an adequate supply of commercial retail space and sales housing. However, there seems

to be a continuing shortage of rental housing, particularly within the Juneau city limits. Construction work during 1965 is shown in Table 5.

Juneau's central business district has narrow streets and inadequate parking space. On three sides of the downtown area lie districts that, according to the city's 1965 comprehensive plan, are severely run down and in need of repair or renewal. A recent renewal study proposes demolishing existing substandard structures and the building of new residential units in the area west of the central business district.

Another area with substantial physical deterioration is the "Indian Village," near downtown Juneau, where many of the area's native population still live. Until recently the Bureau of Indian Affairs retained title to this land, making it difficult for those interested to obtain loans for improvements and new construction. Although the transfer of title to individuals is now almost complete, about 50 percent of the lots are held under tax-free, restricted title; this forbids sale or mortgage, and so may continue the difficulty in financing improvements.

Government

As was noted before, Juneau's main industry is government. In 1965, 53 percent of total employment was in government; of the 3,000 people so employed, one-

TABLE 2
EMPLOYMENT TRENDS IN JUNEAU, ALASKA
1961 - 1965

	Average Employment					Percentage Change 1961-65
	1961	1962	1963	1964	1965	
Mining	14	12	13	10	8	-42.9
Contract Construction	336	228	252	338	354	+ 5.4
Manufacturing	148	168	157	170	131	-11.5
Transportation, Communication and Public Utilities	507	479	458	506	536	+ 5.7
Trade	565	557	615	608	610	+ 8.0
Finance, Insurance and Real Estate	95	118	123	126	143	+50.5
Service and Miscellaneous	450	434	449	477	416	- 7.6
Government	2,709	2,457	2,855	2,923	2,910	+ 7.4
Unclassified	619	554	561	593	661	+ 6.8
Total Employment	5,443	5,007	5,483	5,751	5,769	+ 6.0
Total Unemployment	328	286	259	228	311	- 5.2
Total Civilian Work Force	5,771	5,293	5,742	5,979	6,080	+ 5.8
Percent Unemployed	5.7	5.4	4.5	3.8	5.1	--

SOURCE: Alaska Department of Labor, Employment Security Division, Statistical Quarterlies and Labor Market Newsletters.

TABLE 3
INDEX OF
CONSUMER PRICES AND LIVING COSTS
Juneau, Alaska
November 1965

(Average, April to November 1961 = 100)

ALL ITEMS	106.3
Food	105.3
Food at home	103.8
Food away from home	113.8
Housing	111.7
Rent	113.3
Homeownership ^a	110.6
Fuel and Utilities ^b	104.6
Household Furnishings	102.5
Apparel and Upkeep	102.3
Transportation	103.8
Private	104.2
Public	101.8
Health and Recreation	106.8
Medical care	113.9
Personal care	102.2
Reading and recreation	104.4
Other goods & services ^c	105.4

^a Computed rent equivalent.

^b This item varies seasonally. The figure for May 1965 was 100.3.

^c Includes alcohol and tobacco.

SOURCE: U.S. Bureau of Labor Statistics

third were at the federal and two-thirds at the State and local level. From 1961 to 1965 federal government employment declined by 9 percent due to the transfer of several federal offices out of Juneau and the shifting of some functions to the new State government. Projections of future federal employment estimate that the total may decrease to 900 by 1980 if there is any further decentralization of federal offices, or may increase to 1,300 if there is not.

State employment in the Juneau area is expected to increase at an annual rate of more than 3 percent during the coming years, and by 1980 between 2,300 and 2,700 persons will likely be working for the State.

Local government employment has been growing rapidly with the advent of borough government. From 1961 to 1965 local government expanded at an average annual rate of 8.5 percent. Although growth in this area is expected to level off, it is still projected higher than the other government sectors: 4 percent or more per year. Local government employment is expected to be between 700 and 920 in 1980.

Total employment in the government sector is projected at 3,900 to 4,920 for 1980. At this time, the city seems fairly certain of maintaining this source of stable and year-round employment and economic activity. Though two referendums were held to remove the capital from

Juneau, the propositions were defeated and the issue appears to be dead now.

Passenger Travel

Juneau is accessible by air and sea only, since overland transportation through Southeast Alaska's rugged terrain would be prohibitively expensive. Juneau's airport can accommodate any plane now in commercial service, and it could be extended should the need arise. Flights leave regularly for major Alaskan cities and for Prince Rupert and Seattle. In addition, scheduled and chartered aircraft are available to fly passengers to all parts of the Panhandle.

The Alaska State Ferry System provides transportation north or south from Juneau daily during the summer and three times a week in winter, with three vessels of 500-passenger and 108-vehicle capacity. These ships provide passenger and vehicle connections with other ports in Southeast Alaska, with the Alaska Highway system via Haines, and to railroads and highways to the rest of the United States and Canada via Prince Rupert, B.C. A proposition for constructing a new 750-passenger, 165-vehicle ship was passed by the voters in 1966. Beginning this year, the Southeast Ferry System also connected with Canadian ferry services from Prince Rupert to Kelsey Bay near Vancouver.

Four cruise ships also bring tourists up the coasts of Canada and Southeast Alaska in summer. These ships make about 70 stops at the port of Juneau each year, bringing nearly 15,000 passengers to the city.

Freight Transportation

Although a substantial and increasing amount of freight is shipped into and out of Juneau by air, most of the freight goes by sea. Vessels of the Alaska Steamship Company call at the port weekly and, in addition, a common carrier barge line makes unscheduled trips to Juneau every six to ten weeks. At least five different companies deliver freight to Juneau via ship or barge on contract. Two of these companies barge oil in bulk, and one carries only high explosives. Refrigerated trucks make unscheduled trips to Juneau via the Southeast Ferry System, delivering food and picking up frozen and fresh fish and shellfish for markets outside the State.

For most types of goods, trucks and air freight rates are not competitive with sea rates. Shipment by barge is somewhat cheaper than via Alaska Steam, but since shipments are unscheduled, arrival is usually less reliable and slower. Only a large single shipment or one of heavy equipment requiring special handling makes it profitable to charter a ship or barge. As a result, most freight brought to Juneau is carried by Alaska Steamship Company.

Like other Alaskan cities, Juneau serves as a supply center for many small communities. Salmon canneries in the region generally supply themselves for their short season by barge direct from Seattle. But logging camps, villages such as Tenakee and Hoonah, and even larger towns like Sitka and Haines buy goods and services from Juneau.

The weekly mailboat, *MS Forester*, carries about 1,000 to 1,250 tons of cargo per year, some of which is canned fish brought to Juneau for reshipment. About 900 tons of air freight originate in Juneau each year. Some 3,600 tons of dry cargo is trucked from Juneau to other stops on the Southeast Ferry System, and an indeterminate amount of freight is shipped from Juneau to other communities by contract barge.

Wholesale and Retail Trade

Partly as a result of its role as supply center, Juneau had the second highest amount of wholesale business per capita in Alaska at the time of the 1963 Census of Business (Anchorage was first). However, Juneau employment in wholesaling has been declining since 1962 and, as Table 6 shows, the gross volume of wholesale business receipts has been rather irregular. Shipments direct to other ports on the Southeast Ferry System, which began service in 1963, may have replaced business which formerly went through Juneau.

Retail trade in Juneau has had fairly steady, if not spectacular, growth. Receipts increased 43.9 percent from 1960 to 1964, as compared with 55.0 percent for total business receipts (Table 6). Employment in retail trade has increased about 9 percent since 1961. In 1963 the Juneau area had the highest retail sales per capita in the

**TABLE 5
VALUE OF CONSTRUCTION
IN GREATER JUNEAU BOROUGH
1965**

	City of Juneau	City of Douglas	Borough outside cities	Total	Percentage of Total
Residential	\$ 445,840	\$ 379,300	\$ 718,600	\$1,543,740	42.4
Commercial	919,968	220,819	52,500	1,193,287	32.7
Government	451,700 ^a	455,550 ^b	—	907,250	24.9
Total	1,817,508	1,055,669	771,100	3,644,277	
Percentage of Total	49.9	29.0	21.1		

^a Represents two remodeling projects.
^b An addition to Gastineau Grade School.
SOURCE: Greater Juneau Borough.

State, surpassing Anchorage and Fairbanks by significant margins, despite a smaller population and lower per capita income.

In spite of the rapid growth of population in suburban areas, retailing is heavily concentrated in downtown Juneau. About 75 percent of retail space in the borough is within Juneau's central business district, 17 percent more within the city limits, 4 percent in Douglas, and the remaining 4 percent outside both cities. Chain stores, which have had some effect in lowering retail prices in Fairbanks and Anchorage, have not yet appeared in Juneau. The statistics indicate that Juneau is being adequately served in retail and wholesale trade, compared to other areas in Alaska.

Tourism and Recreation

Since the advent of ferry service to Juneau in 1963, the estimated number of tourists arriving in the city has increased almost 50 percent, and now about 32,000 tourists visit Juneau each year. Of these, roughly 8,000 arrive by air and 10,000 by ferry. The remaining 14,000 come by cruise ship and stay only a few hours in the city.

It is estimated that passengers from cruise ships spend approximately \$13 each in Juneau. Air and ferry tourists, whose average length of stay is about 2½ days, spend more. Air tourists are estimated to have spent approximately \$292,000 in Juneau during 1965, as against \$309,000 for ferry tourists. Total tourist expenditures for 1965 are estimated at about \$707,000.

The future of tourism in the Juneau area looks bright. 1980 expenditures by tourists are projected at \$1.7 million to \$3.1 million. The employment which would result from this level of tourism is forecast as 80 to 115 persons, as compared with approximately 35 jobs resulting directly from tourist dollars in 1965. By 1980 air travel

**TABLE 4
INDEX OF
COST OF EQUIVALENT GOODS AND SERVICES:
JUNEAU COMPARED WITH SEATTLE**

1961 and 1965
(Costs in Seattle = 100)

	November 1961	November 1965
ALL ITEMS	123	123
Food	125	123
Housing	137	136
Rental Housing	177	171
Apparel and Upkeep	116	117
Other Goods and Services	113	116
All items less housing	117	118

SOURCE: U.S. Bureau of Labor Statistics.

is expected to increase by 75 to 150 percent and ferry system travel by 50 to 100 percent.

To accommodate visitors, Juneau has five hotels and three motels, with a total of 387 units. Of these, 324 units are located in downtown Juneau, 40 units (a motel) elsewhere in the city, and 23 units outside the city on the way to the airport. The motels have been built since 1960. The hotels were built before 1945, and there is a need for newer hotel capacity in order to meet the expectations of today's and future travelers. This need is being met by new motel construction and remodeling of some of the existing accommodations.

When all additions, in progress or planned, have been completed, the Greater Juneau area will have about 465 transient rooms. It is estimated that this number will have to be increased very considerably by 1980, by which time the expected expansion of the tourist trade will almost certainly have created a need for 250 more transient rooms, and may even require three times that number.

The hotels in Juneau do not have to face a long period

of inadequate trade in the winter, because the State Legislature is in session from January to mid-April, and during that time the hotels are very busy. The peak tourist season, when most of the hotels and motels operate to near capacity, is from June to September. Vacationers are also provided for by two campgrounds, maintained by the U.S. Forest Service, which are located just outside the city.

Like every town in Southeast Alaska, Juneau is surrounded by a beautiful outdoors still little exploited as a tourist attraction. There are organized tours in summer to the Mendenhall Glacier and the Alaska-Juneau mine. The city is used as a base for fishing and hunting expeditions by some guides and charter boats. Lodges accessible by plane or boat are located at Glacier Bay to the north of Juneau and Taku Inlet to the south. Ski slopes in the Juneau area, potentially of highest resort quality, are currently underdeveloped.

Juneau's popular and cultural entertainment is provided by one TV and two radio stations, two movie theaters and a film group, a concert series, a local symphonette, a little theater group and two libraries.

TABLE 6
SUMMARY OF GROSS RECEIPTS AS REPORTED ON
BUSINESS LICENSE RETURNS:
Juneau and Douglas
1960 - 1964

	1960	1961	1962	1963	1964	Percent Change From 1960
Construction	\$ 4,798,713	\$ 4,442,642	\$ 4,809,535	\$ 7,372,399	\$14,500,547	+202.2
Manufacturing	678,094	21,712	65,532	1,752,280	19,723	- 97.1
Professional	1,732,574	2,046,996	2,012,695	2,246,216	2,073,540	+ 19.7
Transportation, Communications, Utilities	6,023,687	5,933,275	6,688,301	8,797,405	8,828,711	+ 46.6
Wholesale	2,183,844	3,287,676	3,314,947	2,434,079	2,970,012	+ 36.0
Retail	15,192,459	18,392,864	17,559,153	18,478,455	21,866,187	+ 43.9
Finance and Real Estate	3,062,901	4,150,338	4,237,837	4,906,606	3,078,957	+ 0.5
Services	1,753,292	1,997,317	2,263,441	1,485,261	1,957,096	+ 11.6
Agriculture and Forestry	379,332	858,867	1,048,696	1,253,932	292,051	- 23.0
Miscellaneous	46,356	---	---	---	---	---
TOTAL	35,851,272	41,110,193	41,950,138	48,726,632	55,586,824	+ 55.0
Percent Change From Previous Year	---	+14.7	+ 2.0	+16.2	+14.1	

SOURCE: Alaska Department of Revenue.

Hydroelectric Power

Electricity is distributed in the Juneau area by two companies which buy it from the hydroelectric installations of the Alaska-Juneau Company. The cost of generation is low, but the market is not large enough for the cost advantage to be realized to the fullest extent. The cost to the consumer is, however, lower than in Fairbanks and several other places in Alaska.

The number of lighting and power customers rose from 3,928 in 1961 to 4,744 in 1965, a growth of 20.8 percent. As compared with 1957, when the number of customers was just under 3,400, the growth has been 39.8 percent. The number of kilowatt hours of electricity sold rose from 35,443,000 in 1961 to 44,269,000 in 1965, an increase of 24.9 percent. The quantity sold in 1965 was almost double the quantity sold in 1957. With the consumption of electricity increasing more rapidly than the number of customers, and with expected growth of the town, the existing supply is estimated to be adequate only to about 1970.

Congress appropriated \$750,000 in 1966 to begin construction on the Snettisham hydroelectric project — a dam and generating plant to be built 38 miles south of Juneau at a total cost of about \$43.5 million. Eventual production is expected to be over 60,000 kilowatts. Power will cost about 7.47 mills per kwh for firm power and 5 mills per kwh for nonfirm. The project may have a favorable benefit-cost ratio if it supplies a large industrial user of power, such as a metals smelter or a pulp mill.

Forest Industries

Surrounded by the Tongass National Forest, Juneau lies in the midst of one of the world's largest remaining supplies of softwoods. Past attempts to market this resource have failed. One company went bankrupt in an attempt to manufacture plywood from lightweight Sitka Spruce. The Georgia Pacific Lumber Company, which acquired a lease on pulp timber in the Juneau area in the 1950's, forfeited it in 1964 without having built a mill. Of several sawmills producing for Alaskan consumption, only one small intermittent operation now remains. The decline in waterborne freight shipped from the port of Juneau is almost entirely a decline in shipment of wood products.

In December 1965, the St. Regis Paper Company of New York negotiated the largest purchase of timber in Alaska's history: 8.75 billion board feet on the mainland south of Juneau, on the west side of Admiralty Island and in the Yakutat area. The wood is mostly of pulping quality, particularly the stands near Juneau. The St. Regis pulping operation will be large enough to support a lumber, plywood or veneer mill, supplied from high

quality logs found among stands predominantly of pulping quality.

Under terms of the sale, St. Regis must build a pulp mill somewhere in Southeast Alaska by 1971 or forfeit \$150,000. Juneau is one possible location for this mill, which, including the logging operation, will employ at least 1,000 persons. The alternative locations seem to be Sitka or a new community — a "company town" — somewhere in the sale area. Juneau has several sites suitable for a pulp mill and provides the advantages of the goods and services available in an established community. Although a pulp mill can generate its own electric power, by burning waste bark or by utilizing the immense quantities of water used in the pulping process, the power that will be available from the Snettisham hydroelectric project may give Juneau a decisive advantage as a location for the mill.

The prospects for the forest industries do not, however, depend entirely upon the decision regarding the location of the pulp mill. Enough timber was omitted from the sale to the St. Regis Paper Company to support local sawmill operations in the Juneau area. There would still be available an annual cut of 205 million board feet under the present standards of accessibility, assuming present commitments continue. The Forest Service plans for Southeast Alaska foresee by 1975, in addition to the major mill, one more high capacity sawmill using 60 million board feet a year and a green veneer plant consuming 40 million board feet per year.

Fisheries

Salmon, halibut, King and Dungeness crab and bottomfish are all processed within Juneau, even though the city is not a major fishing center. Salmon, canned and frozen in the city, comes mainly from the Taku salmon runs, which occupy from 20 to 25 gillnet boats each year. As Table 7 shows, Juneau's share of Southeast Alaska's other major fish product, halibut, is relatively constant though small. Catches of both these species are carefully regulated and are not likely to increase in the Juneau region.

The Juneau Cold Storage Company is the only fish processing plant now operating in Juneau or its suburbs. This plant has both canning and freezing facilities and handles nearly every type of fish produced commercially in Southeast Alaska, but its output is small compared to the region's total. Juneau's best chance of expanding its fishing industries is through developing what are now the region's minor products: crab, shrimp, bottomfish, herring and roe. The outlook appears best for fresh and frozen products, rather than canning, and advantage is likely to

be taken of the city's quick and regular transportation via its jet airport and the Southeast Ferry system.

Minerals

Since the closing of the gold mines in World War II, there have been no important mining operations in the Juneau area. However, definite possibilities for future development lie in large but comparatively low grade known deposits of iron, nickel and copper, and there is little doubt that the Coast Range contains other significant ore bodies yet to be located.

Deposits such as the Snettisham and Klukwan iron ores, Sumdum copper and Funter Bay nickel will require at least twenty-year mining operations and major installations for concentrating the ore. But deposits of higher grade, which can be developed at lower cost, are at present available elsewhere in the world so that the Alaskan deposits are without interested buyers. The power which will be available from the Snettisham hydroelectric project might reduce the cost of ore processing in the Juneau area enough to make some mining operations economically feasible.

There is more mineral exploration on the Canadian side of the Coast Range than on the Alaskan, although the likelihood of finding valuable deposits is the same on either side of the border. Canadian exploration is proceeding more rapidly because of the Canadian tax allowance for new mining enterprises — it allows quick return on investment and seems to be preferred over the United States' long-run depletion allowances.

General Prospects

The Greater Juneau area at present faces two alternative courses of future development, depending on whether a new mill, possibly processing timber to the paper stage, is established in the vicinity. If the mill is built near Juneau, the employment which it will provide will speed up the growth of the town and have far-reaching effects on business and transportation. However, even without the mill, Juneau faces a far from grim future, since there is no reason to suppose that the town cannot continue quietly prospering as it does now.

As part of the Southeast Alaska region, Juneau has the natural resources necessary for a diversified economy. In competition with the other communities in the region which have access to the same resources, Juneau has developed into a city of some size. All the towns of Alaska are inconvenienced by high costs and long distances from complementary industries and markets, but Juneau has advantages which the other places in Southeast Alaska are without. Her trade and transportation facilities, supported by a steady state of local employment, provide a supply and service center for surrounding areas, and this increases the attraction of Juneau as a location for any new enterprises which may come to Southeast Alaska. The prospects in the field of tourism are bright; a timber mill — apart from the pulp mill — is likely to be established; and Juneau, as the State Capital, is assured of a stable, year-round economy and probably a steady rate of growth.

TABLE 7
SALMON CANNED AND HALIBUT LANDED IN JUNEAU AREA, ALASKA
1961 - 1965

	SALMON		HALIBUT	
	Quantity Packed in Juneau Regulatory District ^a (48 lb. case)	Juneau District Pack as Percentage of Southeast Alaska Catch	Landings at the Port of Juneau ^b (lbs.)	Juneau Landings as Percentage of Southeast Alaska Catch
1961	503,114	41.1	1,698,000	8.0
1962	209,960	22.5	1,912,000	8.2
1963	504,788	40.0	2,170,000	12.3
1964	384,154	30.4	1,235,000	8.5
1965	279,279	36.3	1,809,000	9.6

^a Represents salmon canned over the northerly part of Southeast Alaska. (This includes Haines and Sitka but excludes Ketchikan, Petersburg and other major canning centers.)

^b Represents halibut landed at Juneau, caught in offshore waters by United States and Canadian fishermen.

SOURCES: Alaska State Department of Fish and Game; International Pacific Halibut Commission.