

## The Fairbanks Economic Community<sup>1</sup>

Fairbanks, the unofficial capital of interior Alaska, has grown to become the second largest city in the state, despite a boom and bust economic history, its geographic isolation, and the most severe temperature variance for a community its size in the United States. The city is the urban focus of Alaska's vast interior region and is the trade and transportation centre for communities scattered over 227,000 square miles.

### EARLY HISTORY

In the late summer of 1901, Captain E. T. Barnette was heading up the Tanana River with a boatload of trade goods when he somehow got sidetracked into the Chena River. Barnette decided to make a winter cache at the present site of the Northern Commercial Company after Felix Pedro, a prospector, told him he had found promising placer deposits in the area. Hindsight proved the decision a wise one, because in 1902 Pedro discovered gold on what is now Pedro Creek, north of Fairbanks.

Two stampedes, one in 1903 and the second in 1904, established the new gold mining community which was named Fairbanks by Judge James Wickersham for his friend, Sen. Charles Fairbanks of Indiana, who later became Vice President of the United States. Fairbanks became an administrative centre in 1903, when Judge Wickersham moved his Third Judicial Division Court to the town.

### LOCATION AND CLIMATE

Fairbanks is located along the banks of the Chena River in the flat alluvial plain of the Tanana River Valley. It has the climate of interior Alaska. Summers are short, but warm and sunny. The days are 21 hours long in June and July, with a short period of twilight taking the place of night. Average temperatures in Fairbanks range from about ten degrees below zero in January to sixty-one degrees above zero in July. During the

winter months it is not unusual for temperatures to drop to -30° or -40° F. for several days at a time. The highest and lowest temperatures recorded in the Fairbanks area are 99° F. in July of 1919 and -66° F. in January of 1934. The extreme temperatures are made less uncomfortable by low humidity and lack of wind during the coldest periods. The average annual rainfall is about 12 inches, and the average snowfall is from four to five feet, although because of compression and some melting the accumulated depth does not often exceed 18 inches.

### POPULATION GROWTH

When Fairbanks first appeared in the U.S. Census in 1910, the population was given as 3,541; but this was only the number of people resident within the incorporated boundaries. Miners living beside their claims outside the town brought the total population of the area to about 11,000. When most of the easily-mined gold had been obtained, and new discoveries became fewer, large numbers of men went elsewhere, and in the 1920 census Fairbanks was recorded as having a population of only 1,155; a decline of 67.4 per cent in ten years.

Small as it was, however, Fairbanks had already acquired the status of a regional capital, and the population grew slowly, reaching 3,455 in 1939. During World War II, two military bases were established nearby, and these have since been made permanent. They have transformed the economy of the area. The two bases, one adjacent to the town and the other 30 miles to the east, have a military and civilian population of some 17,000 persons. Fairbanks itself now contains about 19,000 people. The city and its nearest suburban communities have a population of at least 30,000.

### EMPLOYMENT, BUSINESS, AND INDUSTRY

Gold mining, which created Fairbanks, was important in the economy until 1942. It is now of little importance, employing only about 150 men out of a total labour force of nearly 14,000. Government employment is now the main prop of the economy, providing, on a yearly average, some 5,000 jobs, which is more than 40 per cent of the civilian work force. This includes civilian employment on the military bases, and numerous

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categories of work for the federal, state, and local governments.

The city has retained the character of a shopping, trading, and financial centre for communities spread out some 300 miles to the north and west. More than 1,600 persons are employed in trade (mainly retail), 1,390 in services, and 400 in finance, insurance, and real estate. Industry is mainly represented by contract construction and by commercial enterprises ancillary to it, such as the production of cement blocks and the fabrication of insulating materials. Electricity is provided by the Municipal Utilities System and by a Cooperative Electric Association. Average employment figures are: construction, some 1,300 people; transportation, communications, and public utilities, about 1,000; manufacturing, fewer than 250, that is, only 1.7 per cent of the labour force.

The average figures conceal the fact that due to the severe winters, employment is largely seasonal. In recent years the difference between the number of jobs in winter and summer has been about 4,000. This figure is not fully added to the ranks of the unemployed in winter, because many people migrate to Alaska for summer work and then leave in the fall.

#### TRANSPORTATION

Fairbanks is of major statewide significance as a transportation centre. It is the jumping-off place for many journeys to the interior, north, and west regions of the state, and is the principal connecting point for journeys from these areas to other parts of the world. An indication of its importance is the steady increase in the number of passengers routed through the Fairbanks International Airport in the past few years.

The freight carried by air out of Fairbanks is greatly in excess of the quantity flown in. This is because much freight is brought into Fairbanks by train or road vehicle and, after being divided into smaller consignments, is taken by air for distribution to areas in the north.

The statistics of railroad freight illustrate one result of the lack of a manufacturing economy in the interior. Although more than half a million tons of freight are brought in by rail every year, only about 25,000 tons of freight are taken out by the same means.

This reflects the fact that Alaska depends mainly on other parts of the United States for its supplies of many bulky and heavy commodities. As the railroad at present carries only about one-twentieth as much freight in one direction as it does in the other, its revenue position would be much improved if there were more freight to be hauled to the south.

The Alaska Highway was built hurriedly during World War II from the northwest of Canada into the interior of Alaska as a military supply route. It was opened as an all-weather road, in 1943, the distance from Dawson Creek to Fairbanks being 1,520 miles. From Seattle to Fairbanks via the Alaska Highway is 2,362 miles. Continuous improvement of the highway and the paving of the entire portion within Alaska have resulted in its being used extensively for trucking from the "lower 48" to Fairbanks. This has met strong competition recently by the extension of containerized services in conjunction with sea transportation between Seattle and Anchorage.

At present, Fairbanks is virtually the end of the journey north, although subsidiary roads reach northeast to Circle, a distance of 160 miles, and northwest to Livengood, a distance of 80 miles. To the south is a paved road to Valdez, and a connection from Glennallen provides a 436-mile route to Anchorage. Currently, this is the only road connection between Alaska's two largest cities, but it will be supplemented in the near future by a more direct route which will run approximately parallel to the Alaska Railroad.

A road from Fairbanks to Nome has long been advocated. Proponents of this 750-mile project maintain that it would open up vast areas of the interior and that Nome would grow rapidly when it became the ultimate point for redistribution of goods and for collection of furs and ocean products from the far northwest. On the other hand, there are objections to building a road of such length to reach a town of 3,000 inhabitants when there are no other large communities along the route.

If it is eventually decided to provide the interior with a network of roads, Fairbanks will benefit both from the construction work and from the trade which such roads will carry, for several of them will probably radiate from Fairbanks.

Recently there has been renewed interest in a proposal to extend the Alaska Railroad to northwest Alaska, rather than—or, at any rate, before—construction of a highway. The contention is that a railroad would be of greater use for the opening up of mineral deposits, and that this would speed up the development of the interior.

#### ECONOMIC PROSPECTS

A major factor in the prosperity and progress of the Fairbanks area will inevitably be the level of economic activity in the Alaskan interior, north, and west. The economic development of these areas is proceeding at a slow pace. There are known to be minerals in the interior, but in most cases the cost of extraction would be too high to enable them to compete commercially with the same materials obtained from more accessible places. Oil exploration on the North Slope is now under way, but because of the high cost of transportation, large quantities would have to be found in order to make its use feasible. What effect a big oil strike would have on the economy of the Fairbanks area is, at present, uncertain.

There are also many minerals in the more immediate Fairbanks area, but none promises again to make mineral extraction into a major source of direct employment in the local economy. Gold mining will revive only if the price of this metal is changed, either directly by legislation or indirectly by a subsidy.

Agriculture may someday become an important factor in the economy of the area, but it is at present developing at a slow rate. Problems facing farmers in the area include the distance from major marketing centres, a short growing season, and relatively high production costs. Also the sources of capital do not appear to have been adequate to develop the farms in the area into the most economic production units for the existing markets.

Timber consumption in the region exceeds the amount cut locally, with the result that forest products are shipped into Fairbanks from outside of Alaska. Greater utilization of the forest resources of the Tanana Valley and, eventually, of the more remote parts of the interior, would be a stimulus to the economy of the Fairbanks area.

Most important for the future of Fair-

banks may be the fact that it already has a stake in the world's newest industry, namely, space science. Space science is already of major economic importance to the Fairbanks area, and its importance is bound to increase in coming years. The Geophysical Institute of the University of Alaska has been active for 15 years in basic research into the upper atmosphere and beyond. At Gilmore Creek, 20 miles north of Fairbanks, the National Aeronautics and Space Administration has an installation for acquiring data from polar-orbiting research satellites. At the same site there are also facilities for work in conjunction with weather satellites, operated by the Environmental Science Services Administration. The European Space Research Organization has erected a building for a data acquisition station between Fairbanks and Gilmore Creek, and the electronic equipment is at present being installed. Meteorological and research work is carried out at the military establishments in the district.

#### COMMUNITY IMPROVEMENT

When World War II ended, Fairbanks still contained many of the original miners' log cabins, closely packed together. The streets had never been paved, and the general aspect of the town was decidedly rough. After the war the nearby military garrisons were reduced, and it was not until the Korean War that the expansion of population in the area was made permanent. Big improvements have now been made in the town. Two major bridges have been built over the Chena River, the water and sewerage systems have been extended, and other constructions include a new power plant, a water treatment plant, a telephone building, and several schools. Some of these projects were undertaken by the Municipal Utilities System, which was established in 1950. Before the formation of the MUS, the Northern Commercial Company had supplied the town centre with power and water.

The water system acquired by the city in 1950 consisted of steam mains and water mains laid side by side in wooden conduits, the former preventing the latter from freezing. These mains served only a small area of the business district. In the summer months, the system was supplemented by

pipes which were laid on the surface of the ground in May and removed in September. When the city took over the system, the water supply was made city-wide by warming the water and by keeping it moving at three feet per second in a recirculating system. Heat is supplied at three points to offset heat loss.

#### THE UNIVERSITY OF ALASKA

The University of Alaska is the centre of higher education for the entire state and is also an important economic force in the Fairbanks area. Founded in 1917, the university thus celebrates its first half century in 1967, the year of Alaska's centennial. It is estimated that there will be 4,242 students in 1970, and 6,000 in 1972. The university employs approximately 570 persons, of whom 300 are full-time professional employees.

The heart of the 2,250-acre campus includes 23 major buildings. Among these is the world-famous Geophysical Institute, the centre of scientific activity extending into remote areas of Alaska, the Arctic Ocean, and several foreign countries. Various federal agencies have their own buildings on the campus. There are residence halls for nearly 1,000 students, and married-student apartments for 50 families. A new and larger museum is planned.

#### TOURISM

In 1963 and 1964 a survey was made of summer travel to Alaska. It was discovered that in the latter year, of the 70,854 persons who visited Alaska in the summer, 33,805 (47.7 per cent) came to Fairbanks. It is expected that this proportion will increase with further improvements in Alaska's road system. The Alaska Highway is considered one of the most scenic travel routes in the United States. The traffic entering Alaska by this road has increased from 12,675 vehicles carrying 33,261 passengers in 1956, to 25,235 vehicles with 70,478 passengers in 1965.

The importance of the Fairbanks International Airport as a gateway to the city will be enhanced if the Civil Aeronautics Board grants Pan American World Airways a great circle route from the eastern states to Japan via Fairbanks: especially if, in

conjunction with this, the right for travellers to stop over in Fairbanks, and local traffic rights between the Orient and Fairbanks, are also granted. The application of Pan American World Airways is being supported by the City of Fairbanks, the Fairbanks North Star Borough, and the Fairbanks Chamber of Commerce. If these applications are successful, the effect may be seen not only in expanded facilities at the airport itself, but also in greater year-round use of hotel accommodation in Fairbanks and in a general increase in the trade and stature of the town. Pan American forecasts that by 1970 the traffic will justify two transits daily with the new Boeing 747 400-passenger jets, plus two transits daily with Boeing 707's.

The Alaska State Centennial Exposition, marking the 100th anniversary of the purchase of Alaska by the United States, is located in Fairbanks, and has been open since the end of May. Some of the major exhibition buildings are to remain as permanent features of a Centennial Park which will enhance the attraction of the city as a centre for the continually growing tourist industry.

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## The College Orientation Program for Alaska Natives (COPAN)

A major problem of education in developing areas is that of ensuring a smooth transition for students who are moving from high school to university. In the closely knit village world of traditional society, a student's failure at university is more than an individual problem; it involves his whole family and his village. Many of the difficulties that students from traditional societies encounter at university are less intellectual than they are cultural. In Alaska, the native students come to the university from the life of the village and are thrust into a totally new milieu. City life, campus life, student life: all these make demands on the student that can be