

climate in both the private and commercial sectors. Money was available for personal as well as commercial-type building, our residents enjoyed comfortable homes, and our businessmen thrived in a good business climate. Now, 9 months later, money for homebuilding is limited. There are no long-term funds available for commercial-type building. Mortgage brokers, insurance companies, and other financial institutions advise that they are not interested in Tanana River Basin investments. We are here today to apprise you of the problems created for our area because of the August flood, which could happen again, and probably will, unless redemial steps for flood control are undertaken.

What is Fairbanks' future? The two mortgage financing institutions in Fairbanks have limited resources and are unable to meet all of the demands. The three commercial banks are not in a position to take on long-term home or business loans except on a limited basis. Proper economic growth of our community will intensify the need for long-term funds both in the private and commercial sectors.

The University of Alaska, situated adjacent to Fairbanks, continues to expand and creates additional demand for housing, both for students and for faculty. We have also had recently announced a \$700 million Nike installation which will add to the demand for homes for those employees. Our tourist industry has historically increased more than 10 percent per year and 1968 will be no exception. We must expand tourist accommodations for which investment funds are not available and will not become available until the investor is assured flood control is a reality.

The city of Fairbanks, situated at the end of the Alaska and Richardson Highways and the Alaska Railroad, serves as a distribution and administrative center for the interior of Alaska. Fairbanks, with a population of 20,000, is the sole trading and distribution center for an area of approximately 160,000 square miles in interior Alaska. The city serves a total of 45,000 people in its election district and in excess of 70,000 in the northern Alaska trading area.

There are approximately 25 manufacturing plants in the community. The Governor of Alaska has this past year appointed a North Commission to study and to act on the extension of the Alaska Railroad to open up the north country for which Fairbanks is the supply center.

Pan American Airways has applied for, and approval has been recommended by the Bureau of Operating Rights, and by the examiner in the *Transpacific* case, for a direct route from New York to Fairbanks to Tokyo.

We feel that the examiners' recommendations will be concurred in by the Board and by the President. The addition of this route will place Fairbanks squarely into the world air transportation pattern and will be of prime importance in generating a steady, healthy economic growth. Auxiliary services for the New York-Fairbanks-Tokyo flight will require, among other items, 36 additional rooms for crew housing which require long-term funds to finance.

Within the past 60 days, Fort Wainwright, directly adjacent to Fairbanks, has reactivated an engineering battalion, adding some 800 additional personnel. We were informed in a briefing 2 weeks ago that