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### Edward J. Chambers discusses Montana economy

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FOR RELEASE FRIDAY, OCTOBER 9

Montana's economy has been expanding during the past year, but the state's nonagricultural economy must be strengthened if the recovery is to continue, according to Dr. Edward J. Chambers, associate director of the Montana State University Bureau of Business and Economic Research.

Employment, personal income, carloadings, retail sales, and bank debits have shared in the upswing in both the farm and nonfarm segments of Montana's economy during the past 12 months, Dr. Chambers says in an article in the current issue of the bureau's publication, Montana Business Review. The most notable gains have been in farm income and production, bank debits, reduction in unemployment, and growth in the volume of construction activity.

Before the mining and lumber strikes, unemployment, as measured by the number of active job applicants, was one-third lower than in the corresponding 1958 period, the economist says. The growth in job opportunities was mainly in contract construction, mining, transportation, and public utilities.

Nonagricultural employment in August was approximately one per cent above that of August of 1958, but there has been a distinct levelling out in nonfarm employment since early spring, according to the article. Dr. Chambers points out that mining employment had recovered prior to the strike but was still far below the levels of two years ago and was lagging behind the advance in base metal output.

The higher rate of personal income payments in the state has led to marked gains in retail sales over the comparable periods of last year, Dr. Chambers reports. This increase has been equally apparent in both the eastern and western parts of the state, he says.

(more)



Sales of passenger cars through August were slightly more than a quarter higher than in the first eight months of last year, with 53 of Montana's 56 counties sharing in the increase, the article says. Household appliances have generally been in strong demand. Sales of new trucks were up one-third, indicating increased capital investment in equipment by farmers during the current year.

"The outlook in the coming months is a challenging one for Montanans," Dr. Chambers says. "We may anticipate a slowing down in our rate of expansion. The basis of further recovery lies in the nonagricultural economy, which must show sufficient strength to overcome the reductions in farm income caused by significantly lower agricultural production this year. Since farm income alone accounts for 15 to 20 per cent of the state's total personal income, this factor will limit the pace of business advance. There is a crying need for further economic growth in the nonagricultural economy."

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