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University of Montana--Missoula. Office of University Relations
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The outlook for agriculture in Montana is more favorable than it has been for some time, with farm prices up eight per cent over April of 1956, and crop prospects good, according to Dr. Edward J. Chambers, associate director of the Montana State University Bureau of Business and Economic Research.

Nonagricultural employment is above levels a year ago, retail trade in the soft lines appears to be holding up well, and in the eastern part of the state, petroleum exploration and pumping are well ahead of the comparable period last year, Dr. Chambers reports in the current issue of Montana Business, a publication of the MSU School of Business Administration. Mining and smelting operations have held up well in spite of the very considerable readjustment in copper prices, he writes.

While conditions are good in these segments of the state’s economy, they are spotty in others, he notes. Durable goods have been sluggish, with new passenger car registrations through May off seven per cent from last year. Logging and lumbering operations in western Montana continue to be curtailed, reflecting the national decline in residential construction. Construction activity in the state through April, as measured by contract awards, is running behind that for the same months last year.

"Satisfactory developments in Montana’s economy during the rest of the year will depend to a considerable degree upon the continuation of the favorable agricultural outlook, the realization of prospects for national improvement in residential construction, and the maintenance of a degree of stability in mineral production," Dr. Chambers says.

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The MSU economist looks for continued national economic growth for the rest of the year. He sees encouragement in the strength of final demand for goods and services and the conservative inventory position taken by business in the past six months.

He summarizes the situation as follows: Business capital expenditures are expected to remain high throughout 1957. Prospects are that consumer outlays, including those on durables, will show some increase during the latter part of the year. An expected increase in the availability of funds for government guaranteed mortgages (as a result of the increase in the maximum FHA contract rate) may be reflected in some increase in residential construction later in the year. Government spending will continue high.

The combination of a healthy inventory-sales relationship and the prospect for increased demand later in the year make the outlook for the last half of 1957 promising, Dr. Chambers concludes.