

Business Gain in West Cited

Idea on Industrial Control Put Forth by Babson

(Authentic statement by Homer W. Babson)

En Route, March 1, 1935—Babson in the central west is very good. With the possible exception of the south, conditions have improved in the prairie more in the last year than in any other section. When we have a good farm year then business in the prairie states is bound to be good. All the trade barometers which I follow show excellent increases for the agricultural sections. That is the reason why I am urging concerns doing a national business to push sales efforts in the south and west.

More Rains Probable for 1935-1940

Last year was an unusual year from the weather standpoint on the prairie. But, in spite of the terrific drought, Montana, Iowa and Kansas had big increases in cash income. Nebraska and Missouri, and particularly the Dakotas—were hit very hard but have been generously aided by the government. So high prices plus government aid have brought a big gain in cash income to the farmers of the central west. Now again this year their fortunes depend absolutely on the weather. If heavy rains and snows fall in the spring, 1935 may be a normal crop year. However, unless subsoil moisture is replaced, this year's harvest may not be much better than 1934.

The aftermath of the drought is the biggest factor in the 1935 outlook for central west farmers. I am told that much reserve seed was used for feed or sold for fancy prices last year. Hence, seed must now be shipped from the prairie states from other sections. This is dangerous. If new seed is not adapted to soil and climate, yields may be very poor. And remember, a short crop in 1935 may not be bullish. There will be no huge carryovers this year to benefit by rising prices. So while the drought of 1934 is now history, its ghost may follow the plains farmers even into 1936. I am inclined to doubt this, however, for my Smithsonian institute friends say the country is now entering a cycle of more rainfall.

Babson Optimistic on Livestock and Mining

Livestock raisers in the central west, after suffering great hardships through the past five years, should get their reward before long. Cattle and hog prices are very strong and I feel they will move still higher during the year. Dairy-men are in a similar position although their prices have not been rising as fast as feed costs. Milk prices in the Minnesota area have finally reversed their downward trend and are now about twenty-five per cent higher than last February. Butter and cheese quotations have also moved upward. Unless we have a tremendous improvement in pastures and feed conditions, the over-production problem in the livestock and dairy industries has been eliminated until 1936.

Industrial concerns in this sec-

tion are sharing in the huge improvement which is now sweeping the country. Receipts from Colorado, Montana, the tri-state area and northern Minnesota are encouraging. Automobile activity at Detroit has boosted from operations and all types of mining have resumed. Mines which have been shut down for years are resuming operations. The high price of gold is the major factor in the excellent trade conditions in the South Dakota Black Hills district. There should be still further helped by the recent supreme court gold decision. Other factors such as shoe production, furniture orders, flour millings, iron and steel products, and coal output are all showing increases over 1934.

Jobs and Payrolls Gaining

Building supply concerns in the plains states, as in every area, are still in the dumps. The value of permits granted in the central west in the past few weeks is much higher than in the early weeks of 1934, but the present rate is only a fraction of normal. Here, as throughout the country, the biggest boon to trade and employment would be a sustained revival in building activity. Such a development, however, is dependent on rents for, at the present rate of return, real estate investment is still unprofitable. Employment is better and payrolls are higher than a year ago in company with the general improvement which has been in evidence since last autumn.

Retail trade reports from all over the great plains area confirm encouraging reports I have received at first hand. The market has always been a good spender when he had the cash. Hence, a sharp increase in retail sales at this time is impossible. City stores are handling about fifteen per cent more merchandise than last year, while the country department stores report that increases are as high as twenty per cent. Wholesale are doing a huge business in electrical supplies, automobiles and trucks.

No Prosperity Without Farmer Sharing

Most economists recognize that conditions in the central west govern to a very large extent business activity throughout the nation. Hence, from a national standpoint, the farm outlook is vitally important. As I reported to my readers a few weeks ago, the prospects for farm prices and income for the next few months are good. The outlook for later in the year is impossible to estimate at present. On the one hand, there is the uncertainty of the weather, and on the other, there is the difficulty of selling a good American crop at a fair price under present world trade conditions. However, there are enough good factors in the picture to warrant optimism.

The Babsonchart indicates that the nation's business is about nine per cent above a year ago and only sixteen per cent below normal. Farm employment, a direct measure of business activity in the prairie states are considerably better than the average for the entire country as shown in the following state comparisons with year ago: Montana plus forty per cent; South Dakota plus twenty-seven; North Dakota plus forty-three; Minnesota plus fifty; Nebraska plus twenty; Missouri plus eleven; Kansas plus twenty-two; and Iowa plus thirty-five. On the farm sector I now pin my hopes for maintenance of the present level of business through the summer of 1935 and the impetus for further recovery in the fall.

A Suggestion

In closing I want to pass along



LISTEN 'CHIRPS' HOW'S THIS FOR POETRY? 'I HEAR THE SOUNDS OF MUSIC, NELLIE DEAR, THOSE MELODIOUS PIPES OF PAN, THE SOUNDS OF LAUGHING WATERS—ETC.'

SAY MAJ—WHAT'S WRONG WITH THE YOUNGSTER? HE'S STARTED WRITIN' POETRY AGAIN—THE KIND OF STUFF THAT GETS IN MY HAIR. DO YOU THINK IT'S TIME FOR SOME SULPHUR AND MCLASSES?

THE GREAT AMERICAN HOME

New Group Formed at Mountain Top

(By Mrs. Bird McCormick) CHEHALEM MOUNTAIN—A girls' sewing and cooking 4-H club has been organized at the Mountain Top school with the teacher, Mrs. M. McCann, as advisor. Twelve girls are members. Mountain Top school will give a program March 15. Pupils here with an average of 90 in all grades and deportment and neither absent tardy for the last month were Violet Morgan, Zane Wood, Harold Brunson and Ardeth Eitzwiler. Eleven other pupils were perfect in attendance.

Quarterly Meet Held at Kinton

(By Mrs. E. L. Cox) KINTON—Third quarterly conference of the Evangelical churches in this district was held at Kinton church February 26 with Rev. W. E. Simpson presiding. Reports from the other churches were read. Vocal and instrumental music and readings will be on the program at the Pleasant View community club Saturday evening, preceded by a pot luck supper at 7:30.

Verboort Four-H Clubs Get Honors

One hundred people of the Verboort community attended the 4-H achievement program at the community hall February 27, according to L. E. Francis, assistant county agent. Thirty-six club members from the six clubs in the community were presented with their achievement pins. Following clubs completed their work in 1934 100 per cent and were presented with certificates of achievement: Verboort sheep club, Leisyville corn club, Verboort corn club and the Schefflin dairy club. Leaders of these clubs are Cecil Heynderickx, John Gates, Joe Cawse, Albert Jansen and Richard Kerkman.

Program Held Mountandale

MOUNTAINDALE—The program given Saturday evening at the Mountandale school house was a financial success and the large crowd in attendance was generous in its support. About \$24 was cleared. The committee for the program wishes to thank the P. E. P. company, Hristol Hardware company and all those contributing to the success of the program.

Washington Grange Host on Friday to 4-H Clubbers

WASHINGTON GRANGE met Saturday evening at the Washington Grange home with a basket dinner served at 6:00. An entertainment was put on during which Mrs. Elva Logan gave report of her trip to Corvallis, where she attended the Home Economics program. Friday night the grange will entertain the 4-H club members and their families.

Capitol News Letter

(Continued from page one) as a white elephant and is known to have vigorously opposed its acceptance by the state.

Capitol News Letter

(Continued from page one) Ernest Guenther and daughter Helen Mae went to Corvallis Friday evening and remained until Sunday afternoon. They visited Mrs. Viola Reetz and family and Lynn Guenther and attended a birthday party at Junction City, honoring Mrs. Alvin Reetz.

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Mason Hill

Services were held at the schoolhouse Sunday night by Mr. Everett, but on account of the snowstorm. Those who met for Sunshine on Wednesday afternoon at 11 Waldorf house were Helen Ekinsey, Mesdames George Hill, Sidney

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