One hundred and fifty-nine colonists from Michigan, Minnesota and Wisconsin, who two years ago were on direct relief in their home States, are facing their second winter in the Matanuska Valley, Alaska, with a high degree of optimism, according to Col. Otto F. Ohlson, general manager of the Alaska Railway and president of the Alaska Rural Rehabilitation Corporation, who is now in Washington.

After having provided for their own needs, the colonists as of October 1 had deposited in the community warehouse 55,000 pounds of vegetables and by the time delivery ends this total is expected to reach approximately 100,000 pounds. Potatoes, cabbages, cauliflower, onions, etc., are among the produce raised in excess of home needs. In addition, milk, cream, eggs, butter, poultry, hogs and beef have been delivered for marketing. The colonists are given credit at the community commissary for all produce delivered, the price being determined by the daily quotations on the Seattle market, plus the freight rate to Palmer, which is the center of the farming community established by the Federal Emergency Relief Administration and the Territory of Alaska in May, 1935.

All of the colonists are living in their own homes, each with a forty acre tract of land to clear and cultivate. Approximately 650 acres of land on individual farms were cleared this year. At the community center in Palmer a modern hospital of 22 beds, a central school house, teachers' quarters, creamery,
cannery, power plant and warehouses have been completed and are in operation. A radio station, houses for the administrative staff and an additional warehouse are now under construction.

School attendance is 304, of which 200 are in grade school, 45 in junior high and 59 in senior high school. A teaching staff of 15 is employed.

The health of the community, according to Ross L. Sheely, general manager of the project, is comparable to that of any community of its size in the country. No contagious diseases have been reported. A dental clinic is maintained at the hospital.

In the winter many of the colonists are finding additional revenue in cutting timber for mine props and cord wood is being sold in Anchorage and other nearby communities.

The Alaska Road Commission has completed a new highway from Palmer to Anchorage, which brings the farm community center within two hours' automobile ride of the headquarters city of the Alaska Railway.

"The morale of the Matanuska community is excellent," says Colonel Ohlson. "The farmers have had a good year. They have been industrious and, in my judgment, they will make good on their obligations to the government. All of their excess products are sold to buyers in the rail belt and the prices obtained compare favorably with prices for similar products imported from the States. One of the older settlers brought 300 head of cattle into the valley this year to fatten for the market. Each colonist has one or more cows and the ready demand for dairy products at all seasons insures a steady cash income.

"Housing conditions are splendid and the colonists as a whole are looking forward to next spring with a high degree of optimism. The results of their first full year's efforts have demonstrated that the Matanuska Valley is real farming country and that men who are not afraid to work can make more than
a bare living. Alaska can and will consume all the excess foodstuffs which the Matanuska colonists can produce and consumer demand will increase with the certain increase in population."

A total of 864 persons, representing approximately 200 families, who had lost their all as a result of the depression, volunteered to resettle in the Matanuska Valley, when the Federal Emergency Relief Administration included this project in its rural rehabilitation program in 1935. The first contingent of colonists, numbering 294, all from Minnesota, reached the valley on May 8 and the second contingent, numbering 570 from Michigan and Wisconsin, arrived at the site of their new homes on May 24. Before winter set in approximately 25 percent of the settlers, for one cause or another, were returned to their native States. In the past year nine new colonists, who paid their own way to Alaska, were admitted to the colony.

Because of this influx of new settlers, old homesteaders in the valley have prospered. The Alaska Rural Rehabilitation Corporation set aside $125,000 for loans to the old settlers, with a limit of $2500 to each, for the purchase of farm implements and live stock. These loans are protected by chattel mortgage in favor of the corporation.

In a year the lush bottom lands of the Matanuska Valley have been converted into a thriving farming community stretching for miles in all directions from the community center at Palmer. Palmer itself has grown from a railroad station and a one-room general store to a modern town with well built public buildings, business structures and homes.

In the opinion of Colonel Ohlson the community is an established and going concern which will add to the wealth of Alaska and act as a magnet for thousands of other farm families who are seeking a place for a fresh start.