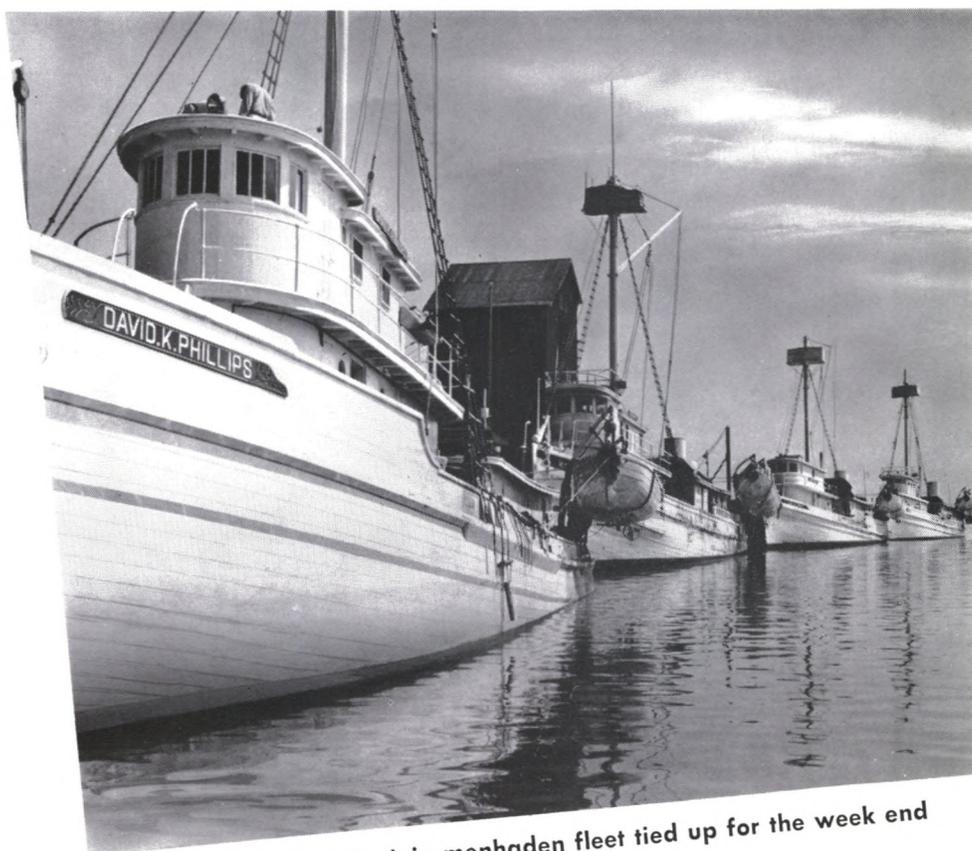


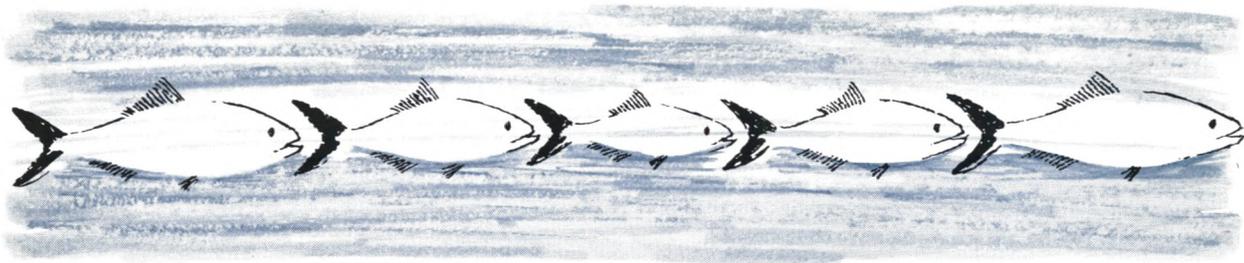
MONTHLY REVIEW



A portion of the Virginia menhaden fleet tied up for the week end

FEDERAL RESERVE BANK OF RICHMOND

AUGUST 1960



MENHADEN--our largest commercial catch

Each year, from late spring through late fall, hordes of tiny fish swim along the Atlantic Coast from southern New England to Florida and across parts of the Gulf of Mexico. Ugly cousins of the herring, they have big heads, a slight hump on their backs, and no teeth. There's no fight in them, and like the shad and herring, they feed almost entirely on plankton—those masses of minute sea life called “the pastures of the sea.” Seldom are these small fish ever found on menus, yet nearly everyone has at some time been indebted to them for something he eats or uses.

ECONOMIC SIGNIFICANCE These, then, are the menhaden. Fishermen call them mossbunkers, pogies, alewives, fatbacks, yellowtail shads, and a number of other names. Whatever their aliases, these little fish—which usually weigh less than a pound apiece—form the basis for a multimillion-dollar business. Last year's menhaden landings of 2.2 billion pounds—the largest in United States history—accounted for 43% of the total catch of all fish and shellfish combined and brought the nation's 4,500 menhaden fishermen \$25.8 million. Thirty-seven manufacturers of menhaden products, scattered from Massachusetts to Texas, employed several thousand persons and had gross returns valued at nearly \$43 million at the producers' level. Returns to both menhaden fishermen and processors in 1959 were second only to the record incomes of 1956 when fishermen received \$28.4 million and the manufacturers \$46.9 million.

The District's part of this industry—and a sizable share it is—is concentrated in Virginia's lower Northern Neck in and around Reedville and in North Carolina's Beaufort-Morehead City area. Because of the larger fish landings in 1959—principally menhaden—Reedville, Virginia, became the leading United States fishing port and Beaufort-

Morehead City, North Carolina, the fourth largest. Their importance as menhaden centers has no doubt accounted for the fact that, for the past 30 years, about 99% of the District's entire menhaden catch has been landed at Virginia and North Carolina ports.

Though complete regional data are not available, indications are that the District catch of these tiny fish in 1959 was also at a peak level and represented about one-third of all menhaden caught by the nation's fishermen. Prior to last year, the record landing of menhaden in the District had been made in 1958. This catch totaled 559 million pounds—36% of the national haul—and brought an all-time high return of \$7.8 million to the District's 2,052 menhaden fishermen.

Another indication of the menhaden's importance in this area is the fact that they are caught in greater quantity on the Virginia and North Carolina coasts than all other fin fish and shellfish combined. Virginia's menhaden catch in 1958, for example, accounted for a little more than four-fifths of all species of fish and almost three-fourths of all fish and shellfish caught during the year. North Carolina's menhaden landings are relatively more important, representing 86% of the catch of all fish and around four-fifths of the combined landings of all fish and shellfish.

There were 16 of the country's 38 menhaden processing plants located in the District in 1958 and 14 of 37 in 1959. These firms employed between 800 and 900 persons, in addition to the 2,052 fishermen, and manufactured products valued at a record \$13 million at the producers' level in 1958 and \$12.4 million in 1959.

LITTLE FISH—BIG CONTRIBUTION This little fish has played an important role in everyday life since pre-colonial America. History tells us that Indians used menhaden for fertilizer by burying one



When the purse boats reach a school of menhaden, they separate and swing into a big circle, paying out the net around the fish.

under each hill of corn. The colonists followed the farming practices of the Indians, and use of raw, whole fish for fertilizer continued into the nineteenth century.

Discovery of methods for extracting oil from the menhaden is reported to have been made in Rhode Island in 1812 and in Maine in 1850. The oil proved to be a good substitute for whale oil and linseed oil and was often mixed with mineral oil for use in miners' lamps. The residue from the production of oil became known as menhaden scrap, and its lack of oil made it even more desirable as a fertilizer than the whole fish had been.

Considerable quantities of fresh as well as salted menhaden were used as bait to catch other fish such as mackerel, cod, and halibut. And enterprising New Englanders a century ago canned them in oil to produce "sardines." Some few—mostly fishermen and others in fishing communities—ate them fresh or salted, but their oily, mealy taste and many bones have prevented them from being used extensively as food. A more recent attempt at using menhaden for food was made during World War II when they were canned as substitutes for scarce kinds of canned fish. Most of this canned menhaden was sent to European countries through Lend-Lease channels. Demand soon disappeared as more desirable fish products became available, however, and canning was discontinued in 1948.

Products derived from the menhaden today are many and diverse. Nearly all menhaden caught are processed into meal, oil, and fish solubles. About three-fourths of all fish meals, four-fifths of the marine-animal oils, and nearly four-fifths of all fish solubles produced in the United States today are products of the menhaden industry.

District manufacturers' share of the nation's menhaden production is considerable: about one-third of the scrap and meal, one-fifth of the oil, and around one-third of the fish solubles.

Research has discovered many industrial uses for menhaden products. The meal, which has been found to be rich in high-quality protein, minerals, and vitamins, is now used exclusively in the production of mixed feeds for hogs and poultry rather than for fertilizer. Menhaden fish solubles are also used as protein and vitamin supplements in livestock and poultry feeds.

Menhaden oil is a component of many industrial products—special paints, varnishes, printing inks, linoleum, putties, caulking compounds, brake blocks, soaps, lipsticks, certain pharmaceuticals, and many other products. It is also used in tanning leather, as a lubricant for machinery, and in fortifying vitamin feeding oils for poultry. Western Europeans use it for cooking purposes and for making margarine. And recent medical research indicates that the oil from the old mossbunker may one day prove useful in lowering the cholesterol count in the blood—generally believed to be one of the factors involved in heart disease.

HARVESTING THE MENHADEN And how are these important fish caught? Ninety-eight per cent of the national catch and 95% of the District's landings are made with the aid of especially designed fishing vessels. Built long and slender for speed, driven by high-powered Diesel engines, and equipped with electronic navigational aids, they have a big crow's nest riding atop a single towering mast. Because menhaden spend most of their time in shallow water during the fishing season, fishing operations are carried on fairly close to

shore. As a result, these distinctive fishing boats—technically known as menhaden purse seiners—are a familiar sight to many coastal vacationers and anglers.

Ninety-four of these vessels—nearly half of the nation's menhaden fleet—operated from District ports in 1958. Sixty-seven were based at North Carolina ports, 26 at Virginia's, and one at Yonges Island, South Carolina. Each of them carried three smaller accessory boats for use in the actual seining operations.

As the big boats ply slowly along the coastal waters, keen-eyed observers rock gently in the crow's nest always watching for those telltale patches of red that indicate the presence of fish. Menhaden generally swim in large schools near the surface of the sea, and because of the yellowish color around their fins and tails they give the water a brassy or reddish tinge.

Small scouting planes—usually independently owned—fly back and forth overhead to aid in the search. A single plane may be working for a number of boats which belong to one or more companies. When one of the aerial scouts spots a patch of "schooling" menhaden, he begins to circle the area and by agreement calls the captain of the ship nearest the school:

"Got a patch of red off your starboard side, skipper. A good bunch. South-southeast about two miles ahead."

The captain immediately orders his ship toward the designated spot. "Boats!" he yells, and the purse-boat crews scurry to the two small boats hanging off the stern. When the big boat approaches the school, her engines are shut down. Captain and fishing crew take to the smaller boats.

The lone "striker" boatsman rows off standing up to try to pinpoint the exact location of the fish. The two larger, motor-powered purse boats, each carrying half the purse seine, follow immediately with the captain and rest of the crew. As the purse boats reach the school, they separate and swing into a big circle, paying out the net around the fish.

When they meet after encircling the school, the ends of the seine are secured and the bottom is drawn together, trapping the menhaden in the purse-like net. "Power blocks"—mechanical seine-hauling rigs on each boat—then draw in the net to concentrate the fish into a smaller area. The mother ship then pulls alongside. A portion of the seine is made fast to the larger ship, and the trapped fish are confined to the triangular space between the moored vessels. They are then transferred from the net to the hold of the mother ship by a large suction hose. The "set"—a single catch—has been completed. Under normal circumstances, the big boats make several "sets" during the course of a day's operation.

PROCESSING THE CATCH Their holds laden with the day's catch, the big boats head for port and the processing plants. There, with the aid of a big suction hose, the fish are pumped from the hold of the mother ship onto an automatic scale or quarter box where they are either weighed or measured in units of 1,000. Captains and crews are paid according to the size of their catch.

The fish are then conveyed into modern reduction plants directly to the cookers or holding bins. Once in the cookers, the menhaden are cooked with live steam, a process which breaks down their

The men in the crow's nest are now aided in their search for schools of menhaden by a small plane equipped with two-way radio.





After the menhaden have been trapped in the net, mechanical seine-hauling rigs on each boat draw in the net to force the fish into a smaller area.



The mother vessel has pulled alongside the net and is pumping the catch into its fish hold through a large suction hose.

oil cells. While still hot, they pass into huge screw presses where the oil and water are extracted. This oil-and-water mixture is drained into machines which separate the oil from the water by the use of centrifugal force. The portions of the fish remaining in the presses, called "press cake," are then fed directly into large rotary kilns where the wet material is dried. This dried product is known as "scrap." Some plants carry the processing a step further by grinding the scrap into meal.

The water that has been separated from the oil—known in the industry as "stickwater"—is then condensed in large evaporators. The resulting solids are called "fish solubles." For years the stickwater was discarded as waste until researchers found that it contained large quantities of dissolved protein and vitamins.

PROBLEMS AND PROGRESS Through the years, the nation's menhaden industry has known alternately poor times and good as lady luck has frowned or smiled on each fleet or production center. Many unpredictable factors—violent storms, small fish with low oil content, and widely scattered schools of fish that couldn't be landed in massive catches—have plagued the industry from time to time. The seasonal nature of the work and inexperienced crews at times have also made for unsatisfactory conditions in the industry.

A more recent problem in the past few years has been the tremendous increase in imports of fish meal and solubles. These imports coupled with sharply increased production here at home have resulted in a depressed market for both products.

Despite its problems, the industry has made great progress. Processing plants have modernized their old equipment and methods of production. More fishing boats have been put into operation, and larger, faster vessels equipped with almost every electronic aid to navigation have replaced the smaller, slower steam-powered ships. Scouting planes with plane-to-ship radio connections have helped to increase the yearly catch. The power blocks, first introduced into the Chesapeake fishery in 1957, have reduced the number of men needed for each vessel and cut the time taken to make a set. Even more recent technological advances have been the trend to refrigerated boats that prevent fish spoilage and the use of electrodes to guide the fish into the nets.

Coupled with these technological developments has been the continual research, both within the industry and by various federal agencies, for more and better uses of the menhaden products. The search, which has been highly successful, goes on. So also do experiments looking toward further advances in technology.



Since World War II Americans have taken an increasingly active interest in the stock market. Over 12 million persons now hold shares in publicly-owned corporations—an increase of almost 100% since 1952. Last year over a billion shares of stock, with a market value of over \$43 billion, were traded on the New York Stock Exchange. Accordingly, *Monthly Review* felt that some of its readers might be interested in a brief outline of the steps involved in the purchase of a few shares of a stock listed on the New York Stock Exchange.

First, we visited a stockbroker's office and asked about the current price of a particular stock. The broker checked the quotation board on which were listed buy-and-sell data for stocks in which the firm's clients were interested. Stocks are added to or eliminated from this board as interest shifts from one company to another. The price of our stock at the time it was last traded was \$90.50. We decided to buy 10 shares "at the market"—that is, at the best price immediately available. (Obviously, *Monthly Review's* purchase is a hypothetical one.)

MONTHLY REVIEW





To make this transaction, our broker had to have some means of contact with the New York Stock Exchange. Member firms do direct business on the Exchange only from New York offices, but a vast communications system enables the Exchange to serve as the central market place for securities bought and sold all over the country. Each out-of-town firm, if it is not a branch office of a New York firm, has a correspondent broker in New York. Our stockbroker contacted his correspondent and gave him our order. The correspondent then relayed the message to his telephone clerk on the Stock Exchange floor. Since the unit of trading is 100 shares, a "round lot," and our order was for only 10 shares, an "odd lot," it was placed with a member firm dealing exclusively in odd lots. The existence of odd-lot dealers enables small as well as large investors to avail themselves of the facilities of the New York Stock Exchange.

. . . BUYS SOME STOCK

An odd-lot dealer maintains an inventory of listed stocks and buys and sells out of his own supply. He is compelled by the Exchange to trade only at the price established by the next round-lot transaction. Let's say that a few minutes after our order was received, two brokers on the floor of the Exchange also took orders on the same stock. One got an order to buy 100 shares; the other to sell 100 shares—both at the market. The two brokers met at the stock's trading post and learned that the highest "bid"—or offer to buy—was \$90 a share and the lowest "asked" price—or offer to sell—was \$90.50. They then dickered and reached an agreement at \$90.25. This is how the many different evaluations that are made of a particular stock are translated into a specific price at any given time.

After the price had been established at \$90.25 by the round-lot transaction, the odd-lot dealer was free to sell 10 shares at that price, plus a small odd-lot differential, which is the only fee he receives for his services. He then sent a memo on the sale back to the telephone clerk, who contacted the New York correspondent. He in turn transmitted the message to our broker. This process is repeated thousands of times daily for investors buying or selling less than 100 shares of a stock listed on the New York Stock Exchange.



MICA



THE MINERAL THAT'S "GOOD AS GOLD"

"All that glitters is not gold" . . .

but in some cases, such as mica's,
it may be quite valuable nonetheless.

North Carolina leads the entire nation
in production of a mineral that rarely
makes the headlines but performs an indis-
pensable service to many American industries.

When you were a child, did you ever find "diamonds" shining in a piece of rock? If you did, the chances are that a grownup told you "It's only mica." For many people think of mica as a kind of fraud—pretty to look at, but essentially useless. Few of us realize that mica plays an important part in our households and industries—in the complicated structures of radios, electric toasters, and other electric appliances, and even in the paint, wallpaper, and roofing of our homes.

ESSENTIAL TO INDUSTRY Though mica gets little publicity, makers of appliances—and, more significantly, the United States government—realize that it is an indispensable material. It is flexible, elastic, and tough, as well as highly resistant to the action of water or acid. Most important, it is a poor conductor of heat and electricity, which makes it useful for electrical insulation.

Actually, mica is a group name for nine different minerals that have crystallized to form blocks, called "books". These blocks can be split into extremely thin sheets. For industrial purposes, mica is generally divided into two main classifications—sheet and scrap. When the mineral can be mined in chunks of a substantial size, the resulting product is called "sheet mica". This is the type that is eventually processed for use in electrical appliances.

Only about 10% of a mine's total production can be processed into sheets. The remainder, scrap mica, is made up of tiny flakes too small to

be used in sheet form. High quality scrap, because of its natural sheen and fire resistance, is used in wallpaper, paint, and ornamental tiles. The poorer grades are used in roofing materials.

DOMESTIC PRODUCTION Commercial production of mica in this country began in 1803 in New Hampshire. For over fifty years New Hampshire mined all the mica produced in America, but in 1868 large-scale production began in North Carolina, and New Hampshire's output declined. Today, mica mines are scattered all across western North Carolina, producing in 1958 more than three quarters of all the sheet mica and more than half of all the scrap mica mined in this country. North Carolina mica was valued at \$2.8 million in 1958, over half of the United States total. Two other Fifth District states—South Carolina and Virginia—also produce mica, but in 1958 South Carolina accounted for less than 1% of the United States total; Virginia's proportion was even less.

The United States is the largest producer and consumer of mica in the world: in 1958 we produced 93,674 tons of mica, valued at almost \$5 million. However, less than 1% of this was sheet mica, and this fell far short of meeting domestic needs. Accordingly, we import most of the sheet mica used annually in this country, principally from India, Brazil, and Madagascar. This caused us a lot of difficulty in World War II when shipping space was scarce and enemy subs preyed on our merchant marine.

PRODUCTION PROBLEMS The problem of reducing our large volume of imports is not an easy one to solve. Foreign countries can produce mica more cheaply because of lower labor costs. Production in this country is handicapped by the fact that mica is found in shallow deposits spread over wide areas. This makes mining impractical for a big, mechanized company. Furthermore, the nature of the mineral itself hinders machine mining. Mica is easily damaged, and heavy charges of explosives—or even penetration by a drill bit—can ruin large quantities at a time. For these reasons, mica mining is often done on a very small scale, even on a part-time basis. With a minimum amount of equipment—picks, shovels, hand drills, and explosives—a farmer can operate a small mica mine as a side line, working it himself or with the aid of a few hired hands. Though it seems impossible, these small, part-time operations supply over half of all the mica produced in this country.

GOVERNMENT'S ROLE During World War II, when a greatly increased amount of mica was necessary for use in radio equipment and airplane engines, the Federal government bought all the mica it could get at prices high enough to bring forth a considerable increase in production. Immediately after the war, when these purchases declined, mica production fell rapidly.

But we had learned a lesson in World War II, and as the cold war continued, the government, under the Defense Production Act of 1950, began a second subsidy program. As a result, several mica-purchasing depots have been built by the government—the most important one at Spruce Pine, North Carolina. The Federal government now maintains a large stockpile of mica, adding to it from imports and increased domestic production.

Exploration for new sources of the raw material is also encouraged by the government. The Office of Mineral Exploration, 1958 successor to the original agency under the Defense Production Act, provides contract funds up to \$250,000 to prospectors who cannot obtain commercial funds.

In addition, the government encourages research aimed at finding an acceptable mica substitute. Through its own agencies such as the Federal Bureau of Mines, and also through arrangements with private industry, synthetic mica research has been intensified in recent years.

So far, no synthetic product has been discovered that can compare with the real thing—the mineral that is found in such rich deposits in western North Carolina.



Small, hand-operated mica mines, worked on a part-time basis, supply over half of all the mica produced in this country.

the F I F T H district

Business activity in the Fifth Federal Reserve District is coasting along through the summer season on a fairly even keel. Recent developments appear to reflect mainly the usual vacation slow-downs in mines and factories and summer indifference toward certain lines of durable consumer goods.

Retailers report that consumer demand appears to have departed to some extent this summer from the usual patterns. June and July temperatures in many areas of the District averaged several degrees below normal with less than the usual amount of humidity. Dealers cite this as the reason for their inability to sell the anticipated volume of air-conditioners and ventilating fans thus far this season. In a few areas of the District distinctly subnormal rainfall has dealt retailers another blow—lagging sales of lawn and garden equipment, especially lawn mowers. The low level of consumer interest in home furnishings in general has disappointed both manufacturers and

dealers. On the brighter side, sales of summer lines of consumer soft goods are reported to be moving well. The demand is good for home entertainment equipment, such as television sets, radios, and record players. Refrigerators, freezers, home laundry equipment, and stoves have been reported to be moving at a fair-to-good pace as compared with last year.

MANUFACTURING SLOWS SLIGHTLY The latest statistics measuring seasonally adjusted man-hours in District manufacturing industries show June down a fraction of a percentage point from the high level reached in May. This mild over-all decrease was the result of some rather sharp declines in certain durable goods industries. Primary metal products and furniture and fixtures decreased 4% and 3% respectively. Man-hours in electrical machinery production, seasonally adjusted, increased 2%. Other categories of durable goods decreased nominally.

Seasonally adjusted man-hours in the District's nondurable goods industries declined very slightly between May and June. Within the group, however, food and kindred products and the yarn and thread component of textile mill products each declined more than 4%. Offsetting the decreases, seasonally adjusted man-hours in both tobacco

Though national coal consumption is expected to exceed that of 1959, District coal output so far has lagged slightly.



manufacturing and the broadwoven fabric component of textiles increased—the former by about 4%, the latter by a mere fraction of a percentage point. Small declines were registered in the other nondurable goods classifications.

Only primary and fabricated metals, transportation equipment, the stone, clay and glass group, and yarn and thread mills failed to make a favorable showing in June when compared with their performance in the same month of 1959. June last year, it should be remembered, was the last month of stepped-up production in anticipation of the steel strike. The record for total manufacturing activity in the District set in that month has since been approached but not equaled.

EMPLOYMENT PAUSES ON UPWARD TREND The chart on page 12 shows clearly the growth of seasonally adjusted nonagricultural employment in the Fifth District during the period of business expansion which began in April of 1958. The June figure was less than one-half of one per cent below the all-time record level which was set in April and maintained in May. All categories of seasonally adjusted nonagricultural employment declined between May and June except trade, and the finance, insurance and real estate classification, each of which made modest gains. The most significant declines occurred in mining, down 2% between May and June, and in government, and contract construction, each down slightly more than 1%.

As the chart indicates, nonagricultural employment stands currently at a substantially higher level than it did a year ago. Only in mining, down 3.5%, and durable goods manufacturing, down less than 1%, have the statistics on employment moved counter to the District's upward trend during the past year.

RECENT EVENTS HELP COAL Residual oil is the thick, black remnant of crude petroleum after removal of commercial grades of gasoline and oil. Depending upon a rather complex set of technical, economic and geographic circumstances, residual oil comes into direct competition with coal as a fuel for the production of steam for electric power and large-scale heating plants. Where natural gas enters the picture as a third competitive fuel, utilities and factories find it to their advantage to be equipped to burn any one of the three.

Recent increases in the price of residual fuel oil in east coast markets have ranged up to 20¢ per barrel. The supply is determined largely by import quotas set by the Department of the In-

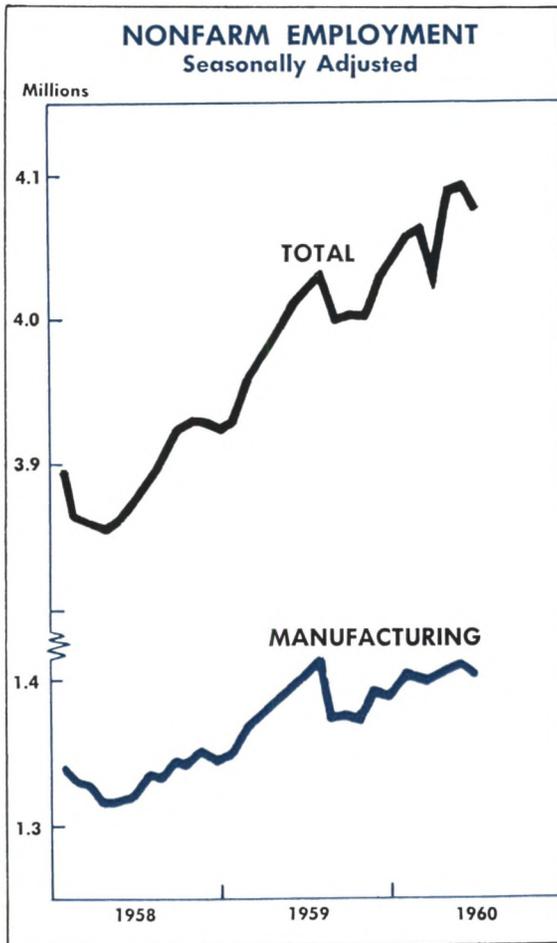
terior. These quotas have recently been somewhat reduced while total demand continues to grow. Borderline users of the heavy petroleum fuel find that the cost indicator has moved back in the direction of coal.

Fifth District coal production thus far this year has failed by a very small margin (0.2%) to equal the output achieved during the comparable portion of last year. This can be considered somewhat encouraging, in view of the accelerated activity which characterized the first half of 1959 when the steel strike was anticipated. It is not, however, in keeping with the most recent estimates of 1960 coal consumption as prepared by the Market Forecast Committee of the National Coal Association. This group expects that domestic consumption in 1960 will exceed that of 1959 by 6.3%. This, combined with an estimated 8% decrease in coal exports, will result in an expected over-all increase of 5.2% in consumption of the nation's output of coal.

TEXTILE MILLS MAINTAIN PACE Seasonally adjusted man-hours in the broadwoven and knitting divisions of the textile industry held firm through May and June at the highest levels of the year, just slightly below the records set in the early and middle months of last year. Seasonally adjusted man-hours in yarn and thread mills registered a 4% decline between May and June following levels during the earlier months which compared favorably with the very good average rates of 1959 activity. Backlogs are still large in the broadwoven cotton and yarn divisions of the industry. In the knitting, synthetic fiber goods and industrial textile lines backlogs are not so heavy, but new orders have flowed with sufficient continuity to maintain adequate backlogs and sustain good levels of production. These lines, furthermore, are showing some new strength.

The textile price structure appears to be basically strong. Where large order backlogs exist, as in the case of print cloths, resales of goods out of the inventories of original buyers take place intermittently. These "secondhand" sales of print cloths, which exert a softening effect on prices, are basically a shifting of existing stocks from finishers who overestimated their needs in particular lines to finishers who underestimated them. They do not as yet appear to indicate any basic weakening of final demand, nor any dangerous accumulation of inventories.

FURNITURE MARKETS LIGHT Furniture manufacturers in the District thus far are having a better



Growth of District employment leveled off in May and June.

year than they had in 1959, their previous best year. The large backlog of orders at the beginning of the year, however, has fallen steadily except for a brief period between April and May when the backlog increased slightly. Retail sales have been slow and the summer markets have resulted in only a modest volume of new factory orders, enough apparently to interrupt the decline in order backlogs. Reports from the Southwestern Summer Housefurnishings Market held in Dallas during the last week of July provided a basis for some new optimism but tell the familiar story of cautious buying and stiff competition. Many industry spokesmen, although currently cautious, still believe that a good volume will develop for the fall, and that the second half of the year will be as good as or better than the first.

CONSTRUCTION A good volume of construction, mainly industrial and public, is in process in the District. This is indicated by the fact that construction employment in June, seasonally adjusted, has been exceeded only in the months of April

and May of this year, and exceeded June 1959 by more than 4%. The District construction picture gains further strength from a good backlog of contract awards, even though the rate of new awards has recently slowed rather sharply. The total value of construction contract awards in the District declined 13% between May and June to a level which was nearly 8% below the June 1959 figure. June contract awards were below their year-ago levels in all three categories—residential, nonresidential and public works and utilities. In spite of this decrease, the total value of awards during the first six months of 1960 exceeds last year's first half by more than 2%.

AGRICULTURE Growing conditions on District farms have generally been improving as the season has progressed, and continued favorable weather would result in a bountiful harvest. Prospects are especially bright for the District's tobacco growers. Higher yields in North Carolina and Virginia are currently expected by the U. S. Department of Agriculture to boost the important flue-cured crop to almost 10% above last year's production.

Yields of other major crops also appear likely to exceed those of last year, with cotton and hay as the main exceptions. Many farmers had trouble getting good stands of cotton during the cold, wet spring weather, and some acreage intended for cotton was diverted to sorghums and soybeans. The hay crop in many areas was adversely affected by dry spells in early summer. The drought was lifted by timely July rains in most places. More recent rains have alleviated the seriousness of these problems in southern Maryland, central Virginia, and other scattered areas.

Hog and egg prices have risen since last year in response to reduced national production. Broiler prices, on the other hand, have been maintained above those of last year in spite of greater production. Government economists attribute this price strength to greater consumer demand, resulting partly from higher prices of other meat products.

PHOTO CREDITS

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