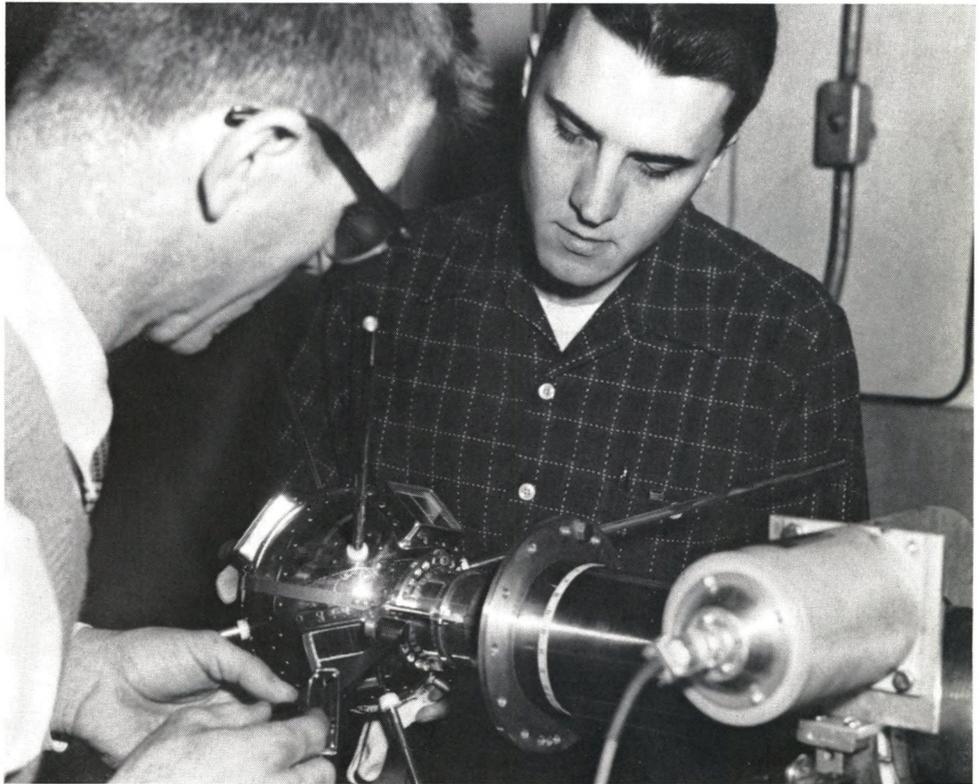


MONTHLY REVIEW



The size of the labor force and the skills possessed by its members are important variables in the process of economic growth.

CHARACTERISTICS OF THE FIFTH DISTRICT LABOR FORCE

When classes end this month, thousands of students throughout the Fifth District will enter the labor force; some permanently, others only temporarily. Some housewives will quit jobs held during the school year and will leave the labor force to vacation with the family. Numbers of men and women not currently working in paid jobs will enter the labor force to seek paid employment or to help with the family farm or business.

Since anyone old enough to work may join or depart from it at will, the labor force is a concept fraught with statistical complications. In fact, many statisticians might happily devote their efforts to other problems were not labor force characteristics of such great importance to all who study, plan, or administer matters of economic and social policy. Because of this importance, those responsible for measuring the labor force are constantly pressed for more detail. Although most states have been publishing labor force data since 1960 or earlier, many local and regional details remain difficult to obtain.

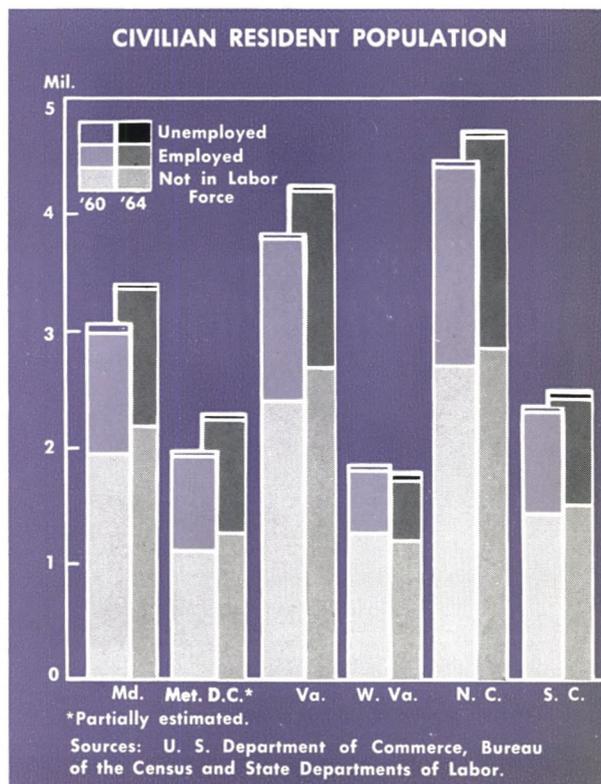
Definition and Significance The civilian labor force includes all persons 14 years of age and over who are either employed or unemployed according to criteria developed by the Bureau of the Census for use in monthly surveys of the national labor force. These national surveys are based on a gradually changing sample of 35,000 households and are conducted in calendar weeks which include the 12th day of each month. In order to produce the desired results quickly and at relatively low cost, the national sample has been designed to represent the nation as a whole. The various states estimate their own labor force characteristics with formulas based on unemployment insurance data supplemented by additional labor market information. The local estimates are designed to reflect the definitions used in the national survey.

According to these definitions, employed persons include all who did any work during the survey week as paid employees or as owners of a business, a professional practice, or a farm, or who worked at least 15 hours as unpaid helpers in a family business or on a family farm. Also counted among the employed are all persons temporarily absent from regular jobs (with or without pay) because of illness, weather, vacations, labor-management disputes, or for various other reasons.

To be counted as unemployed for statistical pur-

poses, a person without a paying job must be looking for work or must fit at least one of the following descriptions: awaiting the results of recent applications for work; waiting for a scheduled return to work after a lay-off; waiting to start a new job scheduled to begin within a month; deterred by illness from actively seeking work; discouraged from job hunting by the belief that no suitable work is locally available. The unemployed and the employed together make up the labor force. People outside the labor force obviously do a great deal of important work, but unpaid volunteer work, regardless of value, does not bring the worker into the labor force.

Population and Labor Force Civilian resident population has grown since 1960 at an average annual rate of 2% in the Fifth District compared to 1.5% in the nation. Concurrently, the District labor force has grown about 1.8% per year compared to 1.3% nationally. Thus the fraction of civilian population outside the labor force continued to rise between 1960 and 1964, from about 61% to 62% in the District and from 60% to 61% nationally.

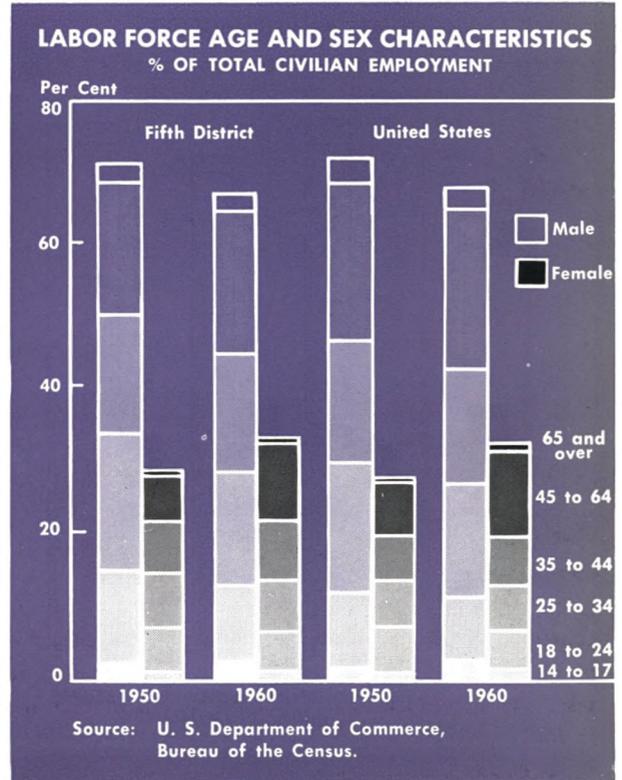
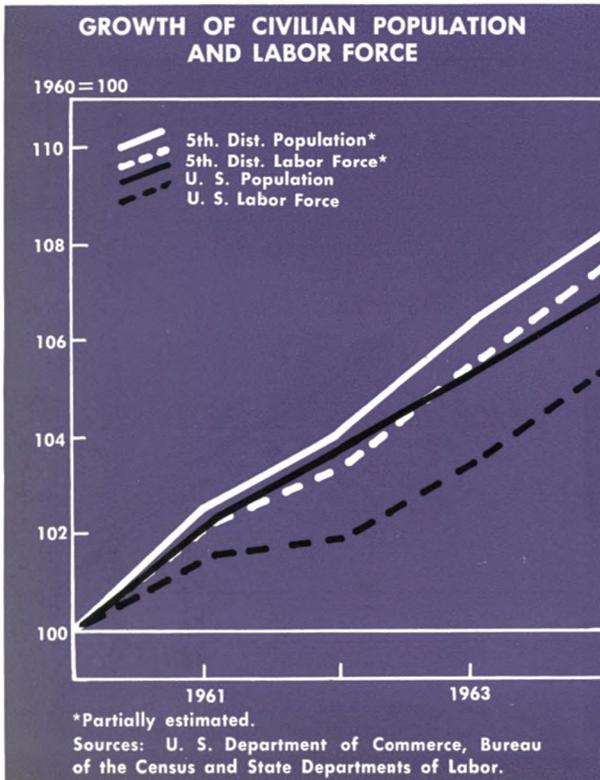


The chart on page 2 shows the geographical distribution of Fifth District resident civilian population and its labor force components in 1960 and 1964. In July of last year, the Fifth District civilian labor force numbered some 6.7 million, about 38% of the civilian resident population. Nationally, the labor force accounted for 39% of civilian residents. The proportion of the population in the labor force varied somewhat among geographical subdivisions of the District. The labor force accounted for 40% of the civilian population in North Carolina and 43% in metropolitan Washington but dropped as low as 33% in West Virginia.

The labor force data compiled for the District of Columbia cover the entire Washington Metropolitan Area which overlaps adjoining parts of Virginia and Maryland. Thus, the mid-1964 estimate of 6.7 million in the Fifth District labor force involved a rough adjustment of the figures to eliminate this double counting. The resulting figure reflects an increase of some 450,000, or somewhat more than 7%, since 1960. Labor force growth since 1960 has displayed considerable geographical variation: up 9% in Maryland, 8% in Virginia, 7% in North Carolina, and 4% in South Carolina in contrast to a 7% decline in West Virginia and an 18% rise in the burgeoning Washington Metropolitan Area.

The decline in Fifth District unemployment between 1960 and 1964 was considerable, especially in view of the growth that took place in the labor force as a whole. The number of people without jobs dropped from 337,000 or 5.0% of the labor force in 1960 to 285,000 or 3.9% in 1964. District unemployment rates were consistently below national levels, which averaged 5.9% from 1960 to 1963, then dropped to 5.2% in 1964. Rates have continued to show wide variation within the region, from lows in the District of Columbia and Virginia to highs that have persisted in West Virginia despite marked improvement. West Virginia's jobless, which typically numbered 73,000 or 11.5% of the state's labor force in 1960, averaged 47,000 or 7.9% in 1964.

Growth Slowed in 1962 Growth of the civilian population and labor force has maintained a fairly constant pace since 1960 except for temporarily smaller gains in 1962. The slower growth rates in the labor force that year, shown in the left-hand chart on this page, are attributable to several factors, which tended to retard growth somewhat more nationally than locally. First, the armed forces were increased nationally relative to 1960-1961 levels by about a quarter of a million, some of whom were drawn from the civilian labor force. Second, as pointed out in the May 1963 *Monthly Labor Review*,



published by the United States Department of Labor, Bureau of Labor Statistics, there was a general slowing down in the entry into the labor force of white collar workers and middle-aged women. Third, the Manpower Development and Training Act became law in March 1962 and began to provide retraining opportunities which eventually drew a good number of formerly unemployed persons temporarily out of the labor force. As the chart shows, these influences were milder in the Fifth District than in the nation, and growth soon resumed pre-1962 rates locally and nationally.

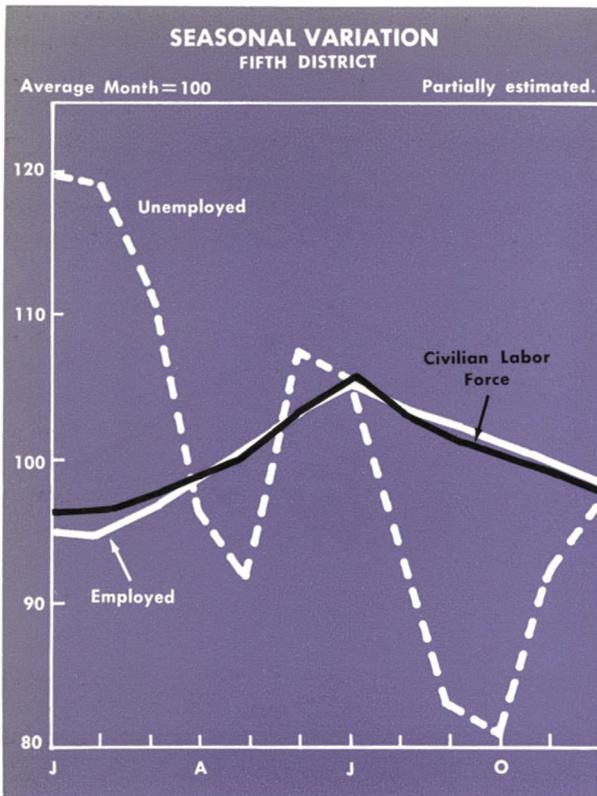
More Youthful Labor Force Because of the scarcity of information, District details must be inferred from national trends and from limited local data. National figures show 21% of the 1964 labor force under the age of 25 compared to 17% in 1960. This youthful component has been the fastest growing age group since 1960 in the national labor force. No recent age groupings are available for the Fifth District's labor force, but broad classes estimated for the population as a whole reveal a different pattern of development in the District compared to the nation. Since 1960, the population group under 18 has increased only 7.4% in the District compared to 9.1% nationally, and the 18-to-64 group rose 7.0% in the District compared to only 4.9% nationally. The downward trend in the number of youthful workers revealed in the Census data graphed in the right-

hand chart on page 3 has reversed itself since 1960 in the nation but may have continued in the Fifth District. The fraction of older people in the national labor force, especially those 45 and over, has recently remained fairly stable but is expected to diminish quite sharply in the next ten or fifteen years.

Whereas age patterns have been changing, the proportion of women in the labor force continues to rise. As the chart on page 3 shows, the 1960 District labor force was one third female, a shift of about 5 percentage points since 1950 when women comprised only 28% of the work force. The Fifth District labor force compared to the national has consistently contained a slightly larger proportion of women, and the female component during the 1950's grew slightly faster in the District than in the country as a whole. Several of the District's important manufacturing industries, such as textiles, apparel, and tobacco, employ a relatively large number of women.

Sources of Employment Manufacturing is the biggest single source of jobs among the major sectors of the economy, providing nearly one fourth of all civilian employment in the nation and over 22% in the Fifth District. Except for manufacturing, which is divided into its durable and nondurable goods components in the chart on this page, government provides more Fifth District jobs than any other activity. Trade ranks third in the District but second in the





nation as a whole. The fastest growing sector of District employment since 1960 has been services and miscellaneous enterprises. Nationally, services and government showed about the same relative growth between 1960 and 1964 and led all other sectors. Relative declines occurred at the national level in both durable and nondurable goods manufacturing and in transportation, communications, and public utilities. In the District, durable goods manufacturing maintained its standing as a source of jobs while nondurables and the utilities group declined as in the nation.

Since the bars on the chart represent persons employed in nonfarm wage and salary jobs expressed as a percentage of total civilian employment, the categories shown do not add to 100%. The main classes of employment not specified in the chart are agricultural workers, domestic employees, and those who are self-employed. The excluded groups account for about one fourth of all civilian employment in the District compared to less than one fifth in the nation as a whole, with agricultural employment accounting for most of the difference. Employment outside the nonfarm wage and salary category is generally declining in relative importance and has decreased much more regionally than nationally in the past few years.

Armed Forces Although civilian workers perform most of the productive services that generate regional flows of income, members of the armed forces are counted in the total labor force and frequently provide important purchasing power in specific localities. In July 1964, servicemen and women numbered 382,000 in the Fifth District, equivalent to more than 5% of the total labor force. The armed forces total reflected an increase of about 40,000 since 1960, but the percentage remained practically unchanged.

About 40% of the District's resident service people are located in Virginia, where they equal about 9% of the total labor force. Only about a thousand are stationed in West Virginia. Between these extremes, armed forces personnel amount to around 6% of the total labor force in South Carolina, 5% in North Carolina, and 4% in Maryland.

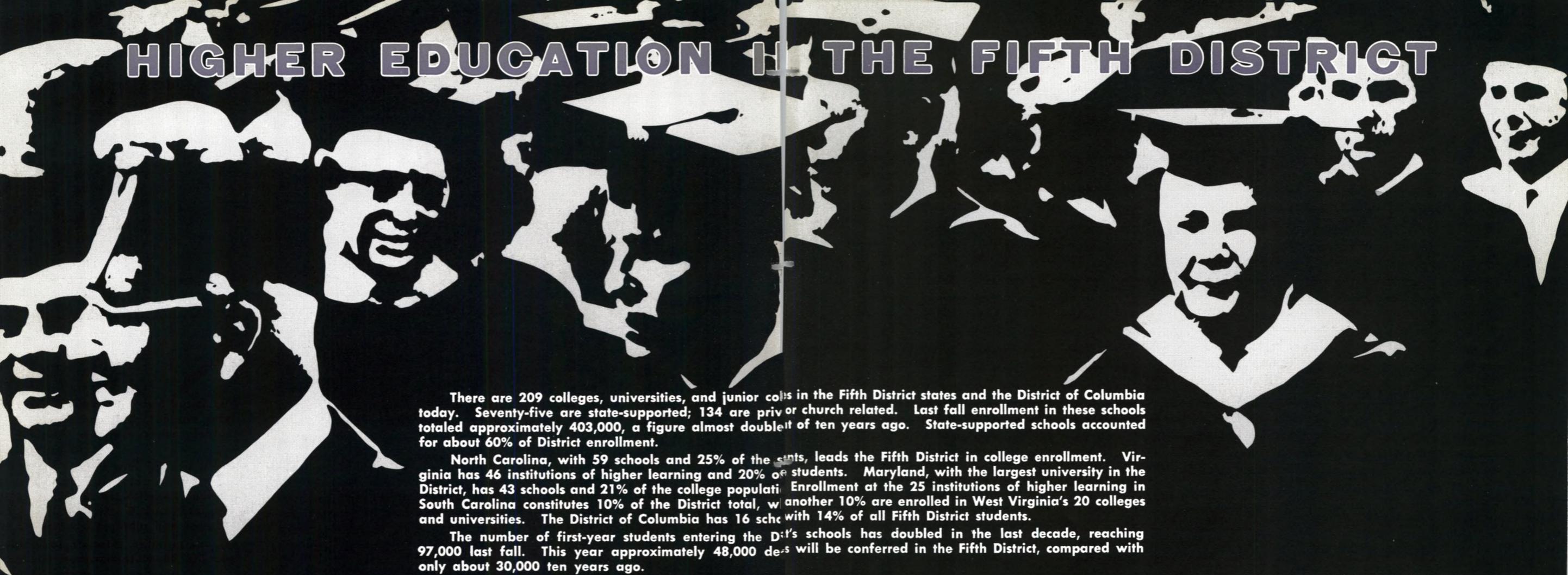
Nationally the armed forces numbered about 2.7 million in 1964, up some 200,000 from the 1960 level, and represented 3.5% of the total labor force in both years.

Seasonal Changes Employment in the Fifth District typically drops to a seasonal low in February, rises to a peak in July, and begins to decline in August toward the next February low. The civilian labor force follows much the same pattern. Seasonal agricultural workers, students, and non-farm workers seeking temporary jobs at certain times during the year account for most of these seasonal variations.

Seasonal swings are greater and more erratic in unemployment than in the larger and more stable employment series. As shown on the chart on this page, unemployment usually begins the year at a seasonal high, but drops sharply as economic activity gains spring momentum. In June, students flood the job market in hopes of finding summer employment and, if unsuccessful, keep on trying well into July. In August, some who fail to find work begin dropping out of the labor force, presumably resigned to other activities, while others find farm jobs. In September and October, seasonal work in agriculture and students returning to school reduce unemployment to the lowest levels of the year. When seasonal farm work begins to dry up, joblessness starts to rise toward the next seasonal high.

During the past winter, the high level in Fifth District unemployment occurred in February, when 312,000 were without jobs. This was, by more than 10%, the lowest winter peak since District labor force data first became available in 1960.

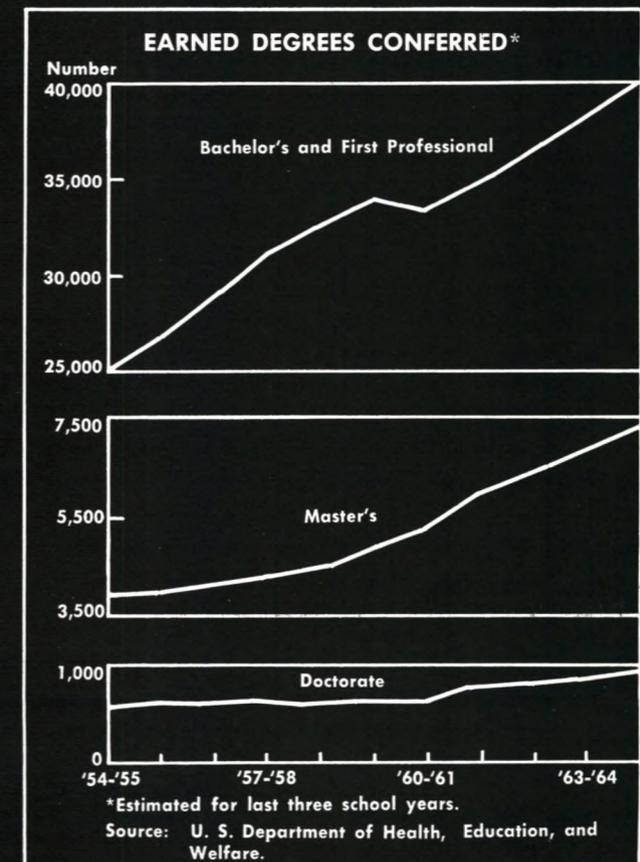
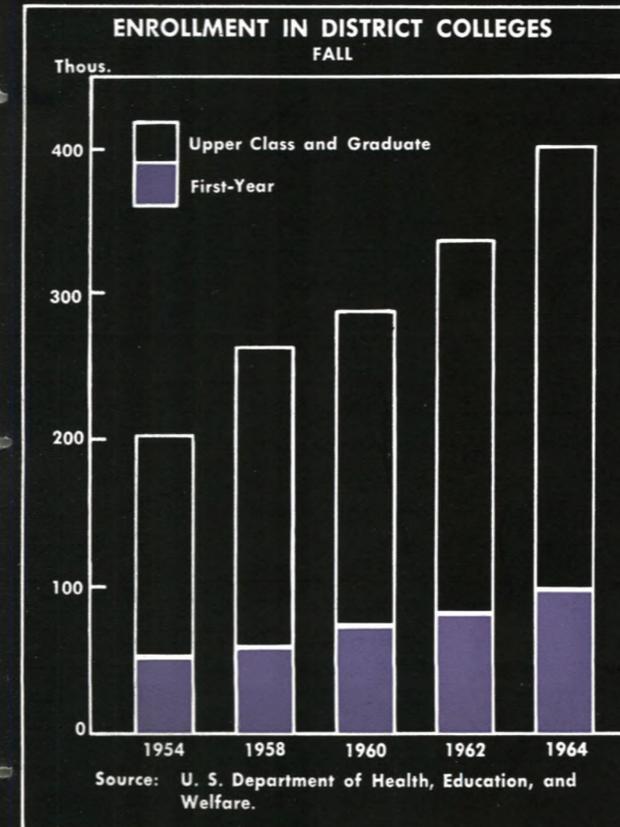
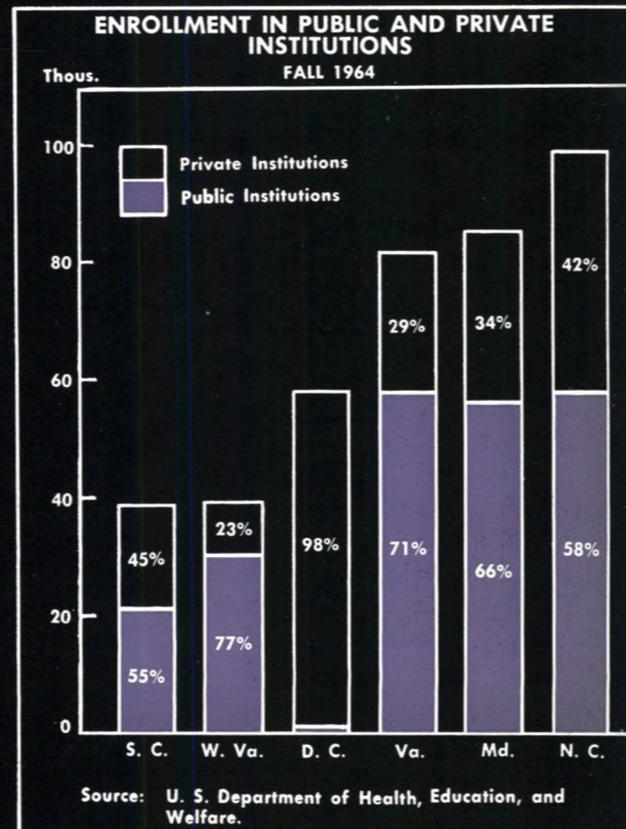
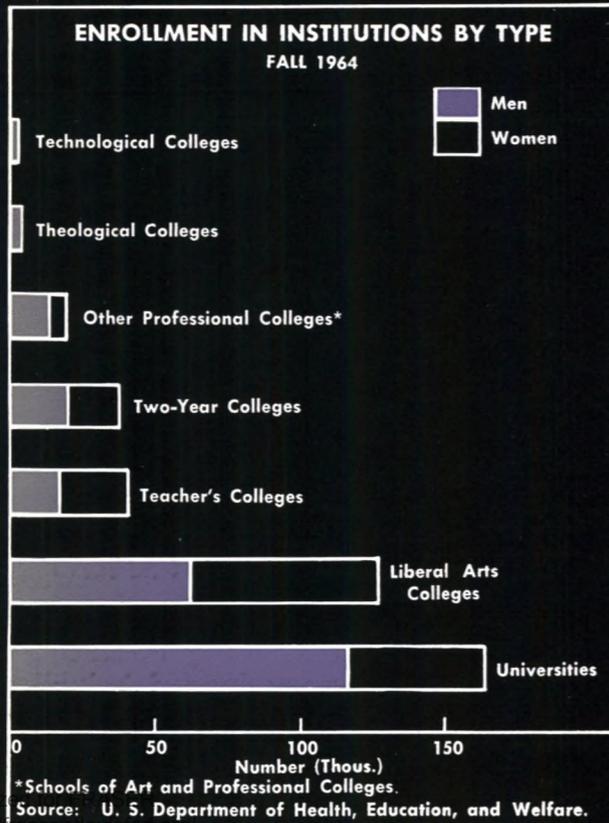
HIGHER EDUCATION IN THE FIFTH DISTRICT



There are 209 colleges, universities, and junior colleges in the Fifth District states and the District of Columbia today. Seventy-five are state-supported; 134 are private or church related. Last fall enrollment in these schools totaled approximately 403,000, a figure almost double that of ten years ago. State-supported schools accounted for about 60% of District enrollment.

North Carolina, with 59 schools and 25% of the students, leads the Fifth District in college enrollment. Virginia has 46 institutions of higher learning and 20% of students. Maryland, with the largest university in the District, has 43 schools and 21% of the college population. Enrollment at the 25 institutions of higher learning in South Carolina constitutes 10% of the District total, with another 10% are enrolled in West Virginia's 20 colleges and universities. The District of Columbia has 16 schools with 14% of all Fifth District students.

The number of first-year students entering the District's schools has doubled in the last decade, reaching 97,000 last fall. This year approximately 48,000 degrees will be conferred in the Fifth District, compared with only about 30,000 ten years ago.



MEASURING THE BALANCE OF PAYMENTS DEFICIT

Since 1958 the deficit in the United States balance of payments has been an increasingly serious problem, not only for this country but for foreign countries as well. The annual deficits have significantly influenced domestic and international economic policies, and the period has been marked by lively discussion of the problem both at home and abroad. The discussion has implied that continuing deficits are undesirable and should be eliminated, but there has been a decided lack of agreement among various Government departments, and among economists generally, on how a deficit or surplus should be measured.

In April 1963, a Committee headed by E. M. Bernstein, former research director of the International Monetary Fund, was appointed by the U. S. Budget Director to review the adequacy of balance of payments statistics and to evaluate various ways of measuring surpluses or deficits in the balance of payments. The report of this Committee, recently made public, recommended significant changes in the method of computing the net balance in our international accounts.

What is a Deficit or Surplus? It is sometimes said that the deficit is measured by the excess of payments to foreigners over receipts from foreigners, but this statement is not very meaningful. A double-entry system is used in recording a nation's international transactions, so each payments item is associated with a receipts item (or combination of items) of equal magnitude. Consequently, aside from problems of obtaining complete and accurate statistical information, total payments must equal total receipts for any given period of time.

But equality in the two sides of the balance of payments does not mean that there is no surplus or deficit. To determine the net balance, the items in the balance of payments are divided into two groups, with those in one group placed "above the line" and the remainder placed "below the line" and classified as "financing" or "settlement" items. If the receipts and payments listed above the line do not balance, a deficit or surplus exists which is equal to the total of the settlement items below the line.

Ways of Computing Deficit or Surplus It is possible, therefore, to compute the net balance in a nation's international accounts in numerous ways, depending upon which items are listed above the line and which included in the settlement category. The

method of classification depends partly upon the purpose for which the net balance is computed. Items frequently included in the settlement category are:

(1) Changes in U. S. monetary reserves. These include changes in the gold stock, in holdings of convertible foreign currencies by U. S. monetary authorities, and in the U. S. position at the International Monetary Fund.

(2) Changes in liquid liabilities to foreign official holders. These include foreign official holdings of deposits in U. S. banks, United States Treasury bills and other money market instruments, and most U. S. Government bonds and notes.

(3) Changes in liquid liabilities to foreign private holders. These include the same types of short-term claims enumerated in (2), but the holders are private foreign individuals and businesses, foreign commercial banks (including foreign branches of U. S. banks), and certain international organizations.

(4) Special Government transactions. Included are prepayments of debts by foreign governments, advance payments on military exports, and sales of nonmarketable, medium-term, nonconvertible securities to foreign governments. Sales of nonmarketable, convertible securities are sometimes included in this category, but they are shown as liquid liabilities to foreign official holders in the accompanying table and chart.

The Balance on "Regular Transactions" The table on page 9, based on preliminary balance of payments data for 1964, illustrates three ways of measuring the net balance. The balance on "regular types of transactions," the summary figure most frequently encountered, is considered by some to be a rough measure of the long-term balance of payments problem that eventually must be resolved. Thus, it treats as settlement items not only changes in U. S. monetary reserves and liquid U. S. liabilities to foreigners, but special Government transactions as well. The latter are undertaken primarily for the purpose of preventing our reserves from being reduced as much as they would be from the normal play of market forces. Thus, it is argued, to show them above the line, and hence as reducing the deficit, would understate the magnitude of the deficit that needs to be corrected.

The "Liquidity" Balance Another view is that the figure representing the balance of payments

surplus or deficit should measure changes in the ability of the United States monetary authorities to defend the external value of the dollar. Consequently, it is argued, it should measure changes in our net liquidity position. But this leads to the problem of deciding which of our claims against foreigners and which of our liabilities to foreigners are liquid. A relatively minor problem concerns the classification of the special transactions described above. One approach includes all of these transactions above the line on the grounds that they all tend to reduce the effect of a deficit on our liquidity position. Others would include all except the sale of nonmarketable, medium-term, convertible United States Government securities to foreign monetary authorities, arguing that the convertible feature makes these bonds liquid liabilities.

A more serious problem, and one giving rise to considerable controversy, concerns the treatment of private liquid assets and liabilities. The present approach, and that illustrated in the "liquidity" balance, treats increases in our liquid liabilities to private foreigners as reductions in our international liquidity but does not consider increases in privately-held United States claims against foreigners as increases in liquidity. Thus, an inflow of foreign short-term capital, such as an increase in U. S. bank

deposits owned by private foreigners, is treated as a settlement item, but an outflow of short-term U. S. capital is considered a regular transaction that increases the deficit.

Critics maintain that this asymmetrical treatment of liquid assets and liabilities is misleading and unjustified. It implies that the motivations affecting the behavior of private individuals are not the same for residents of foreign countries as for residents of the United States. Moreover, it implies that each dollar held by private foreigners requires as much reserve protection as each officially held dollar, despite the differing motivations of the two types of holders and despite the necessity for transfer of the privately held dollar claims to official holders before they become reserve liabilities of the United States. Finally, it is argued that none of these measures adequately express the international liquidity position of the United States because the tremendous volume of liquid assets held by United States residents may well pose a greater threat to our international reserves than dollars held by foreigners.

Those who favor the asymmetrical treatment of liquid assets and liabilities point out that our liabilities consist largely of highly liquid bank deposits and short-term Treasury obligations, while our foreign assets are mainly in the form of much less

UNITED STATES BALANCE OF PAYMENTS, 1964¹

	Pay-ments		Regular Balance		Liquidity Balance		Official Settlements	
	Receipts	Net Balance	Settlement Items	Net Balance	Settlement Items	Net Balance	Settlement Items	
Merchandise Trade	18.6	25.2	+6.6		+6.6		+6.6	
Military Sales and Expenditures	2.8	0.8	-2.0		-2.0		-2.0	
Non-Military Services	6.9	10.5	+3.7		+3.7		+3.7	
Remittances and Pensions	0.8		-0.8		-0.8		-0.8	
U. S. Government Capital								
Grants and Loans	4.3		-4.3		-4.3		-4.3	
Scheduled Repayments		0.6	+0.6		+0.6		+0.6	
Foreign Gov't Nonliquid Capital		0.2	+0.2		+0.2		+0.2	
Private Long-Term Capital	4.3	0.3	-4.0		-4.0		-4.0	
Private Short-Term Capital	2.1		-2.1		-2.1		-2.1	
Errors and Omissions	0.9		-0.9		-0.9		-0.9	
Special Government Transactions		0.3		+0.3	+0.3		+0.3	
Liquid Liabilities to Private Foreigners		1.5		+1.5		+1.5	+1.5	
Liquid Liabilities to Official Foreigners								
Marketable Holdings		0.7		+0.7		+0.7		+0.7
Nonmarketable Convertible U. S. Treasury Securities		0.4		+0.4		+0.4		+0.4
U. S. Monetary Reserves								
Gold		0.1		+0.1		+0.1		+0.1
Convertible Currencies	0.2			-0.2		-0.2		-0.2
IMF Gold Tranche Position		0.3		+0.3		+0.3		+0.3
Total	40.9	40.9	-3.0	+3.1	-2.7	+2.8	-1.2	+1.3

Figures may not balance because of rounding.

¹ Preliminary.

liquid bank loans, acceptances, and commercial credits. Moreover, in many countries private holdings of foreign assets, especially those of commercial banks, are very closely controlled by the central bank, and thus differ very little from official holdings. Finally, it is argued that as a reserve currency the dollar is used as money throughout the world and that United States monetary authorities must consider total foreign liquid claims as potential claims on our international reserves.

The "Official Settlements" Balance If inflows of foreign private capital in the form of increases in bank deposits or other liquid claims are treated the same as outflows of U. S. short-term capital, i.e., as ordinary transactions above the line, the resulting net balance is financed through changes in international reserves and in foreign official holdings of liquid claims on the U. S. The net balance thus calculated is called the "official settlements" balance.

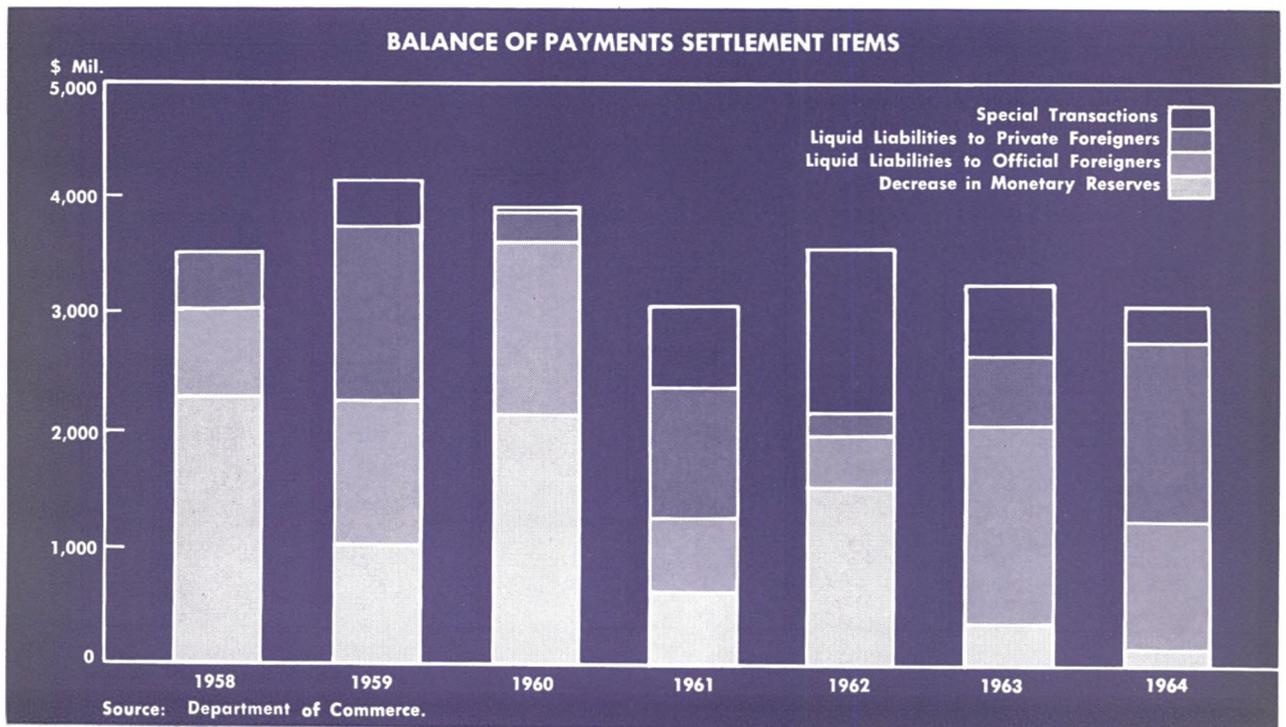
The Bernstein Committee recommended an official settlements concept only slightly different from that just described. The Committee approach treats advances on U. S. military exports as regular transactions, but classifies nonconvertible U. S. Government securities sold to foreign official monetary institutions as settlement items.

Comparison of Various Deficits The accompanying chart and table show the differences in the size of reported deficits using the various balance of pay-

ments concepts discussed. The table shows, for example, that in 1964 the deficit on regular transactions was \$3.1 billion, the liquidity balance \$2.8 billion, and the official settlements balance \$1.3 billion. The Bernstein Committee concept yields a deficit of \$1.5 billion. The difference between the liquidity balance and the official settlements balance was unusually large in 1964, as foreign banks added greatly to their U. S. assets.

The chart, which permits a rough comparison of the variously defined deficits over the 1958-1964 period, indicates that our international position has changed in recent years. From 1961 through 1964, for example, the official settlements deficit averaged only slightly more than half its average in the 1958-1960 period, and except for 1962, losses of monetary reserves were small. Losses of reserves in 1965 have been very large, however. Finally, special transactions reduced the effects of the deficits on our international liquidity position, but these declined sharply in each of the last two years.

No single figure can adequately show the international position of the United States at any given time. An understanding of the complex factors affecting that position requires a thorough analysis of all of the major sectors of the balance of payments. Nevertheless, in public reporting and discussion, the tendency is to look upon one summary figure as the measure of the deficit or surplus, and it is a matter of some importance which measure is used.



THE FIFTH DISTRICT



PROSPECTIVE CROP PLANTINGS

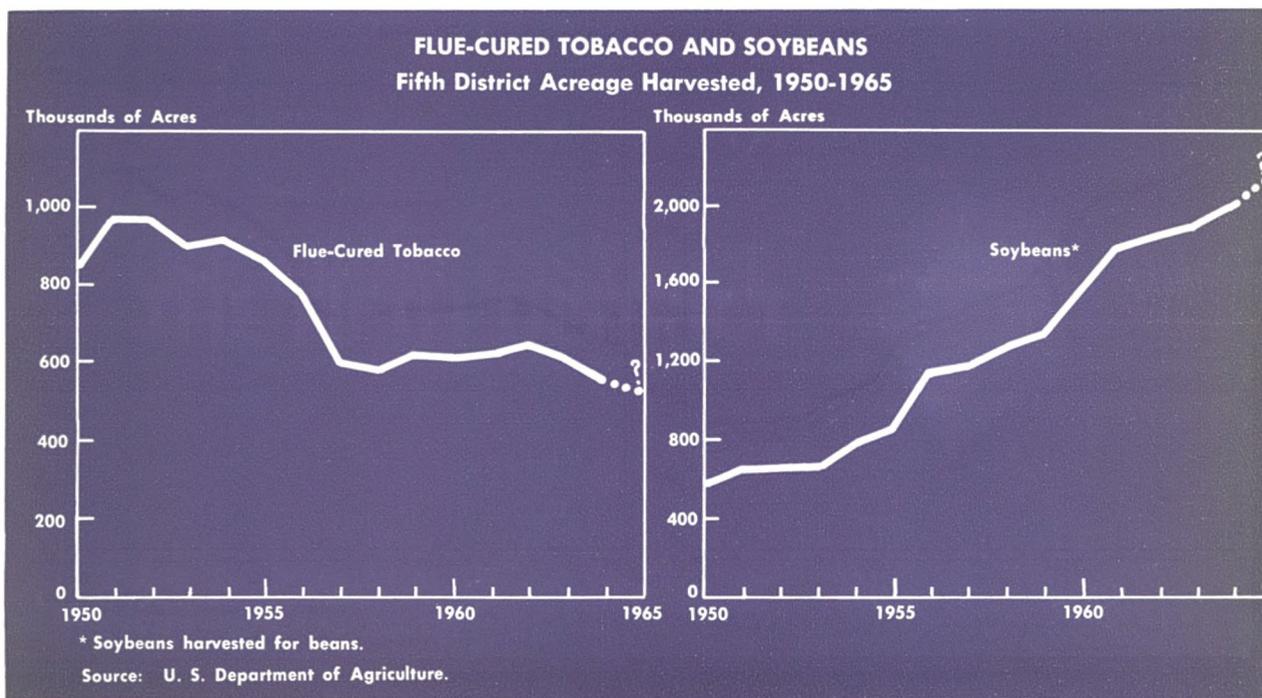
The District's total planted acreage of principal crops in 1965, according to current indications, will be only around 1% below that in 1964 but the smallest of record. Though there probably will be little difference in total crop acreage, some rather dramatic shifts are indicated among the various crops. This outlook for 1965 crop plantings is based on the U. S. Department of Agriculture's March survey of farmers' intended spring plantings, on the new acreage-poundage program for flue-cured tobacco, and on acreages seeded to winter wheat.

New Flue-Cured Tobacco Controls The uncertainty concerning the number of acres of flue-cured tobacco growers would be permitted to harvest was perhaps the biggest question faced by District farmers as they made plans for the current year's crop plantings. Supplies of flue-cured were so large that 1965 flue-cured allotments last winter were cut 19.5% from 1964, and announced acreage plans in early March were about in line with this cut. This

19.5% reduction in allotments came on the heels of successive cuts of 10% in 1964 and 5% in 1963. With the buildup in supplies continuing despite cuts in acreage, the entire flue-cured tobacco program seemed in jeopardy. Congress responded to this situation by passing new legislation which restored most of the reduction in acreage allotments and placed the flue-cured support program on an acreage-poundage basis which features both acreage and poundage controls.

The necessary majority of flue-cured producers voting in a special referendum approved the new program on May 4. As a result, District flue-cured tobacco allotments for 1965, including acreage reserved for new farms, will total roughly 531,500 acres compared with the original 1965 allotments of 450,447 acres. This is an 18% increase over the earlier announced allotments for 1965 and is only 5% below 1964 allotments.

Unlike the old program under which each farmer could market penalty free all the tobacco grown on his acreage allotment, the new program provides for



both an acreage allotment and a poundage quota for each farm producing flue-cured. Each farm harvesting within its acreage allotment can market 10% more than the farm's poundage quota without penalty. Marketings in excess of the farm's quota will be subtracted from its poundage quota the following year, however. A farm's poundage or marketing quota is the product of its yield per acre and its acreage allotment. The yield is based upon the average yield for the highest three years during the period 1959-1963, but may not be less than 80% nor more than 120% of the average yield for those same years of the community in which the farm is located. The preliminary yield computation is then adjusted by the application of a national yield factor necessary to give the total crop desired.

The old acreage control program remains in effect in 1965 for other types of tobaccos. Acreage allotments were cut 10% for burley and 15% for Maryland tobaccos, but allotments for Virginia fire-cured and sun-cured tobaccos were unchanged from 1964. Planned acreages of these tobaccos are not quite in line with announced allotments. District burley producers expressed intentions to reduce acreage 8%, while Maryland farmers indicated they would plant 13% less acreage than a year earlier. On the other hand, despite unchanged allotments, Virginia fire-cured growers planned to increase acreage 3%, and sun-cured producers said they intended a 6% cut.

More Soybean Acreage Expected Farmers do not indicate in March the acreage of soybeans intended for harvest as beans. As farmers made their planting plans for 1965, however, the outlook for beans was rather favorable. If growers' announced intentions to plant soybeans for all purposes are realized and if the ratio of acreage harvested for beans to the total planted acreage is about the same as last year, the District's acreage harvested for beans will be about 8% larger than in 1964 and 28% above the average for 1959-63. This would be a new record and would mark the nineteenth consecutive yearly increase in soybean acreage. Biggest increases over a year ago are planned in the Carolinas, with a 15% larger acreage intended in South Carolina and a 10% increase indicated in North Carolina.

Peanut Acreage Same, Cotton Down Peanut acreage allotments for 1965 are the same as in 1964, and Virginia-Carolina producers are planning to plant 299,000 acres, the same as last year. First official estimate of the acreage to be harvested for nuts will not be made until August, but on the average District growers usually harvest around 97% of their planted acreage of peanuts for this purpose.

District farmers in early March expected to plant 916,600 acres of cotton this year, 4% less than in 1964 and the smallest since 1958. Signup in the domestic cotton allotment program, first put into effect for the 1964 crop, ended April 16 after being extended beyond the original deadline twice. By taking part in this program, cotton growers agree to reduce their farm's effective cotton allotment by about 35%. Thus the cut in cotton acreage from last year may be somewhat greater than was indicated by the March survey.

Less Grain and Hay Acreage The District's seeded acreage of its most important food grain, winter wheat, is 17% smaller than last year. This is in rather sharp contrast to a 4% increase for the nation. The big reduction in the District's wheat acreage is in line with the heavy signup by District farmers in the wheat program. As a result, more than twice as much District wheat acreage is in the program this year than last.

Total 1965 feed grain acreage in the District probably will be only 2% below a year earlier but 10% less than average. Decreases of 10% in oats and 5% in sorghums account for all of the intended reduction. Acreage diverted from feed grain production under the feed grain program is around one-tenth larger than last year, however, and the cut could be bigger. As for hay, District farmers plan to harvest slightly less acreage than last year and 4% less than the 1959-63 average.

Potatoes and Sweet Potatoes Indications in early March called for slight changes from 1964 in the acreage of the various seasonal groups of Irish potatoes. If realized, the anticipated changes will offset each other and total District Irish potato acreage in 1965 will be about the same as last year.

District sweet potato growers this year planned to increase acreage 1% above a year ago. An indicated 10% increase in North Carolina is almost offset by expected declines in other District states.

Conclusion It should be remembered that these estimates are based in large part upon intentions expressed in March. The final outcome could be much different since farmers may well have altered their plans before the planting season was over. Weather conditions, labor prospects, later decisions concerning Government programs, and other economic factors may easily have affected their actions.

PHOTO CREDIT
Official U. S. Navy Photograph.