Several inferences are suggested: (*1*) The increasing mechanization of agriculture in this country makes machine hire less and less necessary and/or profitable among the larger commercial farms. (*2*) On part-time and residential farms increasing employment off farm makes it increasingly necessary and/or profitable to hire machines to do work that the farmer or members of his family did formerly. This suggests that as off-farm opportunities for earning increase, part-time and residential farming will continue to decline in importance.

Hired labor, 1949 and 1954.—The percentage of farms reporting hired labor decreased for each economic class between 1949 and 1954. Then there was an increase in the average amount expended per farm; but in more cases than not there was a decline by class of farm from 1949 to 1954. The chief inferences suggested are (*1*) that farm wage rates were increasing, (*2*) that mechanization—both hired and owned—was displacing hired help, and (*3*) that the decline in use of hired help on part-time and residential farms was part of the general trend in farms in other classes. In the North, especially, the downward trend in percentage of part-time and residential farms (as well as other farms) that employed hired labor suggests that growing industrial employment has had an increasingly strong influence.

The percentage of part-time and residential farms employing hired labor appears to be significantly smaller in the North than in the South or West (Table 17).

Table 17.—Percentage of Part-Time and Residential Farms Reporting Hired Labor: 1954 and 1949

Region	Part-time		Residential	
	1954	1949	1954	1949
United States	30.7	32.6	11.1	14.0
The North	21.0	26.2	7.9	10.0
The South	36.2	36.4	12.3	15.6
The West	29.7	32.8	11.7	14.6

The lower percentage in the North, together with the declines in percentages between 1949 and 1954, suggests that hiring labor for part-time farms has become less and less profitable as chances for off-farm industrial work increase. The percentage of farms employing hired labor and the average amount expended per farm reporting are strongly correlated with class of farm (Table 16). Both increase significantly from class to class beginning with residential farms in Class VIII and moving upward to Class I.

The percentage of Class I farms reporting hired labor stayed about the same between 1949 and 1954. The percentage for Classes II, III, and IV dropped sharply. For Class V, the percentage dropped somewhat less, and that for Class VI farms increased.

What can be inferred from these data, assuming the shifts are significant? One postulate is that increasing mechanization among the farms in the middle classes (Classes II, III, and IV) has reduced the need for hired labor. Among Class V and VI farms, on the other hand, mechanization has not proceeded as rapidly, so the percentage that hires labor has not fallen during recent years. Among Class I farms, although the percentage employing hired labor held about steady between 1949 and 1954, the average amount expended per farm reporting declined by a significant amount in each of the major regions listed in Table 16. This suggests substantial increases in mechanization for Class I farms, plus the effects of the upgrading of Class II and III farms into Class I.

Feed, gas, and oil, 1949 and 1954.—A remarkable uniformity from class to class is found in the percentage of farms buying feed for livestock and poultry. The amounts expended per farm reporting, however, vary widely by class as is the case with expenditures on hired labor and machine hire (Table 16). In nearly all cases the amounts expended increased from 1949 to 1954, both for all farms and for farms by economic class. The percentage of farms reporting purchases also generally increased.

Nearly three-fourths of the part-time and residential farms bought feed in 1954. The amounts expended averaged slightly over $200 per farm.

These data support the inference that, between 1949 and 1954, farms generally became more specialized—more "commercialized" in the sense that by economic class larger quantities of feed were bought per farm reporting in 1954 than in 1949.

The amount expended for gasoline and oil per farm reporting increased relatively more among the farms in the higher economic classes than among the part-time or residential farms, or the commercial farms in Class VI (Table 16).

Fertilizer and lime, 1954.—The percentage of farms reporting commercial fertilizer purchases in 1954 is correlated with economic class but the differences are not great, ranging from 71.7 percent for Class I farms to 55.8 percent for part-time (Class VII) farms and to 34.1 percent for residential (Class VIII) farms. A much greater difference occurs among farms in amount expended per farm reporting, in tons bought per farm, and in acres on which used (Table 18).

In the South the acreage fertilized on part-time farms was equal to more than half the cropland harvested acreage. In the West it amounted to only about one-tenth the cropland harvested acreage on part-time farms. In the North it was about one-fourth. Similar variations exist on residential farms but a lower percentage of the acreage was fertilized.

When the data are arranged according to average acreage per farm by economic class on which commercial fertilizer is used (Table 19), a distinct correlation by size of farm for Classes I through VI emerges for both the North and the West. Percentage of total land on which commercial fertilizer is used, and total acres fertilized as a percent of the acreage of cropland harvested are positively correlated with size of farm or economic class. No such correlation emerges in the case of the South. There, these percentages are correlated inversely with size of farm.