

FEDERAL RESERVE BANK

OF ATLANTA.

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Monthly Report on Business and Agricultural Conditions in the Sixth Federal Reserve District.

— BY —
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INTRODUCTION

The month of December brings to a close a year of remarkable commercial activity and expansion in the Sixth Federal Reserve District, which has continued in spite of many and varying conditions. A slight decline in prices in the early months of the year almost immediately gave place to a steady and continued advance.

While peace has not officially been declared, there has been a good foreign demand for our raw and manufactured products, as well as foodstuffs, until more recently when the decline in foreign exchange has had the effect of somewhat curtailing this demand. Nevertheless it has had the effect of reducing our supplies and correspondingly increasing prices with the effect that a very few articles have escaped a general rise in prices.

During the middle of December the rivers of Georgia and Alabama were flooded by a heavy rainfall, which continued for about a week, resulting in great damage, especially in the valleys of the Chattahoochee River. Macon, Augusta, Columbus, Montgomery and many small towns sustained damage. Bridges were swept away, and in some instances small residences. Factories along the swollen streams were compelled to suspend operations for a week or more until the water receded. A large part of the town of West Point, Georgia, was under water for several days, and the amount of damage to both business and residential property was heavy and it became necessary to ask for some outside assistance. The conditions in West Point are now becoming normal.

COMMERCIAL

In only a few lines has there been any slackening of trade, and the volume of holiday trade generally during the month appears to be greater than has ever been experienced. Christmas buying has been very heavy, and while the amount of goods sold is equal to, or larger, than for any previous holiday season, it is undoubtedly true that in dollars and cents the business will very greatly exceed that done for last year or any previous year.

One large wholesale shoe house reports that while their business is about equal in the number of shoes sold to that of last year, yet in money there has been quite an increase in the business done. Spring orders are beginning to be received in large numbers. Stocks of materials in many lines are reported to be limited, and supplies difficult to obtain. The brick industry is reported to have suffered severely on account of the coal strike, the coal supply being cut off, with the result that plants are falling behind in filling their orders.

FINANCIAL

Financial conditions throughout the District are reported to be satisfactory. The demand for funds is normal, interest rates remain steady, and collection conditions are reported excellent. Clearings for the month of November indicate an increase at all reporting points; in most instances this increase is very substantial. Deposits are reported to be holding up well.

AGRICULTURE

The latest estimate of the cotton crop of Georgia shows it to be slightly better than was indicated in earlier estimates. The southern part of the State, however, remains about as previously indicated, with very small crops and low yields per acre. By December 1st a large part of the crop was harvested, ginned and sold. A record price has been received, and the total valuation of the crop, which was small, is in excess of any previous crop grown.

From Florida it is reported that Sea Island cotton is now selling at an average of eighty cents, and that conditions are improving.

Harvesting of crops in Alabama is about over for the year. The yields of the eight principal crops has been reported by the Bureau of Estimates (latter part of November) as follows:

Cotton, bales	696,000	Corn, bushels	66,375,000
Hay, tons	1,590,000	Peanuts, bushels	11,130,000
Sorghum syrup, gallons	13,923,000	Irish potatoes, bushels	19,928,000
Oats, threshed, bushels	2,620,000	Wheat, bushels	1,530,000

The value of this crop, based on present prices, will be about \$440,000,000.

The acreage sown to wheat in Tennessee is reported to be only about sixty per cent of that of last year, and is the smallest in many years. The condition is reported at 75 per cent of normal.

In Mississippi ninety per cent of the corn crop is harvested, and the unharvested portion has been severely damaged by rains and overflow. Wet soils prevented all plowing, and very little winter wheat has been planted. The acreage planted to oats is also very limited, due to continuous rains and labor shortage.

The late season and favorable growing weather have resulted in a very marked increase in the yield of syrup per acre in Georgia. Grinding has started, but there is a disposition to hold off as long as possible in order to get the maximum growth and syrup content.

In Georgia lack of rain early in the month prevented considerable plowing for wheat. Dry weather has also prevented the sowing of rye, to much of the acreage usually sown for grazing in the southern part of the State.

Recent rains in Louisiana have benefitted the fall-plant cane, but delayed grinding somewhat. The cane is not yielding well in sugar, and the output per ton is unusually low. The grinding season is said to be the latest and shortest in the history of the industry.

RICE

The total area planted to rice in Louisiana for the year 1919 is finally estimated at 560,000 acres; the yield per acre at 35.2 bushels, and the total production for the year about 19,712,000 bushels, as compared with 16,704,000 bushels last year. The average price in Louisiana December 1 is estimated at \$2.71, and the average value per acre \$95.39. The quality of the Louisiana rice this year is given at 89 per cent.

FLORIDA TRUCK

The planting of cabbage has not been completed, but from present indications the crop of commercial cabbage will be a little above 8,000 acres as compared with about 4,000 acres last year. In some sections shortage of plants has cut the acreage, but to offset this there are some other sections which ordinarily do not produce cabbage which have planted considerable acreages. The condition is estimated at from 60% to 70% of a normal crop. The condition of cauliflower is estimated at 80%, with an anticipated yield of 350 crates per acre. The growth of celery during the past few

weeks has been remarkable. The condition is reported to be about 70%, with an estimated yield of 8,000 crates per acre.

The movement of lettuce has already begun. The present movement is estimated at about fifty cars weekly, and it is expected about one hundred cars will move each week during January. The condition of peppers is estimated at from 75% to 100% of normal. Some few strawberries are being brought to the market, and it is expected there will be a fair movement by the first of the year. The plants are in excellent condition. The condition of tomatoes is reported to be 75% to 80%, with movement regular.

FLORIDA FRUITS

The citrus crop will probably be larger than usual, but the fruit is smaller and the warm weather has prevented it from ripening and coloring. Also, there have been some transportation difficulties, which have operated against large sales and good profits.

FLORIDA MEATS

The cattle market has been dull during the past month, with price levels averaging lower than at any time for the past two years. Reports show few cattle being carried through bean fields this season, indicating an early marketing of the comparatively few bean-fed cattle available. With prospects of a short supply of stall-fed cattle, it is expected that a relatively good market for as many early grass cattle as are in condition will be realized. The run of hogs for November was a little above normal.

LUMBER

The lumber market has been active during the past month, after a slight slump in October. The market began to rally early in November, and since that time both demand and prices have steadily increased, in some instances advancing as much as \$10.00 per thousand. There is a great demand from the East and middle West, as well as all over the South. All mills are well supplied with orders, production being below normal. The year will close with the greatest demand for lumber and the highest prices ever known, and the outlook is said to be for still higher prices early next year.

NAVAL STORES

Weather conditions during the past month were favorable to Naval Stores production, and receipts held up correspondingly. Prices have been well maintained, and the prospects are that prices will be no lower this season. The domestic demand is very large, and it is believed will continue so for another year. Labor conditions as they affect this industry are fairly good at present, as to supply, but operators are paying high prices for all work.

COAL

While the coal miners' strike reduced the coal output to an alarming extent throughout the country, the situation in the Alabama coal fields has not, so far as the output is concerned, injured this territory, except for the fact that this section has been called upon to serve other parts of the country and to supply railroads with fuel to meet their requirements. This situation has been practically adjusted, since the acceptance by the coal miners of the President's proposal, and conditions will no doubt be normal within a short time. The output for November in the Birmingham District was 1,080,810 tons as compared to 1,459,385 for October.

IRON, STEEL AND MISCELLANEOUS INDUSTRIALS

The iron and steel industry in this section was greatly handicapped by the coal miners' strike and reduced production resulted. There is a very heavy demand for pig iron, and prices have advanced. Consumers are realizing the shortage and are eager to contract for a large supply. There are less than 100,000 tons of foundry iron in Alabama yards, and most of that belongs to consumers. The total output of pig iron in November was 196,209 tons, as compared to 208,793 tons in October.

Steel mills, while suffering from the coal strike, have been actively employed and have enough unfilled orders on hand to keep them operating to full capacity for many months. The miscellaneous industrial iron manufacturing plants are in full operation, with orders in large volume booked for future delivery.

CLEARINGS—NOVEMBER.

	1918.	1919.
Atlanta, Ga.	\$273,637,841.80	\$360,028,310.66
Augusta, Ga.	17,236,085.28	32,022,698.69
Macon, Ga. ....	.....	38,786,641.10
Savannah, Ga.	30,325,921.21	60,836,924.19
Jacksonville, Fla.	28,848,797.58	39,574,360.75
Pensacola, Fla.	8,631,932.99	9,827,248.46
Tampa, Fla.	6,621,543.84	7,874,784.10
New Orleans, La.	242,387,719.33	342,118,375.80
Vicksburg, Miss.	2,123,262.64	2,680,041.57
Chattanooga, Tenn.	23,375,185.99	32,493,546.77
Knoxville, Tenn.	10,839,671.16	13,314,004.22
Nashville, Tenn.	71,150,571.32	95,515,776.53
Birmingham, Ala.	51,598,469.15	77,729,478.87
Mobile, Ala.	6,383,880.75	9,701,320.78
Montgomery, Ala.	7,215,936.12	9,746,098.36

BUILDING OPERATIONS—NOVEMBER, 1919.

	Repairs and Additions.		New Buildings.	
	Number.	Value.	Number.	Value.
Atlanta, Ga.	156	\$ 93,475	71	\$468,250
Augusta, Ga.	120	44,744	28	54,527
Brunswick, Ga. ....	...	.....	16	14,125
Macon, Ga.	69	19,239	9	204,195
Columbus, Ga. ....	...	.....	5	12,000
Savannah, Ga.	21	111,550	35	76,850
Waycross, Ga.	5	2,895	1	3,000
Anniston, Ala.	12	6,475	3	12,000
Bessemer, Ala.	12	2,315	19	38,900
Birmingham, Ala.	239	107,540	185	432,833
Florence, Ala.	4	800	4	8,100
Gadsden, Ala.	1	125	2	1,345
*Mobile, Ala. ....	...	.....	...	.....
*Montgomery, Ala. ....	...	.....	...	.....
Sheffield, Ala. ....	...	.....	2	130
Tampa, Fla.	5	16,017	23	302,375
Palm Beach, Fla.	5	925	6	22,875
West Tampa, Fla.	8	712	...	.....
Gainesville, Fla.	8	6,750	5	1,900
Orlando, Fla.	4	135	42	86,225
Miami, Fla.	11	4,300	89	161,715
Jacksonville, Fla. ....	...	63,138	22	170,600
*Pensacola, Fla. ....	...	.....	...	.....
Chattanooga, Tenn.	146	29,777	14	86,200
Knoxville, Tenn.	64	51,981	23	201,125
Nashville, Tenn.	196	75,057	36	56,493
Johnson City, Tenn. ....	...	.....	9	10,850
*New Orleans, La. ....	...	.....	...	.....
*Vicksburg, Miss. ....	...	.....	...	.....

*Not reporting.