

FEDERAL RESERVE BANK OF ATLANTA.

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R E P O R T O F BUSINESS AND AGRICULTURAL CONDITIONS SIXTH FEDERAL RESERVE DISTRICT

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While reports from many sections of the district indicate that trade, both wholesale and retail, continues fairly active, the question of prices is still a disturbing element, and the attitude of "watchful waiting" prevails in almost all lines of business. No great progress has been made during the past few weeks toward a return to normal conditions. Wholesale and retail merchants are not disposed to make extensive purchases, and are buying only to meet immediate requirements. Indications are that this condition will continue until merchants are satisfied that prices have become more stabilized.

Bank conditions throughout the district are reported satisfactory. In some instances deposits have increased, but in a large number of cases deposits have slightly decreased, due principally to large payments having been made to States and Counties, and to the United States Government, for taxes. Demand for money shows an increase, and collections are fairly satisfactory, considering the fact that much cotton is still in the hands of the producers and a large amount of cotton paper is being carried, and renewed from time to time.

Bank clearings for the month of February are smaller in every instances reported than for the proceeding month.

FEBRUARY BANK CLEARINGS

Atlanta	\$ 194,217,011.19	New Orleans	\$ 215,296,592.22
Savannah	23,270,683.22	Vicksburg	1,471,018.22
Nashville	57,461,969.37	Jacksonville	32,768,210.37
Chattanooga	19,118,639.28	Birmingham	46,397,602.97
Knoxville	10,059,546.01	Montgomery	6,276,946.99
Augusta	10,739,380.26	Tampa	7,818,373.53

Excessive rains over the southeastern States during the past two weeks have caused considerable damage to the early vegetable crops, especially in Florida, and all over the district this has caused a delay in preparing ground for spring planting.

Since last report the market on Florida oranges and grapefruit has continued strong at high prices. Early bloom oranges are about all shipped and there is only a limited amount of the later varieties to go forward in the next two or three weeks. The supply of grapefruit to move during the next two weeks is lighter than was anticipated, owing to high prices that have prevailed resulting in regular shipments throughout the season. The market on celery continued strong until about a week ago, at \$4.00. Since that time prices have taken a sudden drop, to from \$3. to \$3.50. The Florida cabbage market has strengthened and advanced, and at the present time satisfactory and profitable prices are ruling.

FEDERAL RESERVE BANK OF ATLANTA.

It is estimated that the potato crop is damaged to the extent of from 25% to 50% by the recent rains. The prospects for an excellent tomato crop were good until the rains set in, damaging it to an extent estimated at 50% to 60%.

Cotton is still being held in large quantities, and the movement to hold off the market as much as possible of the cotton still in the hands of the producers has gained strength during the past few weeks. The acreage planted to cotton the coming season will be appreciably less than last year.

Continued effort is being made to have the embargo on shipments of cotton to the central European powers lifted, as the certain foreign demand would without doubt cause the price of the staple to rise to a satisfactory figure. If this were done, trade in all lines in the district would be greatly stimulated.

The production of lumber is still limited, on account of weather and labor conditions, present output being probably not in excess of 70% of normal. Shipments are practically equal to present output, and stocks are, therefore, not increasing. It will probably require sixty days to accumulate a fair assortment of lumber at southern pine mills. The retailers report large sales, due to increased demand caused by building operations and repair work.

During the past month a substantial increase is shown in the erection of new buildings at many points throughout the district. While building materials are high, a scarcity of homes is felt, and many houses are now in process of erection. Should building materials decline, a great increase in building activities would follow.

Naval stores operations have not yet become active, and from indications it will not be over 15% to 20% in excess of last years output, which means from 25% to 30% below normal production.

Quite a number of small coal mines have shut down on account of the lack of orders, and due also, to the high cost of labor. The output for February 1919, although two large coal producing companies failed to report, shows total tons mined 1,150,921, against 1,430,225 tons mined in January. One cause for this reduction in tonnage is the fact that February is a short month. It is also reported that the negro miner, who is receiving very high wages, only works from three to four days each week.

Cotton mills and pipe plants are not active. Their operations are injured by lack of orders and from unsettled conditions prevailing over the district.

Although pig iron furnaces were not fully in operation, the output of pig iron was greater in February, compared with January, by over 11,000 tons. This increase is largely due to the elimination of inexperienced labor, as many of those working in this line before the war have returned. An increased tonnage per man has resulted, which materially reduces the cost of production. The present demand for pig iron is light.

The steel plants are busy and have enough orders booked to keep them at full speed for many months. The shipbuilding plants in the South will need large quantities of steel, and the steel fabricating plants, when completed, will use a large steel tonnage. The unfilled steel tonnage of the U. S. Steel Corporation is reported at 6,010,787 tons, as against 6,684,268 on January 31st, a reduction of 673,481 tons. Trade conditions both in iron and steel are not up to the standard, as far as demand is concerned, but hope is entertained that both commodities will soon be stabilised, and a greater demand result.

FEDERAL RESERVE BANK

OF ATLANTA.

Labor conditions have improved to some extent, in this industry, both as to quantity, and in efficiency.

It is felt all over the district that as soon as cotton begins to move at a satisfactory price, trade in all lines will revive, collections improve, and bank deposits show material increases. While the expected downward trend of prices has not materialized, it is encouraging to note reductions in prices of a few standard articles of food during the month.

POSTAL RECEIPTS

	January 1919	February 1919
Atlanta, Ga.	\$ 237,555.95	\$ 210,501.18
Birmingham, Ala.	75,371.02	74,063.37
Montgomery, Ala.	37,348.89	64,394.18
Anniston, Ala.	17,549.67	9,545.77
Savannah, Ga.		38,266.25
Nashville, Tenn.	102,068.05	91,817.92
Jacksonville, Fla.	66,933.59	68,095.55

BUILDING PERMITS FEBRUARY 1919

	Repairs and Additions		New Buildings	
	Number	Amount	Number	Amount
Savannah, Ga.	15	\$ 9,100.	19	\$ 48,175.
Macon, Ga.	30	16,400.	12	7,570.
Augusta, Ga.	95	10,473.	7	12,155.
Rome, Ga.		430.	2	875.
Brunswick, Ga.	9	1,200.	18	13,850.
Waycross, Ga.	10	1,300.		
Nashville, Teen.	247	35,813.	10	28,200.
Chattanooga, Tenn.	140	57,362.		
Clarkesville, Tenn.	1	385.		
Birmingham, Ala.	204	80,955.	65	114,875.
Mobile, Ala.			9	3,200.
Sheffield, Ala.			2	1,550.
Jacksonville, Fla.	21	21,215.	31	74,750.
Tampa, Fla.	12	8,300.	44	11,960.
Orlando, Fla.	2	235.	9	22,950.
Miami, Fla.	5	2,000.	60	105,800.
Gainesville, Fla.	5	335.	2	3,000.

SHEET No. 3