FEDERAL RESERVE BANK

OF ATLANTA.

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

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COMMERCIAL.

Business conditions in all parts of the District are reported satisfactory, with a continuation of activity in practically all lines. Fall buying has begun, and gives promise of assuming large proportions. In some instances buyers are waiting for further reductions, but the almost universal feeling at this time indicates that few declines from the present level will take place. In fact, some lines have experienced increases in appreciable amounts during the last few weeks. This applies especially to the drygoods trade. All reports indicate increased prices for drygoods, one report placing the estimate as high as 20% on outings, ticking and brown cottons. The demand for heavy fall goods has been heavy. The recent increase in raw leather also indicates that leather goods will increase in price in the near future.

FINANCIAL.

The demand for money and rates of interest prevailing are reported normal in all sections. Bank deposits in some instances have declined, while in others there is a slight increase due to the sale of cotton. Collections have been good, and those who have disposed of cotton have liquidated their obligations, enlarging to this extent the supply of funds.

CENTRAL AND SOUTH AMERICAN TRADE.

Reports from New Orleans indicate a noticeable increase in May in trade to Central and South American ports, as well as to other foreign points. It is now possible for the inland shippers to make contracts with the various steamship companies at the Gulf Ports for the export of their commodities. No congestion is apparent at the terminals, as a sufficient number of ships are available to take care of all shipments for which contracts have been made. Very little lumber is moving, being used principally for ballast, but cotton, grain and foodstuffs comprise the majority of the cargo. The foreign market for these commodities is especially profitable, owing to the decrease in freight rates and insurance on account of the removal of the risk of destruction.

Conditions existing at this time in trade with Central and South America, Cuba and Panama are reported to be better than those prevailing before the war. Not only is this true from a financial standpoint, as the profits for both the steamship companies and the shippers have increased, but it is also true that the quantity of commodities exported shows a marked increase. All steamers which were commandeered by the Government for transport service have been released to their owners, and have resumed their former traffic. Large quantities of coffee are being imported from Brazil, sugar from Cuba, bananas, palm kernel, and other tropical fruits, and sisal, from Central America.

AGRICULTURE.

During the past month there has been excessive rainfall in practically all parts of the district. The condition of the cotton crop was reported fair before the rains, but cultivation has been impossible for two or three weeks and cotton fields have become very grassy. It is estimated it

will take two or three weeks to clear out all of the grass and weeds. Reports of the boll weevil in the infested areas are received, and while farmers are doing everything possible to prevent damage to the plants, the possible injury from this insect to the crop in the normally infested area may be great this season.

While some cotton has been sold on the recent rise in the price, quantities are still in the hands of the producers, in some reports estimated at one-third of the crop.

The corn crop is reported to be somewhat increased over last year. It is practically all planted, and the earlier plantings have been well cultivated and have made splendid growth.

Reports continue to indicate that Tennessee wheat is in good condition with prospects for large yields. Wheat, oats and hay in Alabama have been injured to some extent by recent wet weather.

Planters report that there has been too much rainfall even for rice, and the cool weather has delayed the growth of the crop which is now estimated to be three weeks late.

The development of tobacco growing in Georgia, Alabama and Mississippi is progressing and a considerable increase is indicated over last year.

LIVE STOCK.

The live stock industry is showing progress in all of the southern states. Interest in good breeding stock is growing and the demand for good grade beef stuff, young and such as will make good gains on pasture, is greater than the supply. There is a fine interest in sheep and the movement for a small flock on every farm is making headway in many sections.

FLORIDA MEATS.

There has been practically no fed cattle on the market during the past month and the grass cattle run is only about 20% of the run for the same period last year. Prices are at about the same level as a month ago, with a little improvement in canner prices. Owing to the condition of the cattle and to the low prices it is very probable that the run will be very light throughout the season. Hog receipts for May probably totalled 100% more than for the same month last year. Indications are for a good strong fall market but with lower prices for the winter when the heavy run of soft hogs comes into the southern markets.

FLORIDA FRUITS AND VEGETABLES.

In the middle portion of Florida excessive rains the past three weeks have been unfavorable for tomatoes, cantaloupes, and watermelons, but the forage crops have been benefitted. Melons have sold at record prices, about double the prices of former years. Owing to rust and too much rain the oats crop has not been very satisfactory. Velvet beans, peanuts, sugar cane and sweet potatoes are all growing excellently.

Citrus in this section has had no setback, and the young fruit is in healthy condition with no abnormal droppings. Pineapples are now being gathered on the East Coast and bringing $3.65 to $3.85.

LUMBER.

There is still a strong demand for boards and planing mill stock. Stocks are depleted, and prices are still advancing. It is thought this condition will prevail throughout the summer. Demand for dimension stuff and heavy timber has strengthened during the past thirty days, and prices on all sizes and dimensions have advanced from 10% to 20%.

NAVAL STORES.

The export trade in naval stores is brisk and the domestic demand good. Large amounts of turpentine have recently been shipped to the United Kingdom and stocks are now very light. Domestic demand is advancing the price rapidly. Rosin has firmed up and advanced about $4.00 per round barrel in the past week or two and higher prices are expected. Owing to a very backward spring, the crop has been delayed at least six weeks and it is the general opinion that the increase over last year's production will be very small.

LABOR.

Labor conditions are apparently unchanged and the farming interests are very much hand-

icapped. The supply of farm labor is short, the quality inferior, and the wages asked are prohibitive. Reports indicate that in the towns and cities there are numbers of colored laborers idle, and it seems impossible to induce them to take up farm work.

REAL ESTATE.

Property in all of the cities of the district is moving freely. There is much trading in homes, and some in business property. The shortage of houses is being to a small extent relieved, as the increase in building continues. The high cost of building, however, has caused many to abandon for the time being the construction of new houses.

COAL.

There is reported a considerable decrease in the output of coal, due to poor markets and mine disabilities. The output for May was 1,269,319 tons as compared to 1,350,019 tons for April.

IRON AND STEEL.

Cotton mills, pipe plants, pig iron plants and steel mills are beginning to receive increased inquiries for their products, and a turn is taking place for larger business. Cotton mills are running more regularly and cotton seed oil mill operators are beginning to contract for coal deliveries. Foundries and cast iron pipe makers are running more steadily.

In iron circles it is learned that while sales have not materially increased, inquiries are multiplying. Several pigiron furnaces which were idle in April, are now operating, and others are making preparations to begin operations.

The steel plants in the Birmingham district are operating steadily. The outlook in the steel industry is encouraging. Large orders for steel rails have been placed by the railroads. A large amount of business from automobile plants will also increase the steel business. Inquiries for a large amount of steel tonnage for export trade have appeared and with increased facilities for ocean shipments the trade, both in iron and steel products, will be greatly increased. The production of pig iron in May was 137,169 tons, as compared to 152,186 tons for April. The unfilled steel tonnage of the United States Steel Corporation as of May 31st was reported to be 4,232,310 tons.

The belief is becoming more universal that the level of prices will never be as low as those prevailing before the war, and that business must adjust itself to the new level. This is slowly taking place. As soon as peace negotiations are concluded and embargoes lifted, business will be stimulated by the foreign demand and plans for permanent operations in foreign trade may be made.

CLEARINGS—MAY.

	1918	1919
Atlanta, Ga.	$189,658,288.48	284,482,334.35
Augusta, Ga.	11,463,546.15	17,390,580.29
Macon, Ga.		70,578,011.01
Savannah, Ga.	26,076,779.72	35,054,552.99
Jacksonville, Fla.	22,816,603.07	37,726,202.44
Tampa, Fla.	6,695,134.81	8,885,904.67
New Orleans, La.	222,030,033.98	247,660,387.08
Vicksburg, Miss.	1,320,697.82	1,691,455.23
Chattanooga, Tenn.	23,685,404.43	27,012,897.93
Knoxville, Tenn.	13,138,376.92	11,494,681.91
Nashville, Tenn.	54,874,095.31	59,530,734.68
*Pensacola, Fla.		
Mobile, Ala.	6,472,667.00	7,712,706.00
Birmingham, Ala.	17,890,369.00	53,083,730.00
Montgomery, Ala.	6,267,539.48	7,481,287.39

*Not reporting.

BUILDING OPERATIONS—MAY.

	Repairs and Additions		New Buildings	
	Number	Value	Number	Value
Atlanta, Ga.	200	$135,164.00	119	$1,036,414.00
Augusta, Ga.	174	31,909.00	24	171,380.00
Brunswick, Ga.	15	1,913.00	33	25,600.00
Macon, Ga.	38	17,397.00	21	35,605.00
Rome, Ga.	8	2,287.50	2	1,000.00
Savannah, Ga.	14	18,150.00	35	72,575.00
Waycross, Ga.	4	300.00	2	7,100.00
Columbus, Ga.	11	2,165.00	9	51,900.00
Birmingham, Ala.	223	65,901.00	106	157,115.00
Montgomery, Ala.	77	20,423.00	23	15,335.00
Anniston, Ala.	24	4,800.00	21	64,000.00
Sheffield, Ala.			10	20,585.00
*Tuscaloosa, Ala.				
Mobile, Ala.	3	1,300.00	9	14,800.00
Florence, Ala.	7	4,000.00	16	26,100.00
Selma, Ala.	16	3,515.00		
Jacksonville, Fla.	22	25,690.00	42	133,150.00
Miami, Fla.	7	1,300.00	55	562,900.00
Orlando, Fla.	11	2,475.00	33	64,390.00
Tampa, Fla.	77	23,615.00	20	62,090.00
**West Palm Beach, Fla.				185,000.00
*West Tampa, Fla.				
Gainesville, Fla.	3	1,235.00	2	500.00
Pensacola, Fla.	126	16,105.00	9	17,200.00
**Chattanooga, Tenn.			188	134,986.00
Nashville, Tenn.	185	63,536.00	48	99,510.00
Knoxville, Tenn.	85	82,284.00	32	281,465.00
**Clarkesville, Tenn.			17	10,012.00
New Orleans, La.	44	94,084.00	42	558,025.00
*Meridian, Miss.				
Alexandria, La.	55	83,210.50	26	71,775.00
**Vicksburg, Miss.			37	10,940.45

*Not reporting.
**Total permits issued.