

# FEDERAL RESERVE BANK

## OF ATLANTA.

ATLANTA, GA., August 25th, 1919.

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

— BY —  
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#### COMMERCIAL.

The month of August has seen little of the usual slackening of commercial activity in the Sixth Federal Reserve District. In a very few instances there are indications of a slight lull, but in a large majority of our reports no mention is made of anything in the nature of a let-up in the pace that has existed for several months. Fall buying has continued, although the agitation of the question of the high cost of living has caused some merchants to exercise caution in buying, and has probably caused some dealers to purchase in somewhat smaller quantities than was anticipated a few weeks ago.

#### FINANCIAL.

On the recent rise in the price of cotton sales were made by a number of those who had held the staple for 35 cents. This has caused considerable liquidation of commercial paper based on cotton, making these funds available for other purposes, and relieving to this extent the demand for loans. Interest rates have remained steady. Bank deposits have increased in many instances, and collections are reported fair for this season of the year.

#### FOREIGN TRADE.

The favorable conditions outlined in last month's report in connection with trade with Central and South American countries through the Gulf ports, continue, although unfavorable labor conditions have delayed shipping to a small degree.

Much interest is manifested over the announcement that the South Atlantic and Gulf ports are to be placed on a parity with North Atlantic ports in the matter of freight rates from the middle west. The press announcement indicates that orders have been issued by the Railroad Administration for the issuance and filing of tariffs quoting reduced rates from middle western points to South Atlantic and Gulf ports, which will place these ports on an equal footing with North Atlantic ports with regard to exports originating in the middle western states.

## **AGRICULTURE.**

Heavy rains have continued in a large part of this District during the month. In South Georgia, South Alabama, and South Mississippi and Florida excessive rains have resulted in considerable injury to crops and prevented their cultivation. The excessive wet weather has been extremely favorable to the rapid multiplication of the boll weevil, and in the territory mentioned the damage from this insect promises to be greater than ever before over such a large area. The rains have also resulted in an unusually large amount of leaching of the soils and reports indicate that practically no crops are fruiting as well proportionately as their general appearance would indicate. In some counties in Southeast Georgia it is reported there will be less than half a crop of cotton, the condition in some instances being indicated as low as 25%.

Information taken from the reports of the Co-operative Crop Reporting Service indicates that the quality of wheat raised in Georgia is below the average, but the yield per acre is about the same as last season. The condition of the oat crop at harvest was very poor. Irish potatoes are not very promising. Tobacco has suffered greatly from rains and unsatisfactory curing conditions. Reports now indicate that the crop will be only about 50% of normal in some sections, and between 50% and 75% of normal in other parts of the District. In Georgia, Alabama and Mississippi the grades are very poor, and tobacco warehousemen and buyers have found it difficult in many cases to deliver the tobacco from the warehouse to redrying plants before moulding or damaging because of the excessive wet weather.

Tennessee reports indicate that the wheat crop of that state has proved a disappointment, this crop being one of the poorest on record as to yield and quality. Unlike other States of the District, a general drouth has prevailed over the entire State of Tennessee during the latter part of July and early August, from which all crops have suffered. The tobacco crop, one of the largest in point of acreage, was badly handicapped in May and June by rains, but is now clean; it has made slow growth and shows a tendency to button out too soon. Potatoes of both kinds are in fair condition, but show the need of more moisture. The condition of oats and barley at harvest was fair, but below the average. Vegetables of all kinds are below normal, and gardens depleted. Fruits of all kinds are short, except blackberries, the production of which is above normal.

The corn crop in North Georgia, Alabama and Mississippi is fairly promising, and has suffered but little from rains. Most fields, however, contain more or less weeds and grass which are sapping the soil fertility. Peanuts, velvet beans, soy beans, etc., are making splendid growth and while late promise good yields. Ribbon cane and sorghum for syrup have been poorly cultivated, though where weeds and grass are not interfering too seriously, the crop promises fair yields. Pastures are splendid and live stock on pasture are doing better than usual.

## **FLORIDA FRUITS AND VEGETABLES.**

The citrus crop is reported to be in very good condition and development somewhat advanced. Buyers are now offering \$1.75 to \$2.25 on the trees for fruit, which is an unusual price at this season, and indicates that the crop will bring record prices this fall and winter.

The unusually rainy weather has been detrimental to most of the staple crops, especially corn. In some sections the damage has been serious, and will result in high prices.

## **FLORIDA MEATS.**

Though the cattle receipts in this market show considerable improvement over the previous month, they were only about 25% of the receipts for July, 1918. Prices on heavy steers range fifty cents higher than a month ago, or practically as high as at this season last year. Light steers and other stuff are from seventy-five cents to \$1.50 under last year's prices.

The hog run for July, 1919, shows an increase of about 75% over receipts of July, 1918.

## **NAVAL STORES.**

Turpentine has advanced very sharply since last report, and during the week ending August 25 the highest prices on record were reached, the Jacksonville quotation on August 8 being \$1.61 $\frac{1}{4}$ . Rosin has declined within the past two weeks, but the decline is considered to be only temporary and that after strike conditions are adjusted the price will be as high as before the decline. The unfavorable weather still prevails and it is felt that this year's crop will be no larger than that of 1918.

## **LUMBER.**

The demand for lumber continues in excess of the supply, while production remains below 80% of normal. Values are strong, and in all probability will continue so for many months.

## **LABOR.**

While there still seems to be a large number of returned soldiers, and a large number of colored people, idle in the cities, the manufacturing industries report no appreciable surplus of labor, and farm labor is still very scarce. High prices are being paid for that which is available, but the quality of labor has not equaled that before the war.

## **REAL ESTATE AND CONSTRUCTION.**

The building boom continues in practically all of the cities of the District, and trading in residences, business property and in farm lands, is active. There is still an acute shortage of houses, especially for renting purposes.

## **COAL.**

Coal production is reported not up to the standard, although there is some improvement caused by increased domestic demand. The opening of several blast furnaces recently has caused an increased demand for coke. The total production of the Birmingham district for July, 1919, was 1,107,775 tons, compared with 1,238,506 tons for June.

## **IRON, STEEL AND MISCELLANEOUS INDUSTRIALS.**

The foundries, machine shops and pipe plants are working full time and business seems to be improving. Pig iron manufacturers, from a sales standpoint, report that the pig iron situation in this District has shown considerable improvement during the past six weeks. There has been a slight increase in price, and a much better demand during recent months.

The output of pig iron shows an increase in tonnage in July, as compared with June, of 14,361 tons.

Cotton mills in Georgia are reported to be very active, operating full time, but not at night. Reports from Alabama indicate that cotton mills in that State are not very active.

The business of the steel industry of that State appears to be improving. A brisk demand for nails and all wire products, as well as steel bars, is reported, and orders are being received freely. Prices have advanced during the past month from \$2.00 to \$5.00 per ton on nails and wire. Operations show improvement and the output is slowly increasing.

The unfilled steel tonnage of the U. S. Steel Corporation shows a substantial increase. The unfilled steel tonnage on July 31, 1919, was reported to be 5,578,661 tons, compared to 4,892,855 tons on June 30, 1919.

**CLEARINGS—JULY.**

	1918.	1919.
Atlanta, Ga. ....	\$170,050,598.27	\$244,476,445.38
Augusta, Ga. ....	13,406,513.98	16,232,187.53
Macon, Ga. ....	(not available)	87,395,499.65
Savannah, Ga. ....	24,637,900.25	36,825,463.92
Jacksonville, Fla. ....	19,477,971.53	33,836,462.57
Tampa, Fla. ....	5,502,523.00	7,299,484.27
Pensacola, Fla. ....	11,202,008.65	15,023,417.27
New Orleans, La. ....	192,559,281.10	251,525,430.03
Vicksburg, Miss. ....	1,350,232.01	1,415,617.82
Chattanooga, Tenn. ....	23,279,509.80	27,097,366.00
Nashville, Tenn. ....	62,697,159.52	62,679,545.33
Knoxville, Tenn. ....	11,487,342.06	11,849,984.35
Birmingham, Ala. ....	18,579,600.85	53,266,485.98
Mobile, Ala. ....	6,247,949.59	8,718,449.41
Montgomery, Ala. ....	5,484,797.10	6,789,290.24

**BUILDING OPERATIONS—JULY, 1919.**

	Repairs and Additions		New Buildings	
	Number	Value	Number	Value
Atlanta, Ga. ....	193	\$181,638	130	\$1,352,700
Augusta, Ga. ....	149	49,920	19	116,900
Brunswick, Ga. ....	30	5,040	13	26,000
Macon, Ga. ....	34	41,955	21	70,365
Rome, Ga. ....	15	6,125	3	660
Savannah, Ga. ....	39	61,225	61	322,815
Waycross, Ga. ....	4	700	2	1,620
*Columbus, Ga. ....				
Birmingham, Ala. ....	236	64,813	127	542,865
*Montgomery, Ala. ....				
Anniston, Ala. ....	13	15,650	7	16,000
*Sheffield, Ala. ....				
*Tuscaloosa, Ala. ....				
Mobile, Ala. ....	1	600	21	198,300
Florence, Ala. ....	6	5,368	11	75,135
Bessemer, Ala. ....			6	13,270
Jacksonville, Fla. ....	26	62,075	31	171,931
Miami, Fla. ....	7	3,700	94	396,600
*Orlando, Fla. ....				
Tampa, Fla. ....	69	15,930	23	35,415
West Tampa, Fla. ....	14	1,265	8	13,924
*West Palm Beach, Fla. ....				
Gainesville, Fla. ....	5	960		
**Pensacola, Fla. ....			134	65,172
*Chattanooga, Tenn. ....				
Nashville, Tenn. ....	246	32,085	113	180,622
Knoxville, Tenn. ....	96	81,063	39	235,061
New Orleans, La. ....	44	73,200	69	716,801
Meridian, Miss. ....	4	14,600	1	11,710
*Vicksburg, Miss. ....				
Alexandria, La. ....	30	5,986	24	38,545

\*Not reporting.

\*\*Combined figures for new construction and repairs.