

# 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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#### INTRODUCTION—

The betterment of prevailing conditions rests largely with the general public and especially with labor. It is believed that the public and labor have come to realize this to some extent. It is essential that production be increased and maintained at a maximum to combat the present high prices; this responsibility rests with labor as well as with the employers. It must be remembered that prices are regulated by a day's labor, and the real unit of value is not the dollar, but an hour's work, and the dollar is a mere incident to the transaction. The curtailment of credit is also essential to combat the advanced prices, and with the volume of money in the hands of the public, the time is opportune to liquidate obligations and to save on systematic lines, finally, buying should be confined to essentials only.

#### AGRICULTURE—

The planting and preparations for the new crops have been somewhat retarded by weather conditions. It is impossible to forecast how the acreage planted to cotton this season will compare with previous years. However, it is known that in certain sections of the district the acreage will be reduced as the result of the damage last year by the boll weevil, and the hold this insect now has in those sections. There is every indication that there will be more diversification of crops the coming season than heretofore. Small grain has been somewhat damaged by wet weather; it is reported that the wheat acreage in Tennessee is estimated from 20 to 50 per cent. of the usual sowing. The recent rain and flood damage to crops along the Atlantic Coast in Florida has been considerable. The potato crop is reported as nearly 90 per cent. planted, of which 12 to 15 per cent. was covered by water, and it will probably be necessary to replant a considerable part of the crop. In parts of the State other vegetables have been similarly affected. The oats crop in Central Florida is reported in good condition. Indications are that there will be a large cabbage crop, which is now reported fair. The following table shows the movement in car lots of citrus fruits and vegetables during the months of December and January, 1919, and January, 1920

	Dec., 1919.	Jan., 1919.	Jan., 1920.
Oranges .....	4,486	2,863	3,680
Grapefruit .....	949	1,397	1,452
Celery .....	0	42	120
Cabbage .....	6	97	344
Lettuce .....	689	606	1,169
Tomatoes .....	34	20	219
Miscellaneous vegetables .....	281	135	165

Prices this season for grapefruit have been disappointing and growers have not, so far, realized the profit they anticipated. A large proportion of the crop is yet to be shipped and the market appears somewhat stronger. The prices of oranges this season have been lower than the high prices of last season. However, they have shown a fair profit to the grower, and the market now has an upward tendency.

Cane growing in certain parts of the district is receiving more attention each year and is proving to be a profitable crop for the farmer. Indications are that the production will be increased this year with a corresponding increase of the output of syrup.

#### **LIVE STOCK—**

During the year Nineteen Hundred Nineteen there was an increase of farm animals throughout the District. On January 1st, 1920, the total of farm animals for Georgia was \$201,840,000, as compared with \$193,481,000 on January 1st, 1918, and for Mississippi reports indicate an increase in valuation of approximately \$4,250,000. All classes of stock, with the possible exception of sheep, are receiving more attention yearly. Pure bred or high grades of all classes and breeds are increasing rapidly throughout the District. The cattle tick is being eradicated, and contagious diseases are being largely controlled. More attention is also being given to pastures and housing.

Nearly all of the States in the District have made substantial gains in the creamery industry, according to the Department of Agriculture. Mississippi now has twenty-seven creameries in operation and will soon have thirty-five. Her butter production has increased thirty per cent., and already a steady and growing market has been created for dairy products in the larger cities of the District. Tennessee made the greatest gain in the creamery development in the District during the past year, several modern plants recently having been completed. Butter production from the various creameries show from twenty-five to one hundred per cent. more butter was made last year than during any previous year. The outlook for dairying in Tennessee, according to the Department of Agriculture, is unusually bright. Alabama has also made development in the creamery industry, and there is now being erected at Eufaula a modern plant for handling the dairy products.

#### **LUMBER—**

The demand for lumber continues heavy, being greatly in excess of the supply. Prices have advanced considerably since January 1st; the output continues below normal on account of the weather conditions which prevailed throughout the Southern pine belt. High prices have influenced the erection of numbers of small mills and scattered tracts of timber which is being cut very much closer than previously.

#### **NAVAL STORES—**

The 1919 crop has practically all been marketed and the stocks in ports are reported low. The operators are preparing for the new crop. Indications point to an increased production for Nineteen Hundred Twenty, unless hampered seriously by labor and weather conditions. Some delay is being experienced by the failure of cup manufacturers to furnish cups that have been ordered. Prices reached their highest point a few weeks ago, and it is believed that the small stocks will tend to keep prices at a high level.

#### **BUILDING—**

Even with the high prices of labor and of building material, the erection of business houses, manufacturing plants, apartments and dwellings continue unabated. There is still a great demand for houses both in the cities and towns, and even with the large amount of building done in the last few months, the situation does not appear to have been relieved and rents have continued to advance. Real estate conditions are very active and there is much property changing hands, usually at advanced prices.

#### **LABOR—**

There have been no strikes of importance since the beginning of the year, and no unusual labor unrest has been reported. The labor situation in the industrial centers and in the cities has somewhat improved and there is not the demand that there was some months ago. The farm-

er, however, is viewing the coming season with much concern over the farm labor situation. High prices paid in the cities and about industries continue to attract labor from the country. Much is being done to supplant man power on the farms with horsepower; the purchase of tractors and other farming machinery is heavy. This will not, however, entirely compensate for the lack of man power. The farmer plans for increased crops and live stock production are seriously handicapped for this reason. Naval stores industries, in common with farming, report a lack of labor. The recruiting system is being resorted to, with the result that prices for this class of labor have advanced materially.

#### **FINANCING—**

Throughout the District bank deposits are holding up well. Many banks report that deposits continue to increase. There is an upward tendency of interest and discount rates and a prevailing disposition to restrict credit. Collections are reported as "satisfactory," "good," or "very good."

#### **COMMERCIAL—**

Reports from the wholesale trade are somewhat varied, although, as a whole, the amount of sales greatly exceed those of a year ago, and the majority of establishments show increased volume. While there has been some decline in the prices of foodstuffs, there has been no apparent reduction in prices of dry goods and wearing apparel, but, on the contrary, there has been a steady increase—more especially is this true with regard to hats, shoes, and clothing. Some difficulty is being experienced in getting orders filled. More caution is being used in extending credit, and generally there is a disposition not to allow bills to lap.

#### **COAL—**

Reports from the Birmingham district and in Tennessee are to the effect that the coal production is greatly reduced by the car shortage from which there is no indication of immediate relief. There is a heavy demand for coal of all grades. However, with the continued warm weather the supply of domestic coal has been sufficient to meet the demands without any serious suffering on the part of the public. The stocks of all grades on hand are at minimum and the demand for steam, coking and gas coal is reported extraordinary.

#### **IRON AND STEEL—**

Great activity prevails in the metal business in the Birmingham territory. All industrial plants are operating throughout the district to capacity. Pig iron is selling from \$40.00 to \$43.00 per ton, with no accumulating stocks in the yards. The production for January, 1920, was 205,363 tons, as compared with 200,671 tons in December, 1919, or an increase of 4,691 tons. The unfilled steel tonnage of the United States Steel Corporation reported as of January 31st, 1920, amounted to 9,285,541 tons, as compared with 8,265,366 tons on December 31st, 1919, or an increase of 1,020,175 tons.

#### **RAILROAD SERVICE—**

The car shortage is reported as acute and seriously affecting the coal operators more than any other one industry. However, the demand of lumber manufacturers for cars greatly exceeds the supply, and to some extent the car shortage extends to other industries.

#### **WEATHER CONDITIONS—**

The temperature throughout the district has been mild, while the rainfall has been heavy. The wet weather has prevented the farmers from going forward with preparations for the coming season and has similarly affected naval stores industries.

#### **BEE INDUSTRY—**

Much interest is being manifested in certain sections of the district in the bee industry. Recently there was shipped within the district a car load of bees containing 200 hives. The purchaser is said to be a large bee owner, having colonies in Georgia, Florida and other southern states. Another owner is credited with 10,000 colonies of bees, and besides is the proprietor of a large manufacturing plant of bee supplies. In connection with the factory there is operated a packing department. Shipments of honey are being made in car load lots and smaller quantities.

## CLEARINGS—JANUARY.

	1919.	1920.
Atlanta, Ga. ....	\$269,276,033.33	\$363,868,491.61
Augusta, Ga. ....	14,512,263.41	28,074,120.93
Macon, Ga. ....	.....	38,450,291.00
Savannah, Ga. ....	29,839,087.10	57,541,827.10
Jacksonville, Fla. ....	36,100,258.22	54,529,151.93
Tampa, Fla. ....	8,592,296.97	11,417,127.98
Pensacola, Fla. ....	7,701,000.00	11,483,000.00
New Orleans, La. ....	278,319,190.28	352,695,949.63
Vicksburg, Miss. ....	2,288,932.39	2,694,616.68
Chattanooga, Tenn. ....	25,996,917.85	36,938,616.95
Knoxville, Tenn. ....	11,427,812.25	16,152,172.86
Nashville, Tenn. ....	72,754,366.20	118,053,551.70
Birmingham, Ala. ....	54,752,289.19	88,176,781.39
Mobile, Ala. ....	7,865,890.38	11,634,181.78
Montgomery, Ala. ....	7,595,004.93	12,030,717.65

## BUILDING OPERATIONS—JANUARY, 1920.

	Repairs and Additions.		New Buildings.	
	Number.	Value.	Number.	Value.
Anniston, Ala. ....	12	\$ 11,500.00	.....	.....
Birmingham, Ala. ....	200	53,340.00	102	\$ 486,935.00
Florence, Ala. ....	5	4,125.00	3	12,600.00
Gadsden, Ala. ....	4	700.00	13	21,200.00
Mobile, Ala. ....	2	400.00	8	11,000.00
Montgomery, Ala. ....	78	12,800.00	14	58,330.00
Gainesville, Fla. ....	4	700.00	6	12,900.00
Tampa, Fla. ....	70	39,530.00	34	284,685.00
Orlando, Fla. ....	16	510.00	36	46,101.00
Miami, Fla. ....	7	4,200.00	182	350,200.00
Pensacola, Fla. ....	(old and new)		54,970.00	
Jacksonville, Fla. ....	22	175,111.50	33	190,247.00
West Palm Beach, Fla. ....	(old and new)		69,270.00	
Atlanta, Ga. ....	137	194,766.00	99	1,526,800.00
Augusta, Ga. ....	97	22,822.00	20	90,105.00
Savannah, Ga. ....	23	16,535.00	34	112,865.00
Nashville, Tenn. ....	184	130,105.00	32	196,244.00
Knoxville, Tenn. ....	25	9,050.00	11	63,887.00
Johnson City, Tenn. ....	.....	.....	13	22,200.00
New Orleans, La. ....	47	26,176.00	40	311,984.65
Brunswick, Ga. ....	3	725.00	16	15,300.00
Columbus, Ga. ....	10	2,780.00	4	8,600.00
Macon, Ga. ....	38	19,825.00	12	83,260.00
Chattanooga, Tenn. ....	120	33,532.00	7	524,500.00