

COPY

May 13, 1938

Mr. McDonald

Building construction in April as indicated by Dodge contracts awarded figures and Dun and Bradstreet building permits data.

Contracts awarded - reported by Dodge

Contracts awarded on residential construction show a decrease in April from March of 6 per cent and a decrease from April 1937 of 30.8 per cent. You will recall that the contracts awarded in March were only 12 per cent below those of March 1937.

This series is not as significant as the Bureau of Labor Statistics permits series, since it does not cover all small homes for which no contracts are awarded. The Bureau of Labor Statistics series for April will not be available for another two weeks.

Building permits - reported by Dun and Bradstreet

The building permits reported in this series cover more than residential construction, but the trend in the series is always significant. The permits reported for the 215 cities show an increase in April over March of 10.8 per cent. The decrease from April 1937 is 27.8 per cent, due in part to the large decrease of permits in the New York area from April of a year ago. You will recall that most of the spring building permits for New York City were issued in December and January in anticipation of the new building code effective date of January 26.

For the first four months of 1938 (which avoids in part the distortion of monthly figures due to the New York situation) the decrease in total building permits issued is 7.8 per cent.