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POSTWAR CHANGES IN DEPOSITS

Total Deposits During the latter half of April, total deposits (exclusive of interbank accounts) of all member banks in the Fourth District were slightly below the level which prevailed at the termination of World War II. When the war ended in August 1945, deposits in this District totaled about $8,420 million, whereas 20 months later the figure approximated $8,320 million, a reduction of $100 million or about one percent. The highest level reached in the postwar period was attained early in 1946 at the close of the Victory Loan Drive, when the total slightly exceeded $9,000 million.

This postwar picture is one of relative stability when it is contrasted with the spectacular expansion of deposits in the war years. During the 44 months of United States participation in the war, total deposits at Fourth District member banks more than doubled with an increase of about $4,400 million. The wartime advances in deposits may be attributed to large scale purchases of U. S. Government obligations by commercial banks throughout the country. The rapid upward trend in total deposits was not reversed until the Federal debt ceased rising and began declining with the inauguration of the Treasury debt retirement program in March 1946.

U. S. Government Deposits By April of this year, 20 months after V-J Day, time deposits and adjusted demand deposits* were higher than at the end of the war, but U. S. Government deposits had declined sharply. The net decrease in Government deposits at Fourth District member banks totaled about $900 million or 80 percent. This type of deposit totaled some $1,150 million when the war ended, and advanced to $1,600 million in January 1946 at the conclusion of the Victory Loan Drive. The Government balances then began to contract rapidly and amounted to less than $250 million in April of this year. The shrinkage occurred as the Treasury retired about $29 billion of U. S. Government obligations, mostly short-term debt held by banks. The funds used in this retirement operation were largely deposits built up in the Victory Loan Drive.

*Adjusted demand deposits are total demand deposits, less interbank accounts, U. S. Government deposits, and cash items in process of collection.

POSTWAR TRENDS IN DEPOSITS
(Fourth District Member Banks)

Daily Averages

	Adjusted Demand Deposits	U. S. Govt. Dep.	Time Dep.	Total Dep.*
Second Half August 1945:				
Reserve City Banks	$2,820	$ 773	$1,084	$4,677
Country Banks	1,932	371	1,422	3,745
All Members	$4,752	$1,144	$2,526	$8,422
Second Half April 1947:				
Reserve City Banks	$2,869	$ 131	$1,311	$4,311
Country Banks	2,181	105	1,723	4,009
All Members	$5,050	$ 236	$3,034	$8,320

*Except Interbank.

Changes from August 1945 to April 1947

	Adjusted Demand Deposits	U. S. Govt. Dep.	Time Dep.	Total Dep.*
In Dollars:				
Reserve City Banks	$+ 49	$−642	$+227	$−366
Country Banks	+249	−266	+281	+264
All Members	$+298	$−908	$+508	$−102
In Percent:				
Reserve City Banks	+ 2%	−83%	+21%	− 8%
Country Banks	+13	−72	+19	+ 7
All Members	+ 6%	−79%	+20%	− 1%

*Except Interbank.

Time Deposits Time deposits in Fourth District member banks expanded about $500 million, or 20 percent in the first 20 months of peace. During 44 months of war this type of deposit had advanced about $1,060 million at Fourth District banks; thus in the postwar period as a whole the dollar rate of accumulation has been roughly equivalent to that of the war years. The rate of time deposit accumulation, however, has been gradually slowing down. In the first ten months after the war the net gain averaged $31 million per month at Fourth District member banks, compared with $22 million in the succeeding five months and $17 million for the most recent five-month period.

Demand Deposits While Fourth District member banks were experiencing a net postwar drop of $900 million in U. S. Government balances and a gain of $500 million in time deposits, adjusted demand deposits advanced $300 million or 6 percent. Unlike time deposits, demand deposits have advanced at a far slower rate in the postwar period than was the case during the war, when demand deposits at Fourth District member banks increased by almost $2,000 million.

Like time deposits, demand deposits recently have been increasing less rapidly than in the early postwar months. Demand deposits increased about $22 million per month during the first ten months after the war, $16 million per month in the succeeding five months, while a very slight decline occurred in the past five months.

Cause of Gains in Demand and Time Deposits During the postwar period, numerous factors have influenced the trends of time and demand deposits other than war loan deposits. In the months immediately following the war Treasury expenditures exceeded receipts, thus tending to increase deposits. The subsequent period of Treasury debt retirement likewise added to time and demand deposits because some of the retired short-term debt was held by investors other than commercial banks. The rapid postwar expansion in commercial, real estate and consumer loans, and in bond holdings by commercial banks, likewise contributed to deposit expansion. An inflow of gold from abroad has been a further factor increasing deposits.

Forces tending to reduce the magnitude of postwar deposit gains have included a moderate rise in money in circulation and a substantial contraction in loans secured by U. S. Government obligations. In recent months a sizeable excess of total Treasury cash receipts over cash expenditures has been a dominant factor limiting deposit expansion.

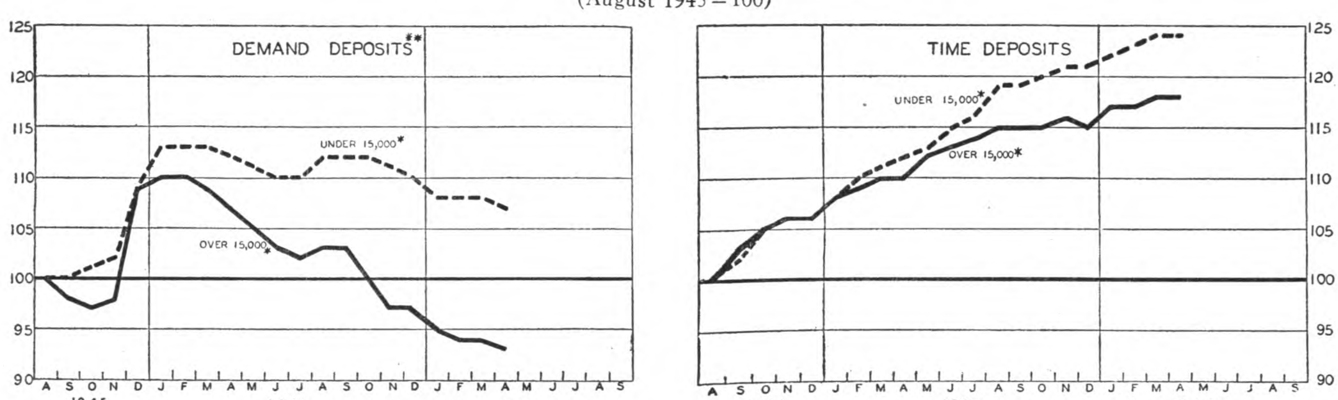
Contrast Between Reserve City and Country Banks The over-all postwar decline of $100 million in deposits at Fourth District member banks is the net result of an increase of $265 million or 7 percent at country banks and a decrease of $365 million, or 8 percent at reserve city banks. The reserve city classification includes almost all member banks located in Cleveland, Pittsburgh, Cincinnati, Columbus and Toledo, whereas the classification of country banks applies to all other member banks in the District. The variation in the trend of total deposits at the two classes of banks was in part a matter of differences in the trends of the respective types of deposits. It was also due to variations in the relative importance of the various types of deposits in the two classes of institutions.

During the postwar period, adjusted demand deposits advanced 13 percent at country banks compared with a rise of only 2 percent at reserve city institutions. U. S. Government deposits were off 72 percent at country banks, but the decline in the reserve cities was even sharper at 83 percent. In the case of time deposits there was little difference between the two classes of banks, country banks experiencing a 19 percent gain, while reserve city banks expanded 21 percent.

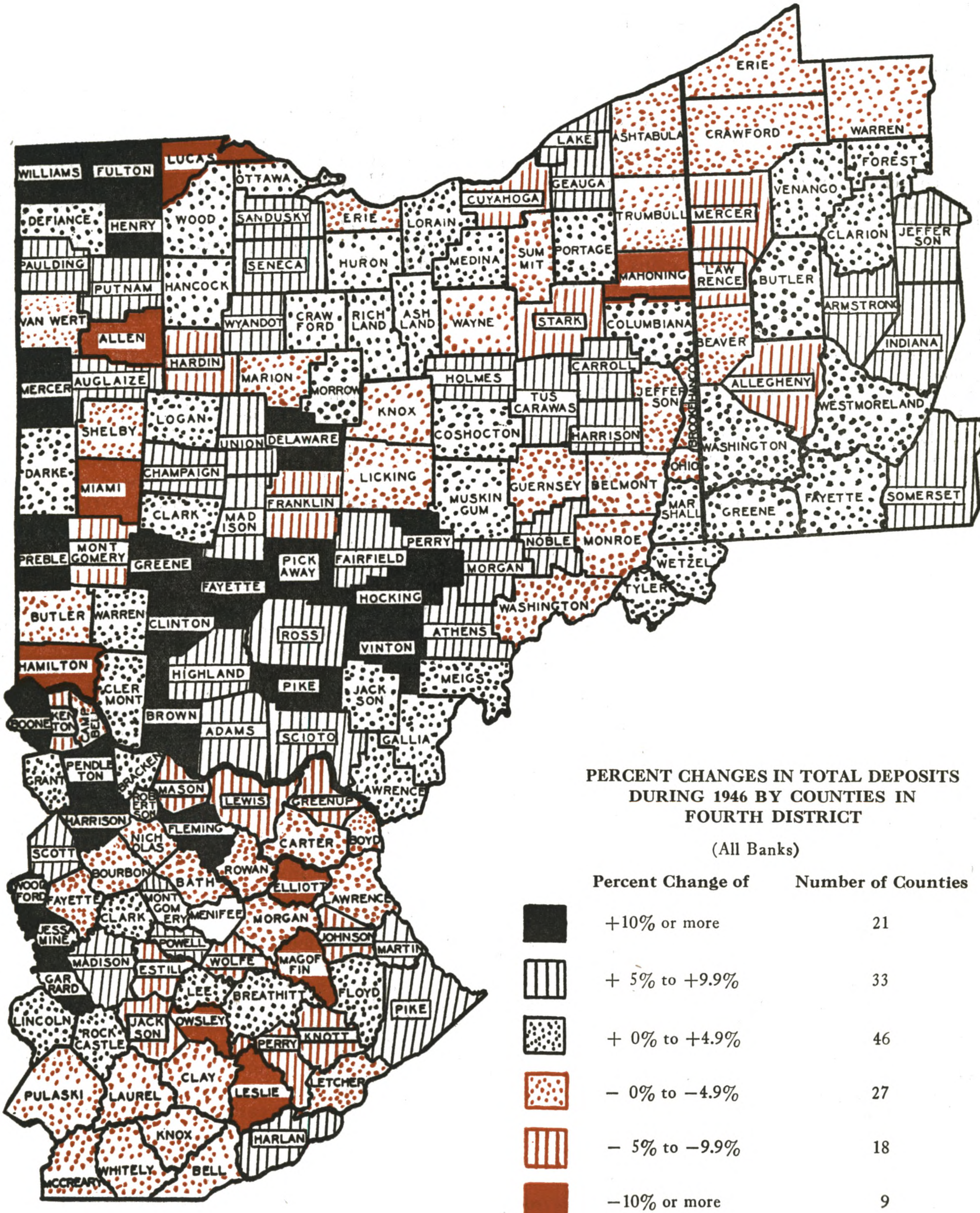
The relatively large gains recorded for time deposits had a particularly strong effect upon country banks, since about 39 percent of their deposits were of this type on V-J Day, compared with only 23 percent at reserve city banks. Demand deposits constituted 60 percent of total deposits at reserve city banks, compared with 51 percent at country banks, but this type of deposit increased only 2 percent at the reserve city

(Continued on Page 4)

COUNTRY MEMBER BANKS
Relative Changes in Deposits in Large and Small Centers
(August 1945 = 100)



** Including U. S. Government deposits, but excluding interbank accounts. * Population, 1940 Census.



PERCENT CHANGES IN TOTAL DEPOSITS DURING 1946 BY COUNTIES IN FOURTH DISTRICT

(All Banks)

Percent Change of	Number of Counties
+10% or more	21
+ 5% to +9.9%	33
+ 0% to +4.9%	46
− 0% to −4.9%	27
− 5% to −9.9%	18
−10% or more	9

POSTWAR CHANGES IN DEPOSITS

Continued from Page 2

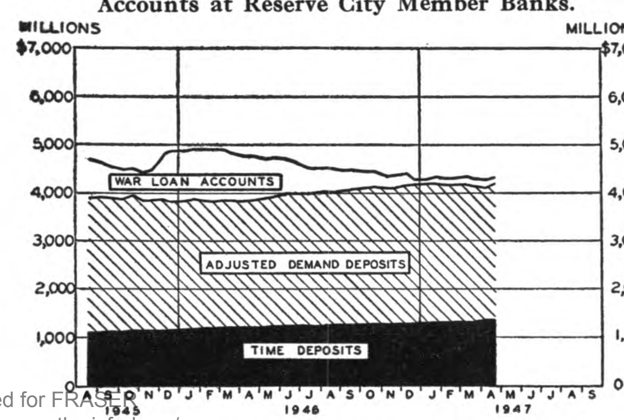
institutions. U. S. Government deposits, which declined more sharply at reserve city banks, constituted 17 percent of their total deposits on V-J Day as against only 10 percent at the country banks.

Effect of Large Business Accounts The variation in the relative importance of demand deposits at reserve city banks compared with country banks is chiefly a matter of the concentration of a great volume of business deposits, particularly large manufacturing accounts, at banks in metropolitan centers. Furthermore, the presence of these manufacturing accounts largely explains the comparatively minor gains in demand deposits at reserve city banks since the end of the war.

The importance of manufacturing accounts at large banks is discussed in an article entitled "Postwar Changes in Deposit Ownership" in the May 1 issue of the *Monthly Business Review.* The article reports that from July 1945 to February 1947, the large banks of the District experienced greater gains in large personal demand deposits and in all demand deposits under $10,000 in size than did the smaller banks. However, manufacturing and mining demand deposits, which last February included almost 35 percent of all demand deposits at the largest banks, dropped 20 percent at those banks between July 1945 and February 1947. At smaller banks, where manufacturing and mining accounts amounted to only 18 percent of demand deposits, a modest gain of 4 percent occurred in that period.

Contrast Between Large and Small Country Banks The postwar deposit experience of banks in centers of varying sizes is portrayed on the accompanying set of charts which contrast country banks in cities of 15,000 or more population with banks in cities of less than 15,000. It may be observed that time deposits expanded a bit more rapidly in the smaller centers. Furthermore, demand deposits (in these charts the term *includes* U. S. Government war loan accounts) were 7 percent higher at the smaller centers this April than at the end of the war, whereas, at the larger centers, demand deposits (including war loan accounts) were off about 7 percent.

Time Deposits, Adjusted Demand Deposits and War Loan Accounts at Reserve City Member Banks.



Total Deposit Changes by Counties The factors discussed above are also reflected in the accompanying map which exhibits changes in total deposits during 1946 by counties in the Fourth District. Of the 169 counties in the District, 100 or about 60 percent experienced an increase in deposits for the year. However, total deposits at all member banks in the District declined 7 percent, indicating that on the average those counties with a large volume of deposits experienced substantial decreases in deposit figures. There was considerable variation in deposit trends by counties during 1946, as evidenced by the fact that in 54 counties deposits expanded 5 percent or more, whereas declines of 5 percent or more were experienced by 27 counties.

Future Deposit Trends The wartime importance of U. S. Government deposits has ended. Substantial calls made on war loan accounts during May have reduced U. S. Government deposits to about the average prewar level. At that level they amount to less than one percent of total deposits.

The growth in time deposits may taper off in the near future if depositors increase their purchases of homes, cars and home appliances. Growth could also diminish or cease in the event a set-back in employment occurs, since such a development could force some depositors to draw upon savings accounts in order to maintain living standards.

On the basis of past experience, however, an actual decline in time deposits seems unlikely. Time deposits rose throughout the 1920-1921 depression, were virtually unchanged during the 1937-1938 recession, but did decline about 25 percent in the severe depression of the early 1930's when many banks failed and confidence was at low ebb. In some prosperous years, such as 1940 and 1941, time deposits changed very little.

The future trend of demand deposits will depend primarily on changes in the over-all volume of public and private indebtedness. Increases in total indebtedness may be expected to add to the loan and investment portfolios of commercial banks, a development which would go hand in hand with a rise in deposits. On the other hand, a reduction in loan and investment portfolios would be accompanied by a contraction in deposits.

If business activity continues at a high level, demand deposits may remain rather stable. This assumes an expansion of loans and of municipal and state indebtedness that may match the tendency for Federal securities to move out of the banks through Treasury debt operations made possible by an excess of cash receipts over cash expenditures.

A decline in business activity might curtail private borrowing and possibly state and municipal debt expansion. However, it is conceivable that Federal expenditures would increase and receipts would diminish, thus adding to the Federal debt. Over-all public and private indebtedness might therefore contract little, if at all, thus averting any appreciable decline in demand deposits.

THE PAPER AND PAPERBOARD SITUATION

A Nondurable in Short Supply The persistent shortages of paper and paperboard suggest that the paper industry is subject to somewhat different economic influences from those which bear upon nondurable industries in general.

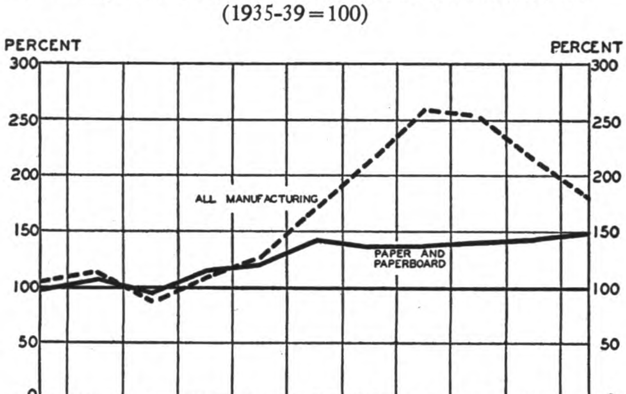
Virtually every type of paper product has remained conspicuously scarce while supplies of other important nondurable goods such as textile, leather, rubber products, and a number of manufactured food products have improved noticeably, in some instances to a point where price and production readjustments have been put into effect.

A partial explanation of the continuing paper scarcity lies in the wartime development of new uses for paper products, in many instances as a substitute for other material. Among the new paper and allied products are paper toweling, facial tissues, transparent and translucent sheets, many types of pasteboard packaging and various building papers. Meanwhile, demand has also increased for such conventional paper products as wrapping paper and bags, newspapers and magazines, business forms, cigarette paper, and greeting cards.

Comparative Production Production of paper and paperboard is currently running at the rate of 21 million tons per year, or better than half a ton per family of four. That represents an increase of about 55 percent above the prewar (1939) rate of production, while the output of all manufactured goods in the aggregate at the present time is roughly 80 percent above prewar volume and commercial and consumer requirements for paper products have increased somewhat proportionately. This explains why production of 19 million tons last year was not quite enough.

Historically, the production of paper and its products has fluctuated less widely than many other products. As indicated on the accompanying chart, this was true in the boom period of 1937, in the industrial recession of 1938, and more noticeably during the recent war period.

PRODUCTION OF PAPER AND PAPERBOARD
As Compared with Production of All Manufactures
(1935-39=100)



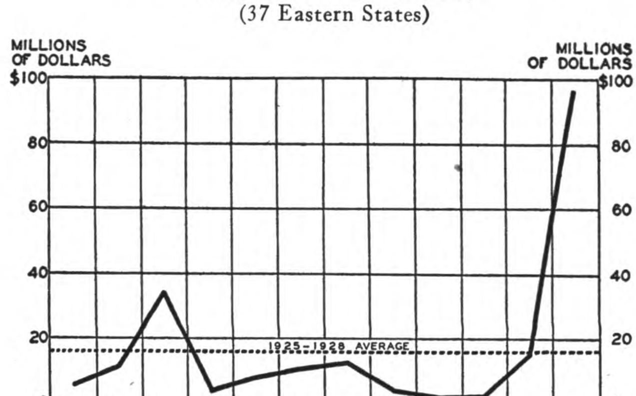
SOURCE: Federal Reserve Bulletin

The failure of the production of paper products to adhere more closely to the rising output of manufactured goods during wartime is partly attributable to the fact that except for some producers engaged in munitions packaging, the paper industry was not designated as an "essential" industry. Man-power shortages became especially troublesome. The industry likewise had to contend with difficulties in transportation, and with scarcities of raw material. Imports of wood pulp were severely curtailed by shipping disruptions and by enemy occupation of the primary exporting countries in Scandinavia. Throughout most of the war, output held slightly below the 1941 peak, and it was only through increases in both domestic and Canadian production of pulp that the industry managed to maintain production near the 18 million tons-per-year peak established in 1941.

Earnings and Plant Expansion The paper and paper products industry traditionally has earned a somewhat lower rate of return on net worth than manufacturing enterprises as a whole. In 1946, however, the situation was sharply reversed. According to the Monthly Letter of the National City Bank of New York, earnings of seventy companies during 1946 were equivalent to 14.4 percent of net worth, as compared to 12.1 percent for all manufacturing firms. The latter figure was essentially on a par with earnings in 1941 and in 1928-29. On the other hand, the 14.4 percent return experienced by the paper industry was substantially above any previously recorded figure.

This exceptionally high rate of return appears to have induced a record program of expansion of facilities. During 1925-8, annual commitments for new construction in the paper industry averaged a little better than $16 million per year. Last year's contracts awarded by the industry, according to F. W. Dodge Corporation, totaled $96 million which represents an unprecedented physical volume of expansion of fixed assets.

VALUE OF CONSTRUCTION CONTRACTS AWARDED
Paper and Pulp Industry
(37 Eastern States)



SOURCE: F. W. Dodge Corporation

In paper making, the mechanical phase of forming the sheet is usually performed by a Fourdrinier which is one of the largest types of industrial machines in existence. The cost of one of these paper makers ranges up to $8 million. Thus the 1946 expansion represents the dollar equivalent of at least twelve of those huge machines. Apparently the paper industry does not anticipate an early shrinkage in the demand for its products.

While the expansion currently under way represents a considerable addition to plant and equipment, six years of record production have exacted a toll in the form of wear and tear on installed equipment. Replacement of depreciated buildings and machinery was held to a minimum during the war.

Further expansion programs announced thus far in 1947 are of more moderate proportions. This may mean either that high building costs have begun to discourage additional expansion or that the 1946 schedules, when completed, will largely suffice to meet the demand for paper.

Prices of paper and paperboard have risen steadily for nearly a year, and are now around 25 percent higher than a year ago. The addition of an estimated two-million-ton mill and plant capacity to an existing 19 million ton capacity may tend to keep prices from rising much further. On the other hand, the continuing shortage of imported pulp (needed mainly by nonintegrated manufacturers) and the difficulty of obtaining adequate freight car facilities in both the United States and Canada constitute a restraint against additional output.

Paper Manufacture in the Fourth District

Paper About one-sixth of the paper and allied products industry is located in the Fourth District, and manufacturers in this area have not escaped contemporary problems of inadequate transportation, insufficient supply of wood pulp and chemicals, and the pressure of unprecedented demand. Moreover, some manufacturers are fully as concerned about future supplies of pulpwood, as with current difficulties. At present rates of cutting operations in North America, it may take stringent conservation measures to preserve the traditional forest supply areas. If those regions are exhausted, only three large unexploited areas remain; namely, Alaska, Siberia, and the tropics.

If government timber restrictions were modified, independent companies might attempt development of the lower Alaskan coast area. At best, however, that area will not figure in the supply situation until late 1948.

Siberian possibilities are vague. Long haul on railways or short-season ocean shipping provides possible transportation for this area but costs may be prohibitive. It is clear that any pulpwood obtained could be easily absorbed by the Soviet's paper mills.

Tropical forests offer little hope. A multitude of different woods are intermingled in the jungle areas, making selection and cutting operations uneconomical.

Nonintegrated mills in the Fourth District are having difficulty obtaining adequate pulp supplies. While it is hoped that imports from Europe will increase during 1947, little improvement has been noted so far.

The coal shortage in Europe has not only diminished the normal flow of production and distribution of pulp even in countries like Sweden which suffered no industrial war damage, but has also resulted in the use of some pulpwood for fuel.

From 1937 to 1939 Sweden supplied about 40 percent of this country's pulp imports and 15 percent of total consumption whereas in 1946 the corresponding ratios were 25 percent of imports and but 4 percent of pulp consumption in this country. In the first two months of 1947, all of northern Europe originated only 33 percent of total imports as compared to 64 percent prewar.

In Sweden, several complicating factors in addition to lack of coal obscure the outlook for production and export of wood pulp. One is a pending determination of the relationship between segments of the pulp and paper industry which will weigh heavily in forthcoming government policies on production, exports, and foreign exchange allocations. Another is the trend toward production of relatively larger quantities of rayon pulp in lieu of wood pulp. A third factor is the conclusion of bilateral trade agreements with several European countries which will divert pulp exports from North America. The extent of wartime over-cutting of Swedish forests is not accurately known and therefore obscures the situation somewhat. Finally, an attempt is being made to increase Sweden's domestic production of paper and board, the effect of which will be to reduce exports of pulp.

Meanwhile, Fourth District paper manufacturers are expanding their manufacturing, warehousing and sales facilities, as their participation in world-wide trade is resumed for the first time in five years.

Wall Paper The 41 wall paper companies in the country recently produced their first new designs since the wartime restrictions on new patterns were imposed. Wall paper producers buy raw paper stock, then size it, print the 6- to 12-color designs on it, and usually waterproof it. Wall paper manufacturers are still handcuffed by limitations of raw paper and machinery. Twelve months' delivery is about average for machinery, and paper is allocated in quantities far below desired amounts. Principal paper suppliers to the Fourth District are located in Maine and Minnesota. Labor effectiveness is said to be relatively low, but the big problem is supply of raw materials.

There have been no new entrants into the business for several years, and vertical integration does not appear to be prevalent.

Cartons and Boxes Carton and box manufacturers could increase production if raw paper or board were not so scarce, but paper mill production facilities are only 60 percent of board capacity. This unbalance resulted from increased efficiency in machines and production methods in the board industry while mill (paper) production was relatively static.

Few new companies have entered the shipping carton field, but much expansion has been accomplished by enlarging existing plants and by opening new branches. There is no standardized carton, with the possible exception of those used in the canning industry, so virtually every carton maker produces to order.

Boxes are of two basic types, folding, and set-up. Folding boxes are shipped flat and "set up" by the user. Set-up boxes are shipped in their final form—examples are candy boxes, shoe boxes, stocking boxes, and gift boxes. Folding boxes are steadily gaining popularity in the trade and box manufacturers are tending to taper off set-up-box operations in favor of folding box production. The shortness in supply of cardboard which is the raw material for box manufacturers tends to be aggravated by the industry-wide increases in orders for folding boxes. Some cardboard makers are located in Ohio, but the producers are scattered generally over the northern United States.

Integration is found on a large scale in this industry. A typical enterprise, for example, supplies its fabricating plants with approximately 85 percent of their paper and board requirements. Kraft paper is usually purchased from outside sources. Before the war, most integrated producers had surpluses of raw materials to sell to the other manufacturers, but such is not the case today. Independents expect that integration will continue. Recently a glass company acquired a folding-box company in order to increase packaging service to its customers.

As a companion of integration, a trend toward decentralization can be observed. Pulp and straw board mills are found near their raw materials; while carton and box plants generally are located near the big industrial consumers.

While container manufacturers are attempting to increase production and sales, several deterrents have been encountered such as inadequate container board supplies, labor shortages, some labor inefficiency, short supply of machinery (18 months delivery is average), and now a new trouble has cropped up. Eastern railroads are attempting to restore prewar specifications on fiberboard shipping containers, because from 1941 to 1945 there was a 237 percent rise in damage claims.

The use of paper and paperboard has increased 60 percent over the prewar level as a result of greater business activity, the development of new types of cartons, and the displacing of wooden boxes. Many industries among which are meat packing, textiles, and produce, have contributed to the increased use of paper boxes and cartons. However, competition is increasing from newcomers such as the plastic industry, and from established firms like manufacturers of glass containers and metal closures, so that producers of paperboard containers are spending more than ever on art and research departments to develop lower-cost packaging and to increase the advertising effectiveness of paper containers.

Envelopes The increase in the production of envelopes has outdistanced the gain in paper production as a whole. The most important single factor in this expansion has been the almost phenomenal multiplication of the use of greeting cards. Entrance into the envelope field has been restricted by the severest shortage of paper the industry has ever experienced, and new machinery is almost unobtainable. Some manufacturers have had machinery on order for 1½ years and have to wait another 18 months for delivery.

Integration is a factor in the shortness of paper for independent producers and its importance is not expected to diminish. A facial-tissue manufacturer recently purchased a Maine pulp and paper mill which had been one of the chief suppliers of a local envelope maker. In other instances, an envelope firm purchased a paper mill, and a paper producer added an envelope plant. Big consumers of envelopes also are in the market for envelope plants and paper plants.

As in all industries, it can be noted that establishments which have had long business associations and personal friendships with certain suppliers are more advantageously situated. Newer producers seemingly have the greatest difficulty with supply.

In many envelope plants output could be increased by working additional shifts. Another shift, and in some cases two shifts, could be added if the supply of paper and labor were adequate.

Wax Paper Integration has not included wax paper manufacturers, principally because wax paper is best produced in small plants located near users. Reasons for this decentralization are (1) greater service to customers is possible, such as emergency deliveries, which reduces the buyers' need to carry large inventories; (2) long-distance shipping hazards are circumvented and freight costs lowered; and (3) it is a highly-specialized segment of the paper industry, making just one product.

Allocations of wax paper are made on the basis of essentiality; therefore, bakeries draw almost all the output. The major problem in this area is to juggle the production among the large bakers to keep all of them supplied from week to week.

Tags, Tickets, and Labels Like envelope producers, tag makers have experienced a considerably greater increase in demand for their products than has the rest of the paper industry. The main reason is the increased use of descriptive and advertising tags by manufacturers of consumer goods—clothing, housewares, etc. This movement was given a very significant boost by OPA during the war when delineation of contents of goods was ordered. Supplies of tagboard, however, were short during the war when many producers dropped production of this item in favor of more profitably-priced grades of board and paper.

New types of tags such as "book tags" (a kind of descriptive folder), are becoming popular as advertising media, and other new uses are anticipated. Vigorous campaigns are underway to convince manufacturers that they benefit by attaching tags to the product themselves rather than by relying on retailers to mark the goods.

No integration has occurred in this industry for much the same reasons as were given for wax paper. Tag making is restricted to small plants keyed largely to local users.

Photo Mounts Photo-mount producers participated in the photography boom during the war. The product is the frame or mat for commercial photographs, in book, easel, or other form. Integration has proved somewhat unsuccessful because intensive cultivation and special handling of the customer is required, and credit problems are different from those of other paper-products manufacturers.

Sales are back to prewar normal now, but the need for new machinery is acute. Average delivery is one year on the more complicated machines, six months on smaller standardized machines. Here again, past relations play a large part in present success or failure in obtaining an adequate supply of cardboard.

INDUSTRIAL SUMMARY

Residential Construction Despite nationwide reports of a lag in construction of new dwellings, building activity in the Fourth District is running ahead of last year in both the number of dwellings and value of contracts awarded. Analysis of data compiled by the F. W. Dodge Corporation for the combined Cleveland, Pittsburgh, and Cincinnati areas for the first four months of the year gives a total value of residential contracts awarded of about $125 million, as compared to $94 million in the corresponding months of 1946. Residential construction contracts on a cumulative basis are shown in an accompanying chart.

The margin over last year, however, is steadily being reduced. The cumulative value of contracts awarded by the end of February was about three times that of a year ago. At the end of March, the total was slightly less than twice that of last year, and at the end of April, only one-fifth greater.

Residential contracts awarded in the first four months of 1947 provided for the construction of 14,841 dwelling units as compared to 11,271 in the same months of 1946. In April, however, the number of dwelling units placed under contract totaled about 3,300 as compared to 4,600 in April 1946.

One noteworthy factor is the increase, however small, that has taken place in the number of rental units as represented by two-family dwellings and apartments. Through April of this year, contracts were let for approximately 2,000 rental units as compared to 1,500 in the corresponding 1946 period. In both years only 13 percent of the total dwelling units were for rent as compared to 50 percent before the war.

The slow-down in residential contracts awarded is verified by a spot check of building permits issued. For the six-week period ended May 8, 1947, the value of residential building permits issued in Cleveland declined 46 percent from the same period last year. The Pennsylvania Department of Labor and Industry reports that the number of residential permits issued in March by principal municipalities amounted to only 834 as compared to 1,527 permits in March 1946. The value of permits dropped 37 percent.

Deterring Factors Numerous reasons may account for the decline in the rate of housing construction. The cost of building a frame house in northern Ohio is now nearly twice as much as in 1940. In addition to the inflated cost level and the accompanying consumer resistance to asking prices, other deterrents to continued large scale building are: low rents which tend to discourage construction of rental properties, stiffening of Veterans' Administration appraisals, apprehension about the effects of a possible business recession, shortage of skilled labor and some materials, and concern by builders over the possibility of developments affecting housing demand adversely. In connection with the latter point, contractors point out that if rent ceilings were substantially modified, considerable doubling-up might take place, especially by single persons who occupy three and four-room apartments by themselves. Such a process would help to alleviate the present acute shortage. A reduction in employment and incomes, or a further rise in prices of consumers' goods might have a retarding effect upon real estate prices.

Very little residential building is now going forward for owner-occupant account. The bulk of the builders are engaged in speculative development work, which consists of the purchase of land, installation of streets and utilities, laying out of lots, and actual construction. In the Cleveland area, few of these houses remain unsold for long. Buyers, however, have become more discriminating. Whereas sales were made last year on the basis of a hole in the ground and a blueprint, the present day buyer carefully checks the location, the finished house or model, and compares prices and features of other developments.

Future, Cost and Price Factors A recent survey of residential builders in the District indicated that the majority of them felt that prices were too high, and most of them anticipated an eventual downturn in housing prices. Reasons given might be classified as follows:

1. *Elimination of delays in house construction.* Last year work disruptions extended the building period of houses by as much as seven or eight months beyond normal. These delays were caused by strikes, shortages of materials, mistakes in scheduling and planning, and by incompetence and inefficiency. From the builders' point of view, most of those delays last year were unavoidable. More houses were started than could be finished quickly with the available workers. This year contractors have accumulated experience in mass building, and the materials and labor supply situations promise to ease. The average expectation is that, barring strikes, a house that consumed ten months' building time last year will take only three to four months in 1947.

2. *Smoothing out of production.* Under conditions of a more even flow of work, builders are enabled to reduce their margins. Although there are exceptions, builders generally have been receiving a larger percent of profit per house than in previous years. This practice has been defended on the grounds that uncertainties of building under the hectic conditions of the past 16 months have caused greater risks and larger carrying charges. Builders have attempted frequently to retire their original investment in equipment within an abnormally short time.

3. *Expected declines in actual cost components.* Those who say costs are leveling off or have passed their peak, point to the decline in prices of green lumber and dimension stock. Disagreement exists, however, in short-range forecasts of the cost of building materials.

4. *Increased competition.* Such competition may involve many phases, such as the desirability of the location as a residential area, nearness to a shopping area and transportation, type of house construction and design, size of the lot, and *price.*

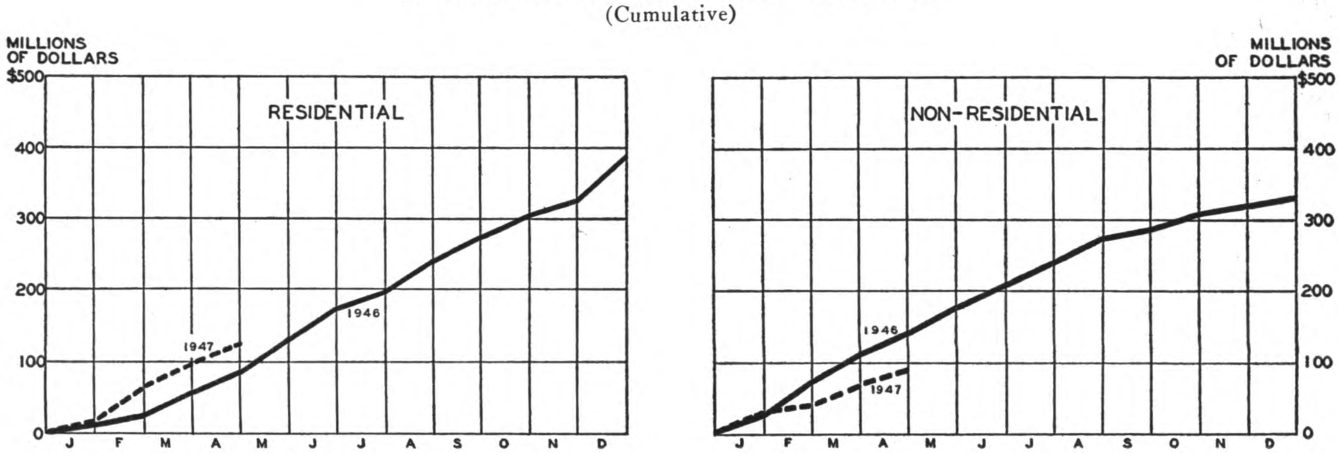
Wide publicity given the present high level of house prices is having an effect. The Veterans Administration has warned prospective veteran buyers that today's prices are "abnormally high" and that it is quite possible that the veteran will be able to purchase to better advantage later.

5. *Technological innovations.* The most important advance in the direction of lower costs appears to be the employment of on-the-site fabrication. In small buildings, erected at the site of the development, panels and sections are manufactured, using power saws, jigs and fixtures. This enables contractors to utilize unskilled labor, and alleviates to some degree the effect of adverse weather. Some assembly line techniques are employed as crews of carpenters, electricians, lathers, plasterers, plumbers, and painters move from house to house. If a steady flow of materials becomes available, and labor relations improve, the economies inherent in these methods may have a real effect on costs and prices. As volume increases, builders can operate on a smaller margin per house.

There are two factors, however, which can operate to push housing prices still higher. The second round of wage increases has not been felt in building supplies and materials, and some may advance in price. Construction trades are also obtaining additional wage boosts which may add from $200 to $500 per dwelling. Presumably, contractors will be reluctant to absorb these higher costs.

Nonresidential Construction The value of nonresidential building contracts awarded in the District has declined sharply from last year. The cumulative total for the first four months of 1947 is only $89 million as compared to $140 million in the comparable period of 1946. The figures are plotted on an adjoining chart. Contracts awarded have lagged behind corresponding months in 1946 with the exception of January. Commercial and industrial building apparently is being postponed in many cases until costs settle to more reasonable levels.

VALUE OF BUILDING CONTRACTS AWARDED
In Cleveland, Pittsburgh, Cincinnati Territories
(Cumulative)



SOURCE: F. W. Dodge Corporation

Coal The mining of bituminous coal in the United States continued at a high rate in the latter part of April and the first part of May. Total production for the year through May 3 amounted to about 213 million net tons as compared to 165 million net tons in the same period of 1946 when the strike virtually stopped all coal production for two months.

Bituminous coal production in the Fourth Federal Reserve District totaled 16.4 million tons during the month of April as compared to less than one million tons in the same month last year. District production for the first four months amounted to about 79 million tons, an increase of 28 percent over the corresponding 1946 period.

Despite the fact that production is at a weekly rate of nearly 13 million tons, it appears to be insufficient to meet the demand. Foreign buyers are said to be actively bidding for premium quality coals for export. Steel companies also are attempting to rebuild stocks of metallurgical fuel so as to be in a better position should a work stoppage develop when the mines are returned to their owners on July 1. There is also evidence that electric utilities and important industrial users are adding to coal stocks to safeguard against a work interruption. Industrial stocks of bituminous fuel advanced about 5 percent in March and equaled 49.5 million tons at the end of the month.

The Ore and Coal Exchange reported nearly three million tons of coal loaded into vessels at lower lake docks in April.

Iron and Steel Production of steel ingots and steel for casting continued at a record-breaking pace in April with an output of seven million tons. Production for the first four months totaled about 28 million tons.

Finishing operations were also on a high level and the American Iron and Steel Institute reports March shipments of 5.3 million tons of finished steel. Included in this total were 1.6 million tons of sheet and strip. Despite this output, there still continues a dearth of these products in the hands of fabricators. District producers of refrigerators, washing machines, auto parts, and other similar products report insufficient sheet and strip stock to maintain capacity operations. Plates, small bars, and pipe likewise are in very short supply.

District production rates in the third week in May according to *Steel* were 100 percent of capacity in Pittsburgh, 91 percent in Cleveland, 93.5 percent in Wheeling, 93 percent in Youngstown and 80 percent in Cincinnati. The decline from the previous month in Cleveland was due to the need for making necessary furnace repairs.

The price of Number 1 heavy melting steel scrap appears to have stabilized at $30 a ton in Pittsburgh and the lower price offsets in part the recent wage increases that were granted.

Shipments of gray iron castings amounted to 1,080,000 tons in March according to the Bureau of the Census. This is the highest total since this information began to be collected in January 1943. Important gains in shipments were attained for railroad car wheels, molds and heavy steel ingots, soil and pressure pipe, and miscellaneous items.

Machine Tools The machine tool industry is in a very spotty condition. A few companies are operating at capacity and are sold out for the balance of the year. At the other extreme are companies with no machine tool business at all who are doing contract work to hold their labor forces together. Companies between these two extremities are reducing their forces and shortening their work-week to three or four days.

Shipments in the first four months of about $109 million were only $3.6 million less than the same period in 1946. The backlog of unfilled orders at the end of April 1947 was $127.5 million, a reduction of 29 percent from the same month a year ago. At current rates of production the backlog amounts to about four and one-half months' work. About one-third of current business is for foreign account. It should be noted that maintenance of present volume would yield a dollar total more than 50 percent greater than in 1939.

The volume of new business received by companies in April was mixed, with the trend probably downward. Three important factors are contributing to this development. One is the continued pressure of W.A.A. to sell or give away surplus stocks. Another factor is the impending National Machine Tool Show to be held in September when manufacturers will bring out their new models. The trade presumably is holding back orders for this event. A third factor is the continued postponement by the automobile industry of tooling-up for new models. Machine tool producers have found no evidence that vehicle manufacturers are planning any significant changes this year.

Machine tool salesmen report increasing resistance to prices and more demands for concessions. Despite this, prices are expected to advance due to higher costs of all kinds. The Bureau of Labor Statistics index of standard machine tool prices recorded a three percent advance in the first quarter of the year. In twelve months prices have risen 19 percent.

DEPARTMENT STORE TRADE STATISTICS

Sales by Departments—April, 1947

(As compared with a year ago)

(Compiled May 21, and released for publication May 27)

Major Household Appliances	+152%
Domestic Floor Coverings	+ 36
Sportgoods (including Cameras)	+ 19
Housewares	+ 11
Cotton Wash Goods	+ 9
Notions	+ 9
Silks and Velvets (Woolen Dress Goods)	+ 7
Infants' Wear	+ 7
Corsets and Brassieres	+ 6
Art Needlework and Art Goods	+ 5
Luggage	+ 4
Shoes (Women's and Children's)	+ 3
Men's and Boys' Shoes	+ 2
China and Glassware	+ 2
Domestics and Blankets	+ 2
MAIN STORE TOTAL	+ 1
Women's Underwear	+ 1
Lamps and Shades	–0–
Restaurants	— 1
Silverware and Jewelry	— 1
Beauty Salon	— 1
Draperies and Curtains	— 1
Men's Clothing	— 3
Books and Stationery	— 3
Dresses (Women's and Misses')	— 3
Men's Furnishings (Hats and Caps)	— 5
Coats and Suits (Women's and Misses')	— 5
Blouses, Skirts and Knit Goods	— 5
Photographic Studio	— 5
Gloves	— 6
Aprons and Housedresses	— 6
Furs	— 8
Furniture and Beds	— 8
Toilet Articles and Drug Sundries	— 10
Neckwear and Scarfs	— 11
Laces and Trimmings	— 11
Hosiery (Women's and Children's)	— 13
Juniors' and Girls' Wear	— 14
Millinery	— 16
Boys' Clothing and Furnishings	— 22
Leather Goods (Small)	— 22
Handkerchiefs	— 22
Toys and Games	— 25

Year-to-year sales declines occurred in 25 out of 42 departments among Fourth District reporting stores during April. Some of the decreases are ascribable to the change in the incidence of Easter which came two weeks earlier than last year.

Each department in the women's and misses' ready-to-wear section recorded a year-to-year drop. **Juniors' and girls' wear** sales were 14% below a year ago. Sales of **aprons and housedresses** have been running behind a year ago for several months and were 6% below April 1946. **Women's and misses' coats and suits** were off for the third successive month in the year-to-year comparison. The same was true of **women's and misses' dresses** and **blouses, etc.,** sales of which totaled 3–5% below a year ago.

In the men's and boys' wear section, **boys' clothing** sales were short of last year's figure by 22%. The 3% decrease in **men's clothing** was contrary to the trend of the past two or three years. The 5% drop in **men's furnishings** likewise was the first in a number of months.

The 22% decreases in **leather goods** and in **handkerchiefs**, as well as the 16% decline in **millinery** are partly attributable to the earlier Easter this year. Dollar volume in the **corsets and brassieres** department was the highest on record for any month.

Sales of **toilet articles**, 10% below a year ago, were the smallest in nearly 18 months.

The only section in which year-to-year increases were noticeable was the housefurnishings group. Sales volume of **major household appliances** was 152% ahead of a year ago but still somewhat short of last December. Total sales of **domestic floor coverings** were the highest ever reported for any month, 36% above the 1946 figure. On the other hand, for the third consecutive month, sales of **furniture, beds, etc.,** and **draperies** ran behind last year.

In most instances, the number of units sold fell farther behind last year than the foregoing percentages would indicate, for no adjustments have been made in these computations for changes in the price level over the past twelve months.

Indexes of Department Store Sales and Stocks

Daily Average for 1935-1939=100

	Adjusted for Seasonal Variation			Without Seasonal Adjustment		
	April 1947	March 1947	April 1946	April 1947	March 1947	April 1946
SALES:						
Akron (6)	287	266	240r	290	247	260r
Canton (5)	340	343	279	320	302	290
Cincinnati (8)	302	294	269	284	285	275
Cleveland (10)	226	254	207	246	238	238
Columbus (5)	327	314	290	300	307	292
Erie (3)	277	286	229	274	260	245
Pittsburgh (8)	253	273	227	248	259	243
Springfield (3)	288	268	255	277	260	268
Toledo (6)	245	269	221	247	258	241
Wheeling (6)	239	242	225	225	225	243
Youngstown (3)	307	287	256	301	276	282
District (95)	272	257	244	266	262	253
STOCKS:						
District	246	264	178	253	254	183

r — Revised.

Inventories by Departments—April 30, 1947

(As compared with a year ago)

(Compiled May 29 and released for publication May 31)

Major Household Appliances	+442%
Men's Clothing	+174
Men's and Boys' Shoes	+126
Domestic Floor Coverings	+109
Shoes (Women's and Children's)	+101
Hosiery (Women's and Children's)	+ 99
Cotton Wash Goods	+ 94
Sports Goods (Including Cameras)	+ 91
Furniture, Beds, Mattresses and Springs	+ 83
Men's Furnishings (Including Hats and Caps)	+ 77
Silks and Velvets	+ 69
Draperies and Curtains	+ 61
Corsets and Brassieres	+ 60
Domestics, Blankets and Towels	+ 59
Aprons, Housedresses and Uniforms	+ 48
China and Glassware	+ 47
MAIN STORE TOTAL	+ 39
Women's Underwear	+ 37
Boy's Clothing and Furnishings	+ 33
Housewares	+ 32
Luggage	+ 21
Dresses (Women's and Misses')	+ 21
Coats and Suits (Women's and Misses')	+ 19
Silverware and Jewelry	+ 16
Gloves	+ 15
Lamps and Shades	+ 11
Infants' Wear	+ 6
Toys and Games	+ 5
Books and Stationery	+ 3
Notions	+ 2
Art Needlework and Art Goods	— 5
Toilet Articles and Drug Sundries	— 7
Laces and Trimmings	— 8
Neckwear and Scarfs	— 10
Handkerchiefs	— 13
Blouses, Skirts, Knitgoods	— 15
Juniors' and Girls' Wear	— 16
Leather Goods (Small)	— 17
Furs	— 20
Millinery	— 21

Inventories of Fourth District department stores decreased slightly during April although at the end of the month they were still 39% higher than a year earlier.

Ten out of 39 major departments reported year-to-year increases in excess of 75% and in the case of six departments, inventories were the highest on record for any month.

Inventories of **major household appliances** have been rising steadily for more than a year and are above the 1942 peak by a small margin. Such other house furnishings as **domestic floor coverings** and **furniture, beds,** etc., declined slightly during April but were twice as large as a year ago at the month end. Among housefurnishings, **lamps and shades** show the smallest net gain in stocks.

Substantial inventory increases also occurred in men's and boys' wear. At the end of April **men's clothing** supplies were the largest for any month on record. A similar situation existed in **men's and boys' shoes.**

Dollar value of inventories of sport goods up 91% for the year, and of **cotton wash goods**, up 94%, stood at record levels for any month.

Many articles of feminine apparel and accessories were in somewhat shorter supply than a year ago. The 15% drop in **blouses, etc.,** was the first year-to-year reduction since 1943. Supplies of **juniors' and girls' wear** reached a new low for the year-to-date, and were 16% below April 1946.

Inventories of **furs** at the end of April were the lowest for any month in three years, and **millinery** stocks ran below last year's level for the fifth consecutive month.

In contrast, **hosiery** stocks were virtually twice as large as on April 30, 1946, and supplies of **women's and children's shoes** moved into new high ground for the eighth successive month, 101% above a year ago.

April Department Store Sales by Cities*

(Compiled May 22, and released for publication May 24)

CITY	Change From Mar.'47	Change From Apr.'46	Sales During April (April 1941=100) 1941	1943	1945	1946	1947
Akron	+17	+11	100	133	133	172	192
Youngstown	+ 9	+ 7	100	118	135	201	215
Springfield	+ 7	+ 3	100	143	136	187	193
Canton	+ 6	+10	100	141	145	194	214
Erie	+ 5	+12	100	135	134	174	195
Cleveland	+ 3	+ 4	100	105	104	153	159
Fourth District	+ 2	+ 5	100	116	122	181	189
Cincinnati	–0–	+ 2	100	122	139	215	220
Wheeling	–0–	— 7	100	111	141	208	193
Columbus	— 2	+ 3	100	140	164	240	247
Toledo	— 4	+ 3	100	135	140	194	200
Pittsburgh	— 5	+ 2	100	114	121	190	194

* Based on daily average sales.

Sales of Fourth District department stores during April exceeded the March aggregate by 2 percent, notwithstanding the fact that April contained only one week of pre-Easter trade.

The largest March-April gain occurred in **Akron** where sales increased 17 percent over the preceding month. **Youngstown** was second with a 9 percent advance. Other major cities where month-to-month increases were above average were **Springfield, Canton, Erie,** and **Cleveland.**

As compared with a year ago, April sales of all reporting stores combined were 5 percent higher. The widest year-to-year margins were registered in **Erie, Akron,** and **Canton** where April sales were 10–12 percent above 1946 levels. In **Wheeling,** sales were 7 percent below a year ago.

In contrast to the last prewar April (1941) last month's sales in **Columbus, Cincinnati, Youngstown, Canton** and **Toledo** were up from 100 to 147 percent.

No allowances have been made in these various comparisons for changes in the retail price level over the periods covered.

FINANCIAL AND OTHER BUSINESS STATISTICS

Bank Debits*—April, 1947

(In thousands of dollars)

(Compiled May 9, and released for publication May 11)

	April 1947	% Change from year ago	3 Months ended April 1947	% Change from year ago
ALL 29 CENTERS	$6,063,835	+17.8%	$17,254,735	+20.8%
10 LARGEST CENTERS:				
Akron................Ohio	$ 230,750	+17.4	$ 659,534	+13.8
Canton...............Ohio	99,788	+26.9	281,280	+27.7
Cincinnati............Ohio	765,548	+16.2	2,328,087	+22.3
Cleveland.............Ohio	1,539,493	+16.4	4,365,297	+19.2
Columbus.............Ohio	492,594H	+21.9	1,284,191	+15.6
Dayton...............Ohio	215,267	+22.1	621,090H	+25.7
Toledo...............Ohio	358,086	+30.4	1,028,076	+32.9
Youngstown..........Ohio	139,087H	+46.5	364,616H	+37.5
Erie................Penna.	77,235	+23.7	220,580	+22.5
Pittsburgh..........Penna.	1,634,257	+14.5	4,563,172	+19.8
TOTAL..............	$5,552,105	+18.2%	$15,715,923	+20.9%
19 OTHER CENTERS:				
Covington-Newport...Ky.	$ 33,380	+ 3.6%	$ 99,139	+ 8.0%
Lexington...........Ky.	46,968	+ 1.0	196,936	+21.1
Hamilton............Ohio	31,081	+20.0	90,718H	+21.3
Lima...............Ohio	39,107	+23.8	111,487	+28.1
Lorain.............Ohio	15,803	+35.2	44,252	+34.7
Mansfield...........Ohio	34,742	+34.4	99,163	+32.5
Middletown.........Ohio	27,168	+18.4	82,957	+19.1
Portsmouth.........Ohio	18,821	+20.5	54,942	+28.0
Springfield..........Ohio	43,763H	+19.7	122,894	+19.5
Steubenville.........Ohio	20,147	+12.1	56,434	+10.1
Warren.............Ohio	33,336	+20.4	94,912	+33.5
Zanesville...........Ohio	21,873	+10.9	63,225	+12.1
Butler............Penna.	26,106	+13.1	74,403	+16.9
Franklin..........Penna.	6,571	− 0.9	17,911	− 9.7
Greensburg ....Penna.	17,119	+16.8	47,813	+14.2
Homestead........Penna.	7,266	+18.3	19,799	+15.0
Oil City..........Penna.	17,058	− 5.4	52,142	+ 8.5
Sharon...........Penna.	21,798	+16.4	63,739	+28.2
Wheeling.........W. Va.	49,623	+ 4.4	145,946	+ 9.8
Total.................	$511,730	+14.0%	$1,538,812	+19.2%

* Debits to all deposit accounts except interbank balances.

H denotes new all-time high for one month or quarter-year.

The April total for bank debits in 29 Fourth District cities constituted the third largest monthly figure on record. The total of $6,064,000,000 has been exceeded only by the all-time high of $6,629,000,000 set last December and by the figure $6,092,000,000 for June 1945, a war loan month.

The April figure exceeded the March total of $5,921,000,000 by about 2 percent. April debits were about 18 percent above the year ago aggregate compared with year-to-year gains of 19 percent in March and 26 percent in February.

TEN LARGEST CITIES

During the past three months, the large cities exceeded the smaller centers in percentage increases over year ago figures, thus reversing a trend underway in this District since the final year of the war. During April debits at the large cities were 18 percent above a year ago, compared with a figure of 14 percent for the smaller centers.

For the second successive month, **Youngstown** led the large cities in percentage gain over a year ago, this time with a figure of 47 percent. April debits in **Youngstown**, as well as in **Columbus**, were the highest for any month on record. Other cities with gains above the average were **Toledo** (30%), **Canton** (27%), **Erie** (24%) and **Dayton** and **Columbus** (22%). The year-to-year percentages were below the large-city average in the four other cities, namely, **Akron** (17%), **Cincinnati** and **Cleveland** (16%) and **Pittsburgh** (15%).

NINETEEN SMALLER CENTERS

Lorain led the smaller centers in percentage gain over year ago figures with a mark of 35 percent, while **Mansfield** was a close second with 34 percent. Other centers with year-to-year gains substantially above the 14 percent average were **Lima** (24%), **Portsmouth** (21%), and **Warren, Hamilton** and **Springfield** (20%). April debits in Springfield were the highest on record. In two cities, **Franklin** and **Oil City**, April debits were lower than a year ago.

Fourth District Business Statistics

(000 omitted)

Fourth District Unless Otherwise Specified		April 1947	% change from 1946	March 1947
Retail Sales:				
Dept. Stores—95 firms...........	$	65,021	+ 5	63,921
Wearing Apparel—13 firms........	$	2,171	− 9	2,317
Furniture—62 firms..........	$	3,328	+ 4	3,117
Building Contracts—Total..........	$	55,859	−18	66,446
—Residential.....	$	23,288	−25	29,888
Production:				
Pig Iron—U. S...........Net tons		4,830	+34	5,123
Steel Ingot—U. S.........Net tons		7,049	+20	7,307
Bituminous Coal—				
O., W. Pa., E. Ky. .....Net tons		16,413	+112	21,200
Cement—O., W. Pa., W. Va...Bbls.		1,323a	+37	1,164b

a—March.

b—February.

Time Deposits*—12 Fourth District Cities

(Compiled May 7, and released for publication May 8)

City and Number of Banks	Time Deposits April 30, 1947	Average Weekly Change During: 4 Weeks Ended Feb. 26, 1947	4 Weeks Ended Mar. 26, 1947	5 Weeks Ended Apr. 30, 1947
Cleveland (4).....$	855,531,000	+$ 551,000	+$ 167,000	−$ 105,000
Pittsburgh (13) ...	331,936,000	+ 177,000	+ 307,000	+ 225,000
Cincinnati (8)	183,942,000	+ 225,000	+ 138,000	+ 474,000
Akron (3)........	101,391,000	+ 191,000	+ 151,000	+ 204,000
Toledo (3)	90,261,000	+ 143,000	− 34,000	+ 35,000
Columbus (3).....	71,736,000	+ 150,000	+ 59,000	+ 93,000
Youngstown (3)...	53,364,000	+ 18,000	+ 58,000	+ 15,000
Dayton (3).......	49,917,000	+ 39,000	+ 62,000	+ 34,000
Canton (4).......	40,002,000	+ 16,000	+ 19,000	+ 77,000
Erie (4).........	37,468,000	+ 47,000	+ 56,000	+ 121,000
Wheeling (6)	28,798,000	+ 49,000	+ 16,000	+ 31,000
Lexington (5).....	10,569,000	+ 33,000	+ 5,000	+ 10,000
TOTAL—12 Cities	$1,854,915,000	+$1,639,000	+$1,002,000	+$1,213,000

* Of Individuals, Partnerships, and Corporations.

Time deposits at 59 banks in the largest cities of the Fourth District increased more rapidly in April than in March, but fell considerably short of the gain recorded during February. The average weekly gain in the past month was $1,213,000, compared with $1,640,000 in February and $1,000,000 in March, an income tax month.

The advances reported for recent months have been substantially below the rates of increase for 1946. During the first half of last year the average weekly gain was $3,500,000, in the third quarter the rate dropped to $1,600,000, while the fourth quarter figure was $2,100,000. The current increases in savings deposits appear to be about a third as large as a year ago.

Recent figures have been lower than those of last year largely because of the downward trend in **Cleveland**. During 1946 the average weekly gain in Cleveland was about $1,200,000, whereas during the past three months the weekly increase averaged only about $200,000. Time deposits declined in Cleveland during April. Withdrawals for payment of real estate taxes are believed to have been a factor.

April gains exceeded those of both February and March in **Cincinnati, Akron, Canton,** and **Erie.** In four other cities, **Toledo, Columbus, Wheeling** and **Lexington,** the April increases exceeded those of March but fell short of the February advances. **Youngstown** and **Dayton** gains lagged behind both of the two preceding months. In **Pittsburgh** the April rate of advance exceeded that of February but fell short of the March figure.

The large increase reported by **Canton** raised time deposits in that city to the $40,000,000 mark for the first time.

Retail Trade

	Percentage Changes from Preceding Year: SALES April 1947	SALES first 4 months	STOCKS April 1947
DEPARTMENT STORES (95)			
Akron..................................	+11	+ 7	+37
Canton.................................	+10	+16	a
Cincinnati.............................	+ 2	+ 9	+41
Cleveland..............................	+ 4	+ 8	+35
Columbus..............................	+ 3	+ 8	+27
Erie...................................	+12	+10	+33
Pittsburgh.............................	+ 2	+11	+40
Springfield............................	+ 3	+ 2	a
Toledo.................................	+ 3	+10	+12
Wheeling..............................	− 7	− 2	+25
Youngstown............................	+ 7	+12	a
Other Cities...........................	+37	+25	+26
District................................	+ 5	+10	+35
WEARING APPAREL (13)			
Cincinnati.............................	− 7	− 5	+58
Cleveland..............................	− 9	− 5	+69
Pittsburgh.............................	−20	− 8	+22
Other Cities...........................	+ 1	− 3	+14
District................................	− 9	− 5	+41
FURNITURE (62)			
Canton.................................	− 1	+ 6	+54
Cincinnati.............................	+ 3	+ 4	+67
Cleveland..............................	+ 1	+ 1	+60
Columbus..............................	+ 6	+ 7	+20
Dayton.................................	+ 7	+ 7	a
Pittsburgh.............................	a	a	a
Allegheny County......................	+ 9	+23	a
Toledo.................................	+ 3	+15	a
Other Cities...........................	+ 5	+ 4	+53
District................................	+ 4	+ 9	+48

a Not available.

Figures in parentheses indicate number of firms reporting sales.