

MONTHLY *Business Review*

APRIL 1948
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SUPPLEMENT

The Housing Shortage and Real Estate Boom

FINANCE • INDUSTRY • AGRICULTURE • TRADE
FOURTH FEDERAL RESERVE DISTRICT

Vol. 30—No. 4

Federal Reserve Bank of Cleveland

Cleveland 1, Ohio

Recent Trends in Deposit Ownership

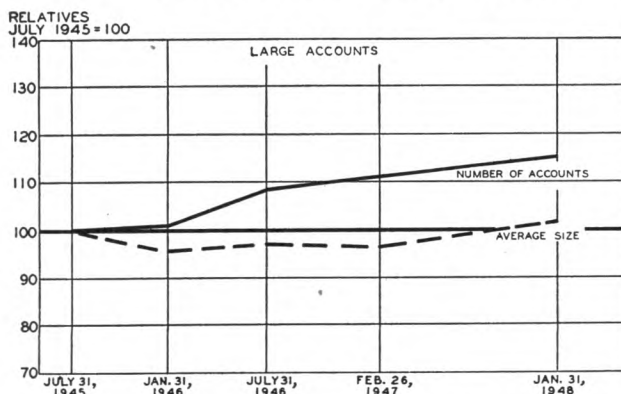
THE most recent survey of deposit ownership disclosed that the postwar growth in the number of demand deposit accounts at Fourth District banks continued through 1947 and that the average balance per account today is noticeably larger than a year ago. On January 31, the date of the latest survey, the number of large* accounts at 78 Fourth District banks was about 15 percent greater than in mid-1945. Moreover, as depicted on the charts below, the number of smaller** accounts increased 27 percent during the same interval.

Number of Accounts Increases The postwar growth in number of accounts is probably attributable to such developments as the increase in number of new businesses, the return of servicemen to civilian life, and the increase in

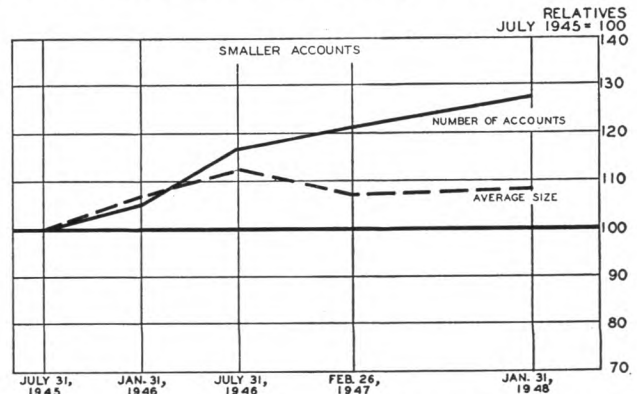
number of families or spending units. Another factor of probable importance may be the opening of new accounts by those who previously retained savings and funds to meet current expenses in the form of cash rather than in a checking account. This trend away from cash may reflect such factors as a settled and less mobile population, more aggressive efforts by banks to obtain new accounts, and a growth in knowledge of the convenience and safety of checking accounts.

This latter explanation of the growth in number of accounts helps to explain the postwar stability of total "currency in circulation" in the face of gains in prices, income and business activity generally. The amount of currency being used to transact everyday business activity may be substantially larger than a year or two ago, but the amount of hand-to-hand money held as savings or as cash to meet current expenditures by non-banking families may have de-

RELATIVE CHANGES IN NUMBER AND SIZE OF DEMAND DEPOSIT ACCOUNTS



... the number of large accounts is up 15 percent in the postwar period but the average size is only slightly higher than when the war ended.



... the number of smaller accounts has advanced sharply, while the average size of the accounts is moderately greater than when the war ended.

clined because of the placement of such funds in new checking accounts. In other words, if established customers of banks are now using more currency than heretofore, families previously without banking connections must be holding less currency and must be making more extensive use of deposit facilities of banks.

Average Size of Accounts Advances The accompanying charts also indicate a postwar growth in the size of the average checking account. The expansion in the size of older accounts, moreover, has probably been much greater than that indicated by the aggregate. This follows from the probability that most new accounts have been smaller than the average for all accounts, and further that many "new" large accounts are merely deposits which have moved above the \$10,000 (or \$3,000) mark in size during the postwar period. Since the average size of all accounts has advanced, considerable gains must have occurred in the size of the older accounts.

Causes of Demand Deposit Expansion Increases in the number and size of accounts are the direct causes of the recent expansion in demand deposits, but the ultimate sources from which deposit gains have come include the growth in bank loans, the movement of gold into the United States, and a net inflow of funds into this District from the rest of the country.

The magnitude of the deposit expansion also reflects seasonal considerations occasioned by the fact that this year the deposit ownership survey was conducted a month earlier than last year. The 1947 survey was held at the end of February, a month of heavy personal income tax payments and large corporate payments of withholding taxes, whereas this year the survey was conducted before the February payments were made. If the 1948 survey

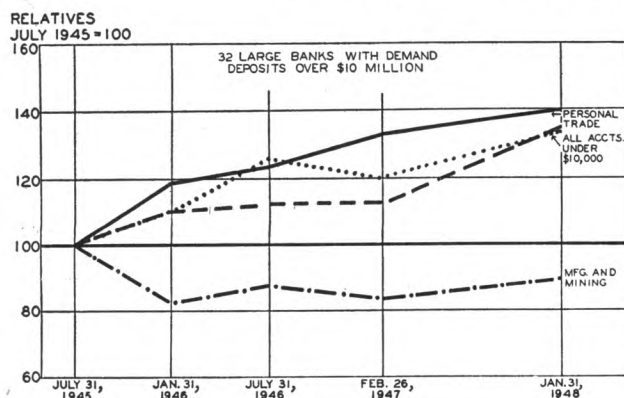
had been held at the end of February, it is estimated that the over-all gain for the full 12-month period would have been about 7 percent, as against the 10 percent shown below.

**Composition and Shifts in Ownership of
Demand Deposits of Individuals,
Partnerships and Corporations
(96 Fourth District Banks)**

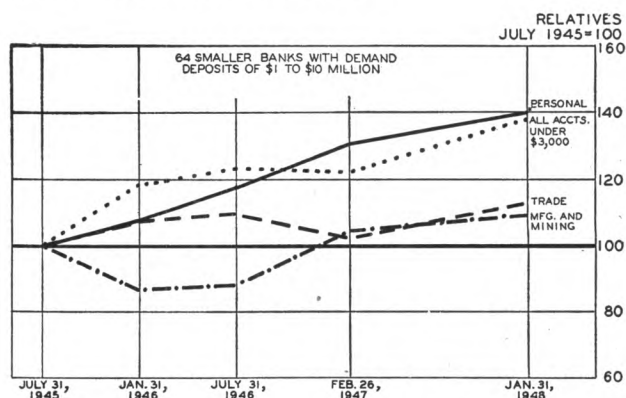
Percent of All Demand Deposits Jan. 31, 1948	TYPE OF DEPOSIT	Percent Increase in Eleven Months Ending Jan. 31, 1948
78%	Large Classified Accounts.....	+ 9%
10%	Retail & Wholesale Trade	+18%
5	All Other Financial.....	+14
2	Insurance Companies...	+13
3	Nonprofit Associations...	+11
6	Public Utilities.....	+11
4	Other Nonfinancial.....	+ 9
33	Manufacturing & Mining	+ 7
12	Personal.....	+ 6
3	Trust Funds.....	- 1
22%	Smaller Unclassified Accounts..	+12%
100%	ALL ACCOUNTS.....	+10%

Trade Accounts Exhibit Large Gains Retail and wholesale trade accounts exhibited the sharpest gains among the various large account categories in the 11-month interval ending January 31. The relatively substantial expansion of 18 percent in this deposit category, however, was probably due in some part to seasonal considerations. Christmas purchases on a charge account basis are largely paid for in January, hence cash receipts in that month are heavy. On the other hand, payment for merchandise by the stores in many instances are probably rather moderate in amount during that month.

POSTWAR CHANGES IN OWNERSHIP OF DEMAND DEPOSITS



... the postwar trend of large manufacturing and mining accounts continues to lag behind the expansion of demand deposits generally.



... large personal accounts and unclassified deposits of less than \$3,000 have led the upward postwar trend in demand deposits at smaller banks.

Other types of large classified deposits which expanded more than the average for all demand deposits include total accounts of "all other financial" businesses, insurance companies, nonprofit associations, and public utilities. The category "all other financial" businesses represents the deposits of real estate, finance, and investment companies, as well as savings and loan associations and credit unions. Non-profit associations include churches, hospitals, educational institutions, labor unions and similar organizations. Public utilities cover public transportation and communication industries as well as electric power and gas companies.

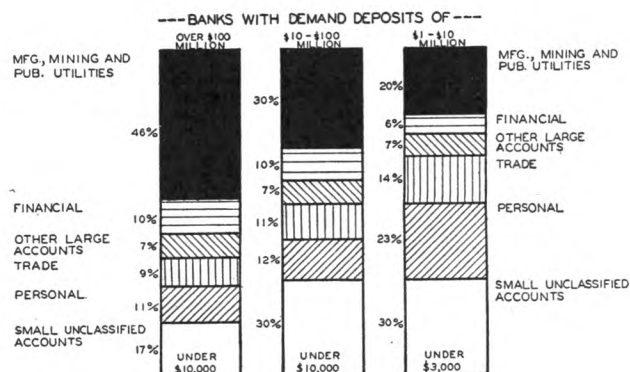
Smaller Unclassified Accounts at New High The large block of unclassified accounts (under \$10,000 at large institutions and under \$3,000 at the smaller banks) expanded 12 percent for a gain slightly in excess of the average advance for all demand deposits. This upswing, which represents a reversal of the downward trend in effect at these banks during the 7-month interval ended February 26 of last year, was of a magnitude sufficient to raise the total for unclassified accounts to the highest level ever reported in a deposit ownership survey.

The unclassified accounts, which include all the smaller personal and business deposits, averaged \$925 per account at the time of the January 31 survey. Tax payments since then may have brought about some decline in the average size and in the total of these accounts, but it is none the less true that the over-all postwar trend of these deposits has been upward. Rising living costs, instead of depleting checking accounts, may have made it necessary for individuals in the aggregate to maintain larger deposits for mere "working capital" purposes. Apparently, postwar purchases of consumer durables have thus far been paid for in important measure out of incomes and by borrowing, rather than by drawing down checking accounts.

Large Personal Accounts Expand Large personal accounts have moved higher with each postwar survey of deposit ownership, and as of January 31 showed a greater postwar gain than the other important classes of demand deposits. The fact that the rate of increase appears to have slackened during the last interval of 11 months may be a partial reflection of the circumstance that the last survey was conducted on January 31 immediately following heavy charge account payments and quarterly tax payments to which high income groups are particularly subject. Large personal accounts, as well as the smaller accounts, have continued to grow in the postwar period despite rising living costs and large purchases of durable goods and housing.

COMPOSITION OF DEMAND DEPOSITS OF INDIVIDUALS, PARTNERSHIPS AND CORPORATIONS

Fourth District
January 31, 1948



... industrial accounts are most important at large institutions, while large personal and the smaller unclassified accounts are dominant at the smaller banks.

A possible exception to the recent upward trend in personal accounts exists in the case of farmers. Smaller banks reported separately on farmer accounts of \$3,000 and over and disclosed that such deposits were about 12 percent lower on January 31 than eleven months earlier. Possibly farmers have dipped into checking account balances to some extent in order to finance large scale farm and home improvements. Nevertheless, the January 31 total for farmer accounts at these banks is almost a third larger than when the war ended.

Manufacturing and Mining Accounts

Manufacturing and mining accounts represent the only deposit classification where the January 31 combined total at 96 banks was below the level which prevailed at the end of the war. In the postwar period up to January 31, this deposit category showed a net decline of about 10 percent at the larger banks where the more sizeable accounts are concentrated, as against an increase of about 10 percent at the smaller banks where the accounts of small businesses are more dominant. As indicated on accompanying charts, manufacturing and mining accounts increased somewhat at both types of banks within the past year.

The failure of manufacturing and mining accounts to share in the general postwar expansion of demand deposits may be attributed to several factors. For one thing, at the end of the war the cash balances of many companies were exceptionally high when judged by prewar standards. Also, in the period of reconversion and in the recent months of high business activity, an expansion of current assets and working capital of corporations has generally taken the form of larger inventories and accounts receivable rather than cash.

Quarterly Review of Industrial Production

Despite adverse weather conditions, industrial production, employment, and payrolls in the Fourth District and the nation continued at a very high level throughout the first quarter of the year. Unusually severe winter weather during the latter part of January and early February delayed transportation and sharply reduced industrial gas supplies. Shortages of natural gas caused some temporary unemployment in such centers as Toledo, Cleveland, Columbus, Cincinnati, Pittsburgh, and Wheeling.

Coal Bituminous coal production in this region during the first two months of the year was seriously affected by the weather. Ice in the rivers interfered with normal coal barge movements and at times virtually halted all navigation. Heavy snows also delayed rail transportation and the lack of cars led to mine shutdowns in many areas. It is estimated that as a result January-February coal output was about 10 percent less than in the corresponding months of 1947. By early March, however, coal production had returned to normal levels and daily average production for the year through March 13 was only 4 percent below last year.

The sixth postwar coal strike began on March 15 and production quickly declined to a very low level. The ostensible cause of the latest shutdown was the failure of the trustees of the mine welfare fund to agree upon terms of a retirement annuity for aged miners. Coal stocks on March 1 were less than 50 million tons and were further depleted during the month. Supplies, while averaging about 25 to 30 days, were unequally distributed. Railroads had been unable to build stockpiles and had only four weeks' supply on hand at the beginning of the strike.

Steel First quarter steel production was expanded in the face of great difficulties. During January and February, adverse weather and industrial gas curtailments seriously hampered operations and only the use of stand-by equipment prevented shutdowns in many mills. Steel output in February of 6.9 million tons, however, set a new peacetime record for the month and exceeded February 1947 production by more than 500,000 tons. Combined January and February production was 778,000 tons above a year ago. Shortages of pig iron and scrap prevented some producers from raising production to even higher levels.

Operations at the beginning of the coal walkout were estimated by *Steel* at 96 percent of capacity for the industry. District rates were as follows: Pittsburgh, 96.5 percent; Youngstown, 96.5 percent;

Cleveland, 94.5 percent; Cincinnati, 102 percent; and Wheeling, 92.5 percent.

As a result of the coal strike, reduction in steel and foundry output was underway in the closing days of March, in the face of increasing potential demands for steel to meet requirements of the European Recovery Program and prospective defense measures. Even prior to the coal situation, steel production fell short of demand in most categories. Pressure had increased for alloy bars, stainless steel sheets, cold-finished bars and other products which had been in comparatively easy supply for several months. Shortages of semi-finished steel reduced operations and caused layoffs at some finishing mills. The sheet and strip stringency continues unabated. Many consumers still find it necessary to augment mill purchases with tonnages secured on the gray market, although it is reported that they are buying more cautiously and at prices well below those prevailing at the beginning of the year. Meanwhile, the industry's pricing policies are under scrutiny by Federal officials as a consequence of recently announced price increases for semifinished steel.

The voluntary steel allocation program now being worked out is intended to operate with minimum disruption to normal production and distribution. Steel supplies are to be made available on an allocation basis for the following strategic uses: domestic freight car production and repair; petroleum, gas, and oil equipment; urgently needed agricultural machinery; and certain housing materials. In view of recent international developments, requirements of the armed forces may be increased substantially and shipments under the European Recovery Program will likely be expedited.

Stocks of Lake Superior iron ore at blast furnaces and on Lake Erie docks on March 1 totaled only 22.6 million gross tons, the smallest quantity for that date since 1937. Consumption during March probably carried the stockpile down to about 15 million tons. At least one major steel producer has completed arrangements to move iron ore from Duluth to the Pittsburgh district by rail pending the opening of navigation.

Rubber Rubber consumption by manufacturers of rubber products is running below the first quarter of 1947, according to estimates of the Rubber Manufacturers Association, although the trend toward use of more natural rubber continues. Synthetic rubber consumption is currently running about 30 percent below a year ago.

Tire manufacturers turned out about 7 percent fewer passenger car casings in January than in the same month in 1947 but shipments dropped 22 per-

cent. The decline occurred in the replacement and export markets with shipments off 38 percent. Shipments of tires for original equipment in January 1948 were up 31 percent from January 1947. Factory inventories of passenger car tires rose 29 percent during January to about 7 million units, or not far below the prewar average for this time of year.

In the first week of March tire production was cut by as much as 30 percent by some producers in an effort to prevent further inventory accumulation. Work shifts were shortened in many departments to 18 to 24 hours a week. Total employment in Akron rubber factories at present is about 7,000 below a year ago. The high level of passenger car and truck registrations, however, as well as an increase in gasoline consumption is expected to maintain tire sales well above prewar years.

The smaller tire companies participate only to a very limited extent in the original equipment market and have been harder hit by resistance or saturation of the replacement market than have the larger companies which continue to receive a good volume of orders from motor car manufacturers.

Shoes Shoe production in both the District and the

United States continued to drag throughout the first quarter of the year. Total boot and shoe production in 1947 fell 12 percent below that of the previous year, a loss of about 61 million pair of shoes. The slump in sales is attributed by the trade to active consumer resistance to prevailing high prices.

The recent decline in spot hide prices of about 35 percent from the November peak is ascribed to larger imports of foreign hides and reduced demand by manufacturers. As a consequence, some shoe producers have reduced slightly their selling prices for this coming summer and fall.

Ceramics and Glass Dinnerware manufacturers report continued good demand for their products with some loss of production in the first quarter due to local fuel gas shortages.

Production of glass containers, however, dropped to about 8 million gross in January, 28 percent below a year ago. Shipments declined 29 percent. Stocks of 8.4 million gross at the end of the month were the highest ever reported and 102 percent above January 1947.

Ohio and western Pennsylvania producers of glass tableware report a decrease in demand and most producers have completely caught up with order backlogs but prices are holding firm in the face

of high labor and raw material costs. The raw material shortages that were prevalent a year ago have now disappeared.

United States production of polished plate glass in the first two months of the year amounted to 43.7 million square feet or about four percent above a year ago. Production in western Pennsylvania in January was the highest on record for the month. Demand by the automotive and building trades continues strong.

ANNOUNCEMENTS

The Board of Governors has announced the publication of a technical study on the subject of "Debits and Clearing Statistics, Their Background and Interpretation". The study was prepared by Mr. George Garvy of the Federal Reserve Bank of New York.

Copies of the pamphlet may be obtained by writing to the Board of Governors of the Federal Reserve System, Washington 25, D. C. The price of single copies is 25 cents; in shipments of ten or more the price is 15 cents per copy.

* * * * *

The Board of Governors of the Federal Reserve system recently approved the reappointment, effective March 1, 1948, of the following members of the Industrial Advisory Committee for the Fourth Federal Reserve District:

Mr. Herman R. Neff, *President*
The George S. Rider Company
Cleveland, Ohio

Mr. H. P. Ladds, *President*
The National Screw and
Manufacturing Company
Cleveland, Ohio

Mr. C. F. Hood, *President*
The American Steel and Wire
Company of New Jersey
Cleveland, Ohio

Mr. W. Withington,
Vice President
The American Fork & Hoe
Company
Cleveland, Ohio

Mr. Sam W. Emerson, *President*
The Sam W. Emerson Company
Cleveland, Ohio

Mr. Herman R. Neff and Mr. H. P. Ladds are chairman and vice chairman, respectively, of the committee. Mr. H. E. J. Smith has been reappointed executive secretary.

The Industrial Advisory Committee for the Fourth Federal Reserve District is prepared to consider applications, received through financing institutions or direct from prospective borrowers, for loans to provide working capital. Loans of this kind are authorized under Section 13b of the Federal Reserve Act.

DEPARTMENT STORE TRADE STATISTICS

Sales by Departments—February 1948

As compared with a year ago
(Compiled March 31, and released for publication April 2)

Inexpensive Dresses (Women's and Misses).....	+35
Girl's Wear.....	+34
Coats and Suits (Women's and Misses').....	+32
Blouses, Skirts and Sportswear.....	+28
Hosiery.....	+26
Neckwear and Scarfs.....	+24
Millinery.....	+22
Records, Sheet Music, Pianos, etc.....	+21
Laces, Trimmings, etc.....	+20
Silks, Velvets and Synthetics.....	+19
Cotton Wash Goods.....	+19
Luggage.....	+17
Boys' Wear.....	+17
Juniors' Coats, Suits and Dresses.....	+17
Better Dresses (Women's and Misses').....	+15
Handbags and Small Leather Goods.....	+14
Furniture and Bedding.....	+13
Aprons, Housedresses and Uniforms.....	+13
Notions.....	+12
Domestic Floor Coverings.....	+11
Fine Jewelry and Watches.....	+10
Lamps and Shades.....	+10
Shoes (Women's and Children's).....	+10
Woolen Dress Goods.....	+8
Sporting Goods and Cameras.....	+7
Housewares.....	+7
Draperies, Curtains, etc.....	+7
Silverware and Clocks.....	+6
Gift Shop.....	+6
Infants' Wear.....	+5
Underwear, Slips and Negligees.....	+4
Major Household Appliances.....	+4
Men's Clothing.....	+3
China and Glassware.....	+3
Shoes (Men's and Boys').....	+2
Corsets and Brassieres.....	+2
Linens, Towels.....	+1
Toys and Games.....	-3
Radios and Phonographs.....	-4
Handkerchiefs.....	-4
Toilet Articles and Drug Sundries.....	-5
Books and Stationery.....	-8
Gloves (Women's and Children's).....	-8
Men's Furnishings and Hats.....	-8
Art Needlework.....	-10
Costume Jewelry.....	-10
Candy.....	-14
Blankets, Comforters and Spreads.....	-19
Domestics (Muslins, Sheetings).....	-28
Furs.....	-32

Reports of February sales by Fourth District department stores reveal important shifts among the positions of the various departments. Total dollar sales were slightly above January's and considerably higher than a year ago.

Customers leaned toward economy selections, as shown by several indicators. Basement store sales were up 23% from a year ago, while main store sales increased 8%, thus bringing the basement store's share of total sales to an all-time high of 17%. Sales of inexpensive dresses jumped 35% from a year ago, while sales of better dresses rose only 15%. The furs department lost 32% in sales from the corresponding month of 1947, dropping to a six-year low for February. Candy sales were down 14%.

In the over-all picture, the women's apparel and accessories group, which had slowed down in January, showed the greatest gains in sales over a year ago. Besides dresses, departments which registered an increase of more than 25% over last year's sales were girls' wear; coats and suits; blouses, skirts and sportswear; hosiery. On the low side, in addition to furs, there were only two departments in the women's apparel and accessories group which dropped below last year's sales. These were handkerchiefs, off 4%, and gloves, down 8%.

Household textiles, which had shown a marked spurt in January, were down in February. Sales of domestics (muslins and sheetings) were off 28%, while sales of blankets, comforters and spreads were 19% under a year ago. The piece goods departments, however, showed a group increase of 13% over a year ago.

The housefurnishings group showed a mixed picture. Sales of records, sheet music, pianos, etc. were up 21%. Furniture and bedding sales were up 13%. Sales of domestic floor coverings, however, were down slightly from January and showed a year-to-year increase of 11% which was somewhat less than this department's usual gain in recent months. Sales of major household appliances, up 4% from a year ago, and of radios and phonographs, down 4%, continued the weakness which has been shown so far this year, although appliance sales picked up slightly from January.

Sales in the men's and boys' wear group ranged from a 17% increase for boys' wear, a six-year high for the month, to an 8% decrease for men's furnishings and hats, a three-year low for the month.

All comparisons herein refer to dollar volume of sales. Changes in the price level have not been taken into account.

Inventories by Departments—February 29, 1948

As compared with a year ago
(Compiled April 6, and released for publication April 8)

Major Household Appliances.....	+118
Radios and Phonographs.....	+45
Domestic Floor Coverings.....	+41
Men's Clothing.....	+40
Records, Sheet Music, Pianos, etc.....	+30
Silverware and Clocks.....	+21
Shoes (Women's and Children's).....	+21
Corsets and Brassieres.....	+21
Underwear, Slips and Negligees.....	+20
Infants' Wear.....	+18
Shoes (Men's and Boys').....	+17
Sporting Goods and Cameras.....	+17
Domestics (Muslins, Sheetings).....	+17
Better Dresses (Women's and Misses').....	+16
Fine Jewelry and Watches.....	+14
Furniture and Bedding.....	+12
Candy.....	+11
Furs.....	+10
Cotton Wash Goods.....	+9
China and Glassware.....	+9
Luggage.....	+8
Inexpensive Dresses (Women's and Misses').....	+7
Silks, Velvets and Synthetics.....	+7
Handbags and Small Leather Goods.....	+7
Juniors' Coats, Suits and Dresses.....	+6
Neckwear and Scarfs.....	+6
Girl's Wear.....	+5
Notions.....	+2
Coats and Suits (Women's and Misses').....	+1
Books and Stationery.....	+1
Art Needlework.....	-1
Toilet Articles and Drug Sundries.....	-3
Costume Jewelry.....	-3
Men's Furnishings and Hats.....	-4
Millinery.....	-5
Woolen Dress Goods.....	-6
Laces, Trimmings, etc.....	-7
Lamps and Shades.....	-7
Hosiery.....	-8
Blankets, Comforters and Spreads.....	-8
Housewares.....	-9
Boys' Wear.....	-9
Aprons, Housedresses and Uniforms.....	-10
Blouses, Skirts and Sportswear.....	-11
Gloves (Women's and Children's).....	-11
Draperies, Curtains, etc.....	-13
Toys and Games.....	-18
Handkerchiefs.....	-19
Linens, Towels.....	-19
Gift Shop.....	-20

Department stores in the Fourth District reported inventory gains during February substantially greater than the usual seasonal additions. Total stocks at the end of the month stood about 8% higher than a year ago, while basement store stocks were up 10%.

Housefurnishings departments showed the largest year-to-year increases. Stocks of major household appliances were 118% above the level of February 1947, when resumption of civilian production had already attained considerable momentum and were nearly twice as high as last September. Stocks of radios and phonographs were 45% over a year ago. So far this year, sales in both these departments have been little if any better than last year's. The domestic floor coverings department, also a sales leader during 1947, reported stocks at month's end at 41% above last February's. Inventories in a few housefurnishings departments were lower on February 29 than a year ago. For example, stocks of draperies and curtains were 13% under last year's, while housewares were down 9%.

Inventories of men's clothing, up 40% over last year, were at an all-time high, and about 75% higher than on the comparable date in 1942. Stocks of men's and boys' shoes, up 17%, were also at a record high for this season. Stocks of men's furnishing and hats, however, were off 4% from a year ago, while supplies of boys' wear were down 9%.

The women's apparel and accessories group of departments showed, for the most part, moderate gains in inventory from last year's level. On the high side, were women's and children's shoes, where stocks increased sharply during February to a point 21% above a year ago. Stocks of corsets and brassieres were also at record high levels, 21% above last year's. The handkerchiefs and gloves departments, however, where sales have been lagging, reported stocks 11% and 19% respectively below a year ago.

Supplies of piece goods and household textiles as a group were down 4% from last year's level, although marked variations among departments were evident. For example, stocks of domestics (muslins and sheetings) were up 17%, while stocks of linens and towels were down 19%.

All comparisons herein refer to dollar volume and not to physical inventories.

FINANCIAL AND OTHER BUSINESS STATISTICS

Bank Debits*—February, 1948

(In thousands of dollars)

(Compiled March 10, and released for publication March 11)

	February 1948	% Change from year ago	3 Months ended Feb. 1948	% Change from year ago
ALL 30 CENTERS.....	\$5,937,104	+12.2%	\$20,580,260	+14.9%
10 LARGEST CENTERS:				
Akron..... Ohio	199,978	+ 0.1	675,618	- 1.0
Canton..... Ohio	96,831	+13.4	322,459	+13.6
Cincinnati..... Ohio	812,088	+10.7	2,759,968	+14.8
Cleveland..... Ohio	1,501,376	+12.1	5,265,151	+14.6
Columbus..... Ohio	424,830	+19.7	1,513,166	+24.5
Dayton..... Ohio	201,795	+ 8.0	698,579	+16.7
Toledo..... Ohio	358,516	+12.5	1,144,760	+ 7.4
Youngstown..... Ohio	129,390	+34.1	437,003	+31.8
Erie..... Penna.	76,276	+18.5	257,598	+14.9
Pittsburgh..... Penna.	1,595,984	+14.6	5,561,590	+16.6
TOTAL.....	\$5,397,064	+13.1%	\$18,635,892	+15.2%
20 OTHER CENTERS:				
Covington-Newport..... Ky.	33,408	+ 8.8%	\$ 115,812	+11.3%
Lexington..... Ky.	61,106	-34.4	300,184	- 2.4
Hamilton..... Ohio	32,148	+21.4	112,010	+30.1
Lima..... Ohio	37,972	+14.2	123,378	+ 9.7
Lorain..... Ohio	15,175	+15.0	52,671	+20.5
Mansfield..... Ohio	34,029	+11.9	118,337	+19.0
Middletown..... Ohio	27,557	+12.0	94,500	+13.1
Portsmouth..... Ohio	17,619	+10.8	60,139	+12.5
Springfield..... Ohio	39,829	+ 7.0	133,240	+11.0
Steubenville..... Ohio	19,633	+17.6	66,966	+15.5
Warren..... Ohio	31,414	+10.6	106,948	+13.1
Zanesville..... Ohio	22,871	+17.2	76,291	+18.3
Butler..... Penna.	26,543	+17.9	88,371	+11.8
Franklin..... Penna.	5,958	+11.3	20,613	+12.4
Greensburg..... Penna.	17,254	+21.0	60,260	+17.9
Meadville..... Penna.	10,548	+ 5.1	34,020	- 2.5
Oil City..... Penna.	16,902	+ 3.0	57,074	+ 0.3
Sharon..... Penna.	23,316	+18.8	77,897	+22.8
Wheeling..... W. Va.	48,783	+11.9	185,415	+14.3
Elyria..... Ohio	17,975	+14.9	60,242	+21.3
TOTAL.....	\$ 540,040	+ 4.5%	\$ 1,944,368	+11.6%

* debits to all deposit accounts except interbank balances.

Bank debits during February at 30 Fourth District cities exceeded the February 1947 total by 12 percent. This was a somewhat smaller year-to-year gain than was recorded in December and January, when advances of 18 and 14 percent respectively were reported.

Aggregate bank debits of \$5,937,000,000 for February were considerably below the \$6,806,000,000 figure for January, chiefly because February is a short month. The drop from the January level totaled 13 percent this year compared with a reduction of 11 percent last year.

TEN LARGEST CITIES

For the tenth time in the past twelve months Youngstown led the larger cities in percent gain over the figures of a year ago. The February increase was 34.1 percent. The next ranking city from this standpoint, Columbus, reported an advance of 19.7 percent over a year ago. The average year-to-year gain for all the large centers was 13 percent.

TWENTY SMALLER CENTERS

Hamilton led the smaller centers for the fourth successive month in percentage gain over year-ago figures, this time with an increase of 21.4 percent. Other cities with large gains were Greensburg (21.0%), Sharon (18.8%) and Butler (17.9%). Debits in Lexington were 34.4 percent under a year ago, largely because of the relatively early termination of the tobacco auctions this year.

The coverage of smaller centers has been enlarged by the addition of Elyria, Ohio. Elyria debits totaled approximately \$18,000,000 in February, compared with \$15,650,000 a year ago.

The accompanying table shows the volume of debits to all deposit accounts (except interbank balances) in 30 cities of the Fourth District. Most of the debits represent transfers of funds by check although debits to (withdrawals from) savings deposits and U. S. Treasury deposits at reporting banks are also included.

February Department Store Sales by Cities

(Compiled March 29, and released for publication March 30)

CITY	Total Sales % Change From		Sales During February*				
	Jan. 1948	Feb. 1947	1941	1945	1946	1947	1948
Wheeling.....	+ 9	+ 5	100	180	222	217	228
Akron.....	+ 7	+13	100	178	193	202	229
Pittsburgh.....	+ 6	+11	100	139	167	187	207
Toledo.....	+ 3	+ 7	100	194	221	244	261
Youngstown.....	+ 3	+ 9	100	177	193	231	251
Springfield.....	+ 2	+ 8	100	204	229	225	242
FOURTH DISTRICT	- 0	+11	100	165	195	213	236
Columbus.....	- 2	+12	100	218	265	280	313
Erie.....	- 3	+14	100	169	181	199	226
Cincinnati.....	- 5	+ 8	100	172	220	229	247
Cleveland.....	- 7	+10	100	164	194	208	230
Canton.....	- 8	+ 6	100	212	230	259	274

* Based on daily average sales.

Department store sales in Fourth District in February were virtually unchanged from January. The volume of sales at the Federal Reserve Bank of St. Louis

Time Deposits—12 Fourth District Cities

(Compiled March 5, and released for publication March 8)

City and Number of Banks	Time Deposits Feb. 25, 1948	Average Weekly Change During:		
		February 1948	Previous Month	Year Ago
Cleveland (4).....	\$ 877,404,000	+ \$225,000	- \$704,000	+ \$ 551,000
Pittsburgh (12).....	404,801,000	- 133,000	+ 242,000	+ 177,000
Cincinnati (8).....	182,243,000	+ 87,000	+ 89,000	+ 225,000
Akron (3).....	103,623,000	+ 113,000	- 190,000	+ 191,000
Toledo (4).....	96,448,000	- 43,000	- 70,000	+ 143,000
Columbus (3).....	73,081,000	+ 13,000	- 47,000	+ 150,000
Youngstown (3).....	60,681,000	- 17,000	- 126,000	+ 18,000
Dayton (3).....	48,952,000	- 34,000	- 68,000	+ 39,000
Canton (5).....	42,617,000	- 54,000	- 30,000	+ 16,000
Erie (4).....	38,974,000	+ 2,000	+ 105,000	+ 47,000
Wheeling (6).....	28,810,000	+ 58,000	+ 62,000	+ 49,000
Lexington (5).....	10,693,000	- 2,000	+ 10,000	+ 33,000
TOTAL—12 Cities...	\$1,968,327,000	+ \$215,000	- \$727,000	+ \$1,639,000

A moderate advance in time deposits occurred during February in major Fourth District cities whereas a reduction occurred in the preceding month. The average weekly gain for February was \$215,000 as against a weekly decline of \$727,000 in January.

The February increase, however, fell far short of the expansion rate of a year ago when time deposits at the same banks moved up \$1,639,000 per week. In all of the twelve reporting cities, moreover, current time deposit totals are below the all-time highs set in previous months.

Six of the twelve cities experienced increases during February. Wheeling banks have reported outstanding gains in time deposits since the first of the year, with weekly increases at the highest levels since the fall of 1946. The February advance in Akron was likewise sizable and represented a reversal of the decline experienced in the preceding month. Cincinnati is the only city where time deposits have expanded for three successive months. The other cities where gains occurred in February were Cleveland, Columbus and Erie.

Time deposits have declined slightly for four successive months in Canton and Dayton and for three months in Youngstown, but current totals in those cities are down less than two percent from the totals of a year ago. Pittsburgh, Toledo and Lexington likewise experienced nominal reductions during the past month.

Retail Trade

	Percentage Changes From Preceding Year		
	SALES Feb. 1948	SALES first 2 months	STOCKS Feb. 1948
DEPARTMENT STORES (95)			
Akron.....	+13	+11	+13
Canton.....	+ 6	+ 6	a
Cincinnati.....	+ 8	+ 8	+ 3
Cleveland.....	+10	+12	+12
Columbus.....	+12	+12	+ 2
Erie.....	+14	+15	+17
Pittsburgh.....	+11	+ 7	+ 5
Springfield.....	+ 8	+ 8	a
Toledo.....	+ 7	+11	+12
Wheeling.....	+ 5	+ 7	+13
Youngstown.....	+ 9	+10	a
Other Cities.....	+28	+26	+17
District.....	+11	+11	+ 8
WEARING APPAREL (13)			
Cincinnati.....	+ 8	+ 8	+29
Cleveland.....	- 3	+ 3	- 0
Pittsburgh.....	+14	+ 9	+ 4
Other Cities.....	+22	+16	+20
District.....	+ 9	+ 8	+ 9
FURNITURE (53)			
Canton.....	+ 6	- 3	+13
Cincinnati.....	- 9	- 2	+18
Cleveland.....	- 0	- 9	+ 6
Columbus.....	+12	+12	+ 8
Dayton.....	+22	+18	a
Pittsburgh.....	a	a	a
Allegheny County.....	+13	+ 6	a
Toledo.....	a	a	a
Other Cities.....	+13	+ 9	+21
District.....	+ 7	+ 3	+19

a—Not available.

Figures in parentheses indicate number of firms reporting sales.

from January which is approximately in line with seasonal expectations, but were 11% greater than in February 1947.

In a few cities, however, February volume was distinctly lower than in January.

Daily average sales for the month were 236% of the February 1941 level.

INDIVIDUAL CITIES

January-February gains in total sales were most marked in Akron, Pittsburgh and Wheeling where the margin ranged from 6% to 9%.

Other cities exceeding the District average in the month-to-month comparison included Springfield, Toledo and Youngstown where aggregate volume was up from 2% to 3% from the preceding month.

The greatest year-to-year gains were registered in Akron, Columbus and Erie as February sales totaled 12% to 14% more than the 1947 month.

As compared with February 1941, all centers showed dollar sales at least double the prewar level. In the following four cities the volume was more than 2½ times the 1941 month; Columbus, Canton, Toledo and Youngstown. Columbus continues to top the list in this respect with February 1948 313% of February 1941.

