

Business Review

MARCH 1949

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FINANCE • INDUSTRY • AGRICULTURE • TRADE

FOURTH FEDERAL RESERVE DISTRICT

Vol. 31—No. 3

Federal Reserve Bank of Cleveland

Cleveland 1, Ohio

Influence of Easter Buying on Trade

DEPARTMENT STORE trade will be watched more closely than ever this spring for signs of strength or weakness in the pace of retail distribution in general. Proper allowance for the effect of seasonal factors will present some special problems in this connection.

From a low dollar volume of department store trade during February, sales in March and April normally rise in response to a combination of spring and Easter shopping. The timing of early spring consumer buying depends not only on trends in the general business weather, but more particularly on seasonal swings which are closely intertwined with the date on which Easter falls in a given year. The fact that this year Easter Sunday comes three weeks later than last year, April 17 as compared with March 28, will have a considerable bearing on the meaning of year-to-year comparisons for any given week of March or April.

Typical Easter Pattern The influence of the Easter date is ordinarily felt in department store trade for a period of approximately six weeks, namely the four weeks prior to Easter and the two subsequent weeks. A study of trade reports of Fourth District department stores over the past seven years indicates that the week-to-week gain in sales during the three weeks just before Easter is about 5% each week, while the immediate post-Easter drop is about 25%, followed by a recovery between 5% and 10% during the second week after Easter. This pattern is depicted in an accompanying bar chart. The sales level for the week after Easter is normally almost as low as that of the latter part of February.

Difference in Easter Dates Since the Easter rise in sales is expected to be concentrated largely in early April this year, as contrasted

with March of last year, the year-to-year percentage change in sales for any given week during the affected period should be interpreted in the light of the seasonal expectation, taking into account the difference in Easter dates. For example, if dollar sales for the week ending March 26 are reported as unchanged from a year ago, the showing would in fact be very much superior to last year's, since the seasonal pattern would call for a year-to-year decline of approximately 11% for that particular week, according to a recent study of ten years' seasonal behavior of Fourth District department store sales. The left-hand column in the accompanying table shows the comparison of seasonal expectations for the nine weeks of March and April this year and last.⁽¹⁾

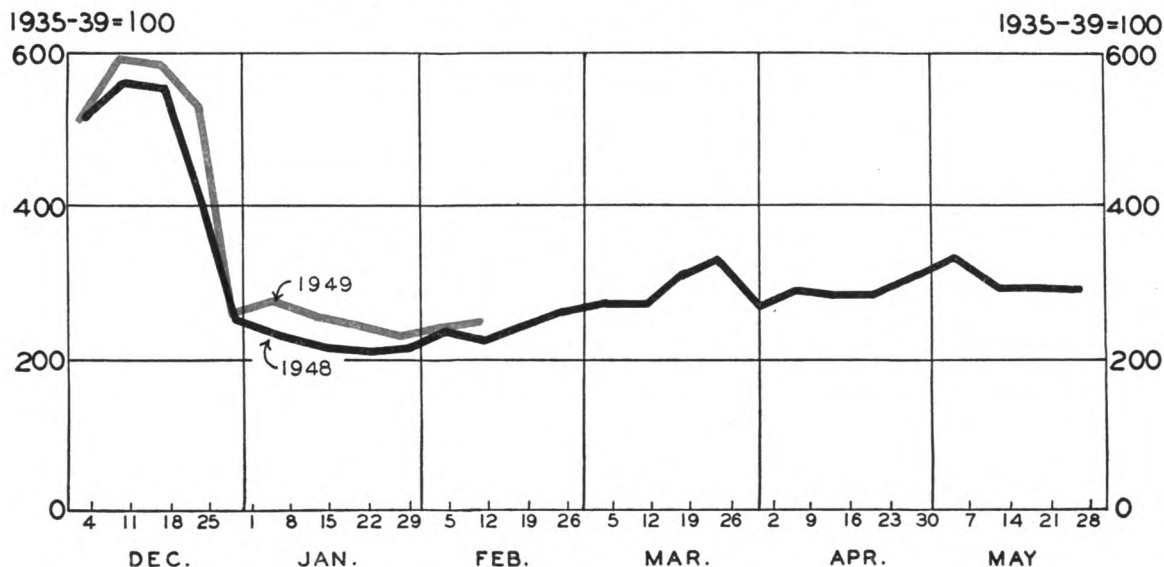
Last Year's Easter Season a Low Target

Since year-to-year comparisons always reflect the peculiarities of the year which is chosen as the standard of comparison, it becomes pertinent here to comment upon the Easter sales performance of 1948 as a standard for judging this year's sales. Last year's Easter season was regarded in the trade at that time as being somewhat disappointing, although the final week was considered an improvement over earlier expectations. The monthly index of sales for the Fourth District, after adjustment for seasonal variation, was lower in March 1948 than it had been in January or February. It stood in March at 270 as compared with 284 each for January and February, based on 1935-39 average sales. Moreover, the March adjusted index

⁽¹⁾ Seasonal adjustment factors for 365 possible weeks, including weeks ending on each calendar day of the year, were computed from Fourth District sales records from 1939 through 1948. Special Easter adjustments were made from a study of March and April sales records from 1942 through 1948. Adjustment factors so obtained were used in constructing the table and also in preparing the seasonally adjusted index of sales shown in the charts.

WEEKLY INDEX OF SALES

Fourth District Department Stores, Dec. '47 - May '48, Dec. '48 - Feb. '49
UNADJUSTED FOR SEASONAL VARIATION*



... Fourth District department store sales, measured by the unadjusted weekly index, were higher than year-ago levels during December and most of January; there was little or no margin over last year's sales during late January and early February; sales during the early part of the year were as usual far below the December peak; the Easter rise during March of last year was relatively small, and provides a moderate standard of comparison for this year's Easter bulge in sales, which will be in April.

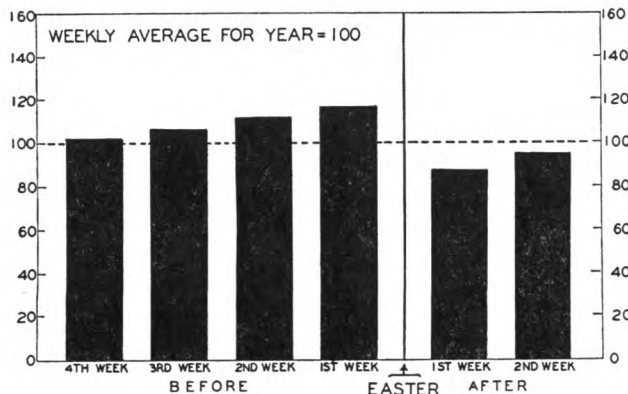
* Average daily sales basis; effect of differences in number of trading days per week is removed. Dates on base line are according to weeks' endings in December 1948 through May 1949; indexes are plotted at mid-points of respective weeks.

was considerably lower than the average for the entire year 1948, which was 302 on the 1935-39 base.

An examination of weekly sales during the Easter season of 1948 confirms the mediocre showing of that period. Accompanying charts show weekly indexes of department store sales for the Fourth District. On the chart showing the *unadjusted* weekly index it

may be noted, for example, that the Easter seasonal bulge in sales during March 1948 was no more pronounced than the somewhat unusual peak which occurred in the first week of May of that year. On the chart showing the *adjusted* weekly index it can be seen that the level of sales during March 1948 was low as compared with other periods in early 1948, and as compared with the 1949 performance to date.

EASTER TRADING SEASON
TYPICAL PATTERN OF WEEKLY SALES 1942-1948
Fourth District Department Stores



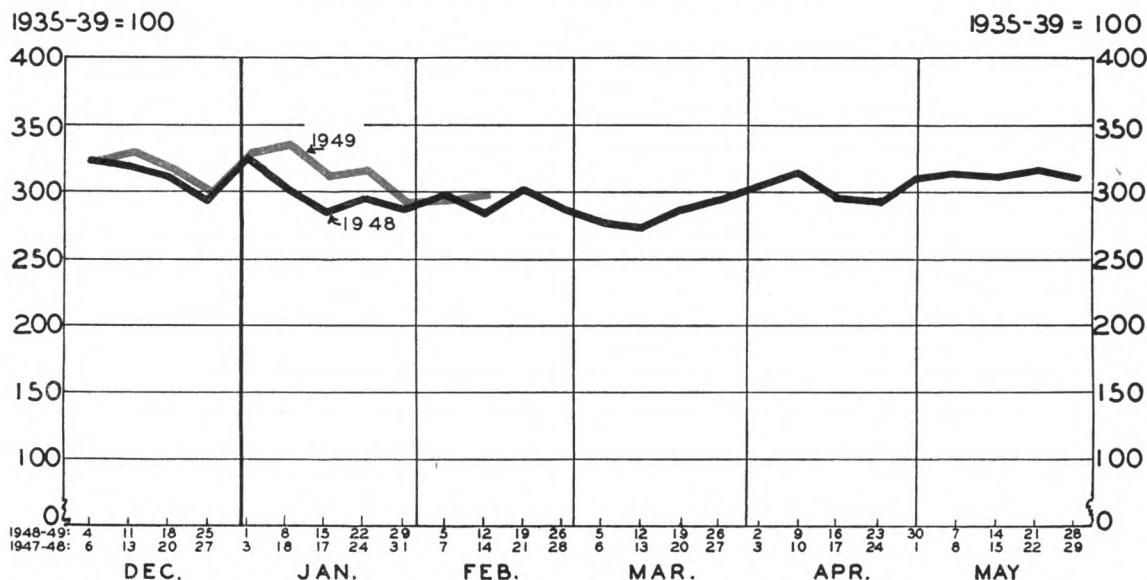
... during the four weeks before Easter, department store sales usually rise gradually; a drop of about 25 percent during the week after Easter is followed by a return to about average levels for the year as a whole.

Maintenance of 1949 Pace If the Easter season of 1948 should be considered too low for a realistic target for 1949 sales, an alternative standard is possible. The seasonal pattern for 1949, taking into account this year's position of Easter, may be used in conjunction with an *average* level of sales determined by the performance of January this year. The question thus would be: how much gain or loss from the weekly sales of March and April last year would be consistent with the level of sales attained during January of this year, taking account of differences due to all seasonal factors including the position of Easter? The right-hand column of the previously mentioned table shows such a computation. For the week of March 26, for example, a year-to-year decline of 2% would indicate, nevertheless, that the rise since January had been of normal seasonal proportions. As has been previously indi-

WEEKLY INDEX OF SALES

Fourth District Department Stores, Dec. '47 - May '48, Dec. '48 - Feb. '49

ADJUSTED FOR SEASONAL VARIATION



... after adjustment for seasonal variation, the weekly sales index of Fourth District department stores shows a downward trend during January of this year, and a slight sag for the month as compared with the high December level; the adjusted index leveled off during late January and early February; last year's mediocre Easter season is reflected in the dip of the adjusted sales index during March 1948.

cated, a year-to-year decline of 11% for that week would be consistent with last year's Easter targets, admittedly not very high.

Conclusion The lateness of Easter this year has an important effect on the seasonal expectations of department store trade. For this reason, if for no other, it is very likely that during March the weekly sales comparisons with corresponding calendar weeks of a year ago will show "minus" percentages of change for several successive weeks. This factor,

however, cannot be expected to explain fully whatever year-to-year changes emerge. Current trends in retail distribution, associated with the general tempo of 1949 business, remain important even though they may be obscured by seasonal behavior stemming from the vagaries of the calendar. Accordingly, certain quantitative estimates of the weight which may be ascribed to the seasonal factor have been suggested here.

The more important test for this year's spring retailing probably comes in April rather than in March. During the first three weeks of April, substantial "plus" percentages should be shown in the year-to-year comparison of department store sales if the over-all spring performance of last year is to be equalled or bettered.⁽²⁾ This period will coincide with the beginning of a phase in the business economy as a whole when seasonally expanding factors are expected to take hold. Thus during April, the Federal government's cash account is scheduled to turn toward outlay rather than income, agricultural employment is expected to rise seasonally, and expenditures for defense as well as aid to Europe may register more heavily than previously in market channels. Department store sales will play a part in these projected developments if they follow the usual seasonal pattern.

**Increases or Decreases over Corresponding Week
Last Year***

(Fourth District Department Stores)

<u>1949 week ending</u>	<u>Required to Equal Last Year's Easter Season</u>	<u>Required to Maintain the post-January Seasonal Trend</u>
March 5	-10%	+ 4%
12	- 8%	+ 7%
19	- 5%	+ 6%
26 (Easter week, 1948)	-11%	- 2%
April 2	+14%	+20%
9	+20%	+22%
16 (Easter week, 1949)	+19%	+30%
23	- 3%	+ 5%
30	- 5%	- 2%

* The left-hand column is obtained by comparing seasonal adjustment factors for the corresponding weeks of the two years, taking into account the difference in position of Easter date. The right-hand column is obtained by projecting 1949 sales from January onward, using seasonal expectations for a year with Easter falling on April 17, and comparing the results with 1948 performance for corresponding calendar weeks.

(2) In terms of monthly averages, the seasonal expectation for this March calls for sales about 9% below last March, while April sales would be 9% higher than last April's. The month-to-month rise from March to April of this year would be about 7%.

Quarterly Review of Industrial Activity

DECLINES in factory and retail sales of various consumer durable goods have been given rather wide publicity in recent weeks and have been cited by some observers as a reliable sign of impending reversal in business activity. Analysis of the latest statistical information available, and discussion of the situation with principal Fourth District manufacturers, however, does not lend much support to this belief.

Refrigerators Refrigerator factory production in December declined contraseasonally to 344,000 units, down a little more than 11 percent from November. Total output for the year of 4,200,000 units exceeded the previous year by 31 percent. Current reports indicate that January and February production was maintained at least at the December rate. One major company in February scheduled a 20 percent increase in output as a result of better metal supply, while a smaller company cut production by the same percentage.

Prewar retail refrigerator sales followed a highly seasonal pattern with 10 percent of sales in the first quarter, 50 percent in the second quarter, and 20 percent in each of the remaining quarters. Retail sales are now well below a year ago, but manufacturers are confident that sales will begin to spurt this spring. Much of present production is being inventoried at the factory and by wholesalers and retailers so that stocks will be at hand to supply the anticipated demand.

Vacuum Cleaners Vacuum cleaner factory sales topped-out in the fourth quarter of 1947 and the industry since then has been adjusting to its postwar market. Sales in 1948 totaled 3,360,000 units, down about 11 percent from the previous year but still 101 percent ahead of 1941. December sales rose 7.5 percent above November to a total of 274,000 units, to make the fourth quarter nearly equal to the spring season.

According to industry reports, January was a good month and most manufacturers are anticipating a good spring and early summer season. A few companies are said to have an inventory problem in that raw materials on hand are considered high in relation to present sales. Finished goods inventory, however, are in line with present and prospective sales. As would be expected, some lay-offs took place among manufacturers in 1948 as sales receded from the abnormally high levels of the previous year.

Tank type cleaners are reported by several producers to be in better demand than upright cleaners. It was also noted that sales made on a house-to-house basis are holding up better than sales made through

other types of retail outlets. The reason advanced for this condition is that outside salesmen are usually trained specialists and are turning in a better sales performance in the face of greater competition.

Washing Machines Factory sales of standard size electric and gasoline washing machines reached a peak in September with sales of 442,000 units, and then receded somewhat in October and November. December sales dropped to 184,000 machines, a decline of 44 percent from November.

The sharp change in the washing machine industry should not have been totally unexpected. Monthly average production in the two years of 1947-1948 was 339,000 units as compared with a 1936-1939 monthly average of 124,000—an increase of 174 percent. This sales pace could not be maintained indefinitely.

To a large extent, the drop-off in sales from September to December was the return of a normal seasonal pattern. For example, factory sales in 1935 and 1936 dropped 44 percent and 47 percent respectively in these months as compared with the 58 percent experienced in 1948.

The sharp contraction in production has resulted in lay-offs of personnel and reduced hours. In some cases, as much as a third of the October labor force has been dismissed. The sudden shift in demand also created some inventory problems in both raw materials and finished stocks. Satisfactory progress, however, has been reported in reducing inventory at all levels of distribution, and it is also noted that necessary steel and aluminum requirements can now be obtained almost entirely through normal channels. One manufacturer reported that the demand for de luxe model machines was holding up better than for standard or stripped models.

January and early February output, according to informed sources, was about the same as in December with the usual spring rise anticipated.

Gas Ranges Manufacturers of gas cooking ranges and stoves also experienced their first seasonal change in demand in the late months of 1948 and first part of 1949. It is believed that sales fell very sharply in December, January, and the first part of February. November shipments were 206,000 units, down 16 percent from October, but still well above the 1941 monthly average of 125,000 units.

In prewar years the seasonal decline in factory shipments from November to January was as much as 50 percent. This past season, declines as high as 75 percent have been reported with the average undoubtedly somewhat less. One company noted that the demand for its lower priced ranges dropped more than for the de luxe lines.

The swift change in sales has created inventory problems. It is known that steel sheet orders with mills were cancelled in a few cases. Companies that operated on a 60-day raw material basis through 1948 suddenly discovered in January that inventories were equivalent to 180 days on the basis of existing sales. Wholesale and retail stocks of ranges are reported on the high side. One important Ohio producer virtually ceased all operations in February to allow accumulated stocks to run off.

Electric Sewing Machines Household electric sewing machine production and distribution is apparently moving forward in good volume and little change in the outlook has been noted. Although production figures for this industry are not available, one major company announced recently that an expansion program will be undertaken and property for this purpose has been purchased.

It appears to be the general consensus of consumer durable goods manufacturers that the war-accumulated demands of consumers have been largely met and that production and sales are now seeking a level that will reflect current incomes and normal consumption requirements. This should be on a plane considerably above the immediate prewar era when account is taken of the increase in population and standard of living. They are also thoroughly agreed that a period of aggressive selling and merchandising is at hand, and that inefficiency in either manufacturing or selling will be heavily penalized.

Iron and Steel Steel ingot and steel for casting production in January and the first half of February was maintained at more than 100 percent of capacity.

Fourth quarter production of 23.5 million tons was at an annual rate of 94.2 million tons and pushed the year's final total to 88.5 million tons to establish a new peace-time high. January ingot output was 8.2 million tons and was the largest monthly total on record.

This sustained rate of output, together with some evidence of reduced demand by a few industries, brought supply and demand closer together than at any time since the end of the war. Gray market steel prices were reported to be cracking and there were numerous indications that manufacturers and fabricators could obtain needed steel through legitimate channels. Abandonment of costly "conversion deals" also has begun to take place.

Finished steel prices are holding firm, but iron and steel scrap prices are relatively weak. Magazine *Steel's* composite steel scrap price dropped from \$43.25 at the beginning of the year to \$38.33 at mid-February, or a decline of better than 11 percent. Mill scrap stocks are reported to be adequate. The

improvement in scrap inventories is attributed to the open winter that has prevailed east of the Mississippi River, gradual restoration of the prewar scrap cycle, and accelerated imports of scrap.

Pig iron supplies have become easier to obtain, due in part to some decline in foundry demand for iron from a rather wide range of industries. Basic improvement in the supply of iron, however, has been the major factor in easing the situation. December pig iron production of 5.6 million tons was the largest for any month on record and pushed the year's total output to nearly 61 million tons. Blast furnace capacity was increased sharply during 1948 and as of January 1, 1949, was rated at 70.5 million tons, up 3.1 million tons from a year ago. More additions are planned over the next two years in blast furnace, coke, and other departments.

In view of the present capacity of the steel industry and high rate of sustained activity, the improvement in supplies of scrap, and the improvement in both quantity and quality of coke, it appears exceedingly likely that the industry will be able to meet all demands made upon it by no later than the third quarter of this year. This assumes, of course, that there will be no major work interruptions in the industry, or in those closely related to it such as coal and iron ore.

Coal Bituminous coal production in the United States in 1948 totaled 594 million tons according to preliminary estimates of the Bureau of Mines, or about 6 percent less than the 630.6 million tons produced in 1947. The most significant development of the year was the rapid growth in coal inventories that began to take place in May and continued through the balance of the year.

First quarter production was 18 percent lower than in the same months of the previous year, and output by the end of the first half of the year was down 11 percent. These production losses were due to the strike in the last half of March and early part of April. By the end of the third quarter, cumulative production was only 6 percent off from 1947 and this rate of difference was maintained to the end of the year.

Inventory accumulation, however, was very rapid. At the end of April, stocks above ground were only 34.4 million tons, but by the close of September amounted to 67.6 million tons. At the year-end, coal inventories were estimated at 69.4 million tons, down only 100,000 tons from November. This was the largest inventory since the culmination of the coal stock-piling program in late 1942. December stocks were held down by reducing output nearly 7 million tons below December 1947 production.

Output in January 1949 was estimated at 47 million tons, a decrease of 15 percent from the previous year. The mild eastern winter weather as well

as greater availability of gas and fuel oil have undoubtedly reduced somewhat the demand for heating coal.

Employment On the basis of preliminary reports, employment conditions in the Fourth District during January and the first half of February were somewhat unsettled. In addition to the normal seasonal lay-offs that ordinarily occur in January there were some reductions in the number of hours worked, and in work forces, due to curtailed demand in such industries as household washing machines, stoves, automobile parts, gray iron foundries, batteries, screw machine products, non-electrical machinery, metal stamping, plumbing equipment, and railroad repair and maintenance shops.

Although lay-offs were widely publicized in the press, they did not amount to large totals in the aggregate. The number of jobless workers in the Cleveland metropolitan area on February 1, for example, was estimated at 35,000, or about 10 percent larger than a year ago, and approximately 6 percent of total nonagricultural employment in the area. For the entire state of Ohio, the number of persons seeking jobs through the Ohio State Employment Service increased from 80,000 on January 1 to 123,000 on February 1.

Manufacturing employment in the United States declined 3.0 percent in January from December whereas a decrease of 0.8 percent occurred in the same months a year ago. Total unemployment in January increased perhaps as much as 700,000 to a level of 2,650,000. If this estimate proves correct, it would amount to little more than 4 percent of the labor force, and would be about in line with what is regarded as "normal". Some unemployment is not without merit since it permits a better matching of jobs with men, and at the same time, stimulates greater productivity as it presents an opportunity to weed out the inefficient.

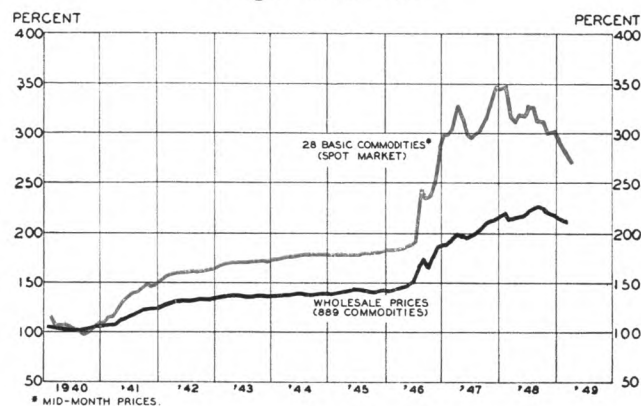
Prices Wholesale prices as measured by the Bureau of Labor Statistics' comprehensive monthly index have been receding steadily from the crest of 169.4 reached in August 1948, chiefly as a result of declining textile and farm product prices. At the August peak, prices were 1 percent higher than the World War I top of May 1920 and 126 percent above August 1939. The trend of wholesale prices since 1940 is shown on an accompanying chart which uses August 1939 as the base period of 100.

From the August 1948 peak to the middle of February, wholesale prices dropped 6.5 percent to reach a level of 158.5, or the lowest since October 1947. The sharp break in prices in the first week of February duplicated a similar event almost exactly a year earlier.

The bulk of the decline has centered on agricultural and food products and reflects the abundant

COMMODITY PRICES

August 1939 = 100



... basic commodity prices which rose more rapidly than general wholesale prices in the postwar period, began to decline in January 1948, nine months before wholesale prices turned down.

Source: Bureau of Labor Statistics.

grain harvests both here and abroad, and perhaps to some extent, the inability of the Government to siphon off for export as much grain as would have been necessary to prevent a drop in prices. In this six-month period farm product prices receded 12 percent and food products 17 percent. The other area of primary weakness was in textile products, but the drop was only 4 percent. Building materials dipped a nominal 2 percent while metal products rose another 5 percent. The net effect of these movements was to bring the wholesale price structure into better balance and to move closer to prewar price relationships.

Also shown on the chart is the index of daily spot

ANNOUNCEMENTS

Mr. Sidney A. Swensrud, President, Gulf Oil Corporation, Pittsburgh, Pennsylvania, has been appointed a director of the Pittsburgh branch for the unexpired portion of a term ending December 31, 1949.

* * *

The Citizens Banking Company of Rock Creek, Ohio, became a member of the Federal Reserve System on February 3.

The new member bank is located in an agricultural section of northeastern Ohio, approximately 60 miles east of Cleveland.

The bank was incorporated on July 10, 1912. At the present time, combined capital and surplus total \$50,000. Officers of the new member bank are:

Nelson Hague	President
A. L. Marsh	Vice President
T. A. Novak	Cashier
Ruth Wadsworth	Assistant Cashier

market prices for 28 commodities compiled by the Bureau of Labor Statistics. This index began its decline in January 1948, or more than a year ago, and by February 15, 1949, was down 23 percent.

Recent price declines for individual items used in this index have been very sharp, with fats, oils, and meat particularly vulnerable. From November 15 to February 15, cottonseed oil dropped 30 percent, lard 32 percent, and tallow 46 percent. At prices of 15.8 cents, 13 cents, and 7.8 cents a pound respectively, cottonseed oil was nearly down to its OPA price of June 1946 while lard and tallow were below their old ceilings. Steer prices skidded from \$31.25 per 100 pounds to \$24.00, or a loss of 23 percent.

The weakness in meat prices since early fall has been perhaps most significant. Prices declined in the face of livestock marketings well below a year ago and personal incomes at the highest level in the his-

tory of the country. The situation suggests consumer weakness and strained budgets.

Steel scrap prices exhibited their first sustained postwar softness and have dropped about 15 percent. Mill stocks are reported in good condition. Lead and zinc, on the other hand, rose 2 percent and 5 percent respectively, as a result of increases in freight rates.

Wheat, corn, and barley prices have continued weak and have been declining since mid-November. The prices prevailing for these grains on February 15 represented drops of from 5 percent to 14 percent in this three-month period and spot market prices were considerably under the official support or loan levels. Lack of proper storage facilities, high moisture content, and other similar factors apparently prevented producers of these grains from taking advantage of the loan program.

FINANCIAL AND OTHER BUSINESS STATISTICS

Time Deposits—12 Fourth District Cities

(Compiled February 3, and released for publication February 5)

City and Number of Banks	Time Deposits Jan. 26, 1949	% Change from Year Ago	Average Weekly Change During:		
			Jan. 1949	Dec. 1948	Jan. 1948
Cleveland (4).....	\$ 888,595,000	+1.4%	+\$ 754,000	+\$2,303,000	—\$704,000
Pittsburgh (12)....	454,811,000	+3.1	557,000	161,000	+ 242,000
Cincinnati (8).....	181,582,000	—0.2	242,000	31,000	+ 89,000
Akron (3).....	103,704,000	+0.5	330,000	79,000	— 190,000
Toledo (4).....	99,701,000	+3.2	428,000	150,000	— 70,000
Columbus (3).....	82,445,000	+6.8	54,000	242,000	— 47,000
Youngstown (3)...	64,908,000	+3.8	33,000	55,000	— 126,000
Dayton (3).....	47,193,000	—3.9	43,000	30,000	— 68,000
Canton (5).....	43,147,000	+0.7	46,000	10,000	— 30,000
Erie (4).....	38,954,000	—0—	162,000	301,000	+ 105,000
Wheeling (6).....	28,320,000	—0.9	105,000	97,000	+ 62,000
Lexington (5).....	10,633,000	—0.6	35,000	11,000	+ 10,000
TOTAL—12 Cities	\$2,043,993,000	+1.7	+\$2,611,000	+\$2,332,000	—\$727,000

During the four weeks ended January 26, time deposits at the 60 reporting banks increased more than \$10,000,000, or at a rate of \$2,611,000 per week. That increase stands in contrast to a decline of \$727,000 per week in the comparable period one year ago.

On January 26, time deposits of the 60 banks totaled approximately \$2,044,000,000 and were 1.7 percent larger than on the corresponding date in 1948. With the exception of November, aggregate time deposits have been increasing regularly for the past six months.

Individual Cities

Time deposits reached a new all-time high in five of the twelve cities. In Cleveland the total reached nearly \$889,000,000 for a 1.4 percent gain over a year ago.

In Pittsburgh, the January weekly gain of \$557,000 put the total close to \$455,000,000, for a year's gain of 3.1 percent.

In Toledo, Columbus, and Youngstown, time deposits established record highs, ranging from 3 percent to nearly 7 percent above a year ago.

Changes in Consumer Instalment Credit
February 1949

25 Fourth District Member Banks

(Compiled February 24, and released for publication February 25)

New Loans Made Compared With Mo. Ago	Yr. Ago	Type of Credit	Outstanding At End of Mo. Compared With	
			Mo. Ago	Yr. Ago
— 8.6%	— 5.8%	Total consumer instalment credit	—0.2%	+ 35.1%
— 2.9	+ 0.8	Personal instalment cash loans	+0.3	+ 8.0
—26.9	—10.5	Repair and modernization loans	—1.2	+ 51.7
		Direct retail instalment loans		
— 2.7	+ 2.4	(a) Automobile	+0.5	+ 48.2
+11.1	—15.3	(b) Other	+3.7	+ 3.0
		Retail instalment paper purchased		
—14.1	+28.0	(a) Automobile	—3.2	+149.5
— 9.5	—28.9	(b) Other	+1.2	+ 39.5

During the month of January, the extension of nearly every type of consumer credit was smaller than in the preceding month at the 25 reporting banks in this District.

Direct retail instalment loans on products other than automobiles totaled 11.1 percent more than in December, but at the other extreme, new loans for repair and modernization purposes were 26.9 percent below the month-ago figure, and the smallest in dollar volume in nearly two years.

Repayments were slightly slower than in preceding months, but because of the shrinkage in new business, the total amount outstanding declined for the first time since mid-1947. Repayments were in excess of new loans in the repair and modernization category and in the purchased automobile paper classification.

The amount of non-automobile purchased paper now held is the largest on record, up 1.2 percent during January.

Bank Debits*—February, 1949

(In thousands of dollars)

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

	Jan., 1949	% Change from year ago	3 Months ended Jan., 1949	% Change from year ago
ALL 31 CENTERS.....	\$7,131,574	+ 4.6%	\$22,985,551	+ 9.7%
10 LARGEST CENTERS:				
Akron.....	Ohio 230,698	+ 0.1%	716,302	+ 2.2%
Canton.....	Ohio 119,848	+11.7	372,295H	+14.9
Cincinnati.....	Ohio 890,020	— 4.4	2,816,021	+ 1.7
Cleveland.....	Ohio 1,830,121	+ 7.2	5,988,094	+12.7
Columbus.....	Ohio 516,300	+ 3.8	1,746,022	+14.2
Dayton.....	Ohio 231,795	— 5.2	724,193	+ 1.2
Toledo.....	Ohio 353,162	— 5.2	1,125,951	— 0.8
Youngstown.....	Ohio 154,463	+ 2.5	497,379H	+ 9.7
Erie.....	Penna. 87,421	— 0.3	278,585	+ 6.9
Pittsburgh.....	Penna. 2,027,061	+12.1	6,564,647H	+14.5
TOTAL.....	\$6,440,889	+ 5.0	\$20,829,489	+10.0
21 OTHER CENTERS:				
Covington-Newport.....	Ky. \$ 39,080	— 5.1	\$ 119,637	+ 0.5
Lexington.....	Ky. 115,723	+ 6.8	333,617H	+14.0
Elyria.....	Ohio 19,194	— 3.8	64,008	+ 4.3
Hamilton.....	Ohio 39,691	+ 6.1	120,736H	+ 5.1
Lima.....	Ohio 43,423	+ 3.2	133,103	+ 4.6
Lorain.....	Ohio 18,434	+ 4.0	60,927	+10.8
Mansfield.....	Ohio 40,433	— 5.1	132,091	+ 8.5
Middletown.....	Ohio 32,368	+ 5.5	103,938	+ 5.2
Portsmouth.....	Ohio 21,148	+ 0.8	66,271	+ 4.4
Springfield.....	Ohio 45,391	— 2.0	139,782	+ 3.2
Steubenville.....	Ohio 22,884	+ 1.6	73,372	+ 6.4
Warren.....	Ohio 38,880	+ 1.8	125,127H	+11.7
Zanesville.....	Ohio 25,178	— 2.6	81,657	+ 6.7
Butler.....	Penna. 30,681	+ 1.5	97,818	+ 8.9
Franklin.....	Penna. 7,387	+ 3.1	23,681	+13.4
Greensburg.....	Penna. 20,547	+ 1.0	66,653	+ 7.9
Kittanning.....	Penna. 10,174	+ 1.4	32,283	+ 7.4
Meadville.....	Penna. 12,366	+ 3.5	38,573	+12.6
Oil City.....	Penna. 18,469	— 5.9	59,576	+ 1.6
Sharon.....	Penna. 28,346	+ 6.0	89,885	+12.4
Wheeling.....	W. Va. 60,888	+ 0.4	193,327	+ 1.0
TOTAL.....	\$ 690,685	+ 1.5	\$ 2,156,062H	+ 7.1

H Denotes new all-time high.

* Debits to all deposit accounts except interbank balances.

Debits to deposit accounts in 31 Fourth District cities during January were 4.6% larger than a year ago, and established a new all-time high for the month.

Total deposits of the same banks, however, were only 2½% greater than a year ago, which means that existing funds changed hands somewhat more rapidly than in the same month of 1948, particularly in the larger cities.

In a number of smaller centers, the rate of turnover was slower than a year ago. Despite the fact that total deposits of reporting banks in the 21 smaller centers were up 5½% for the year, debits against those deposits were only 1.5% larger than in January 1948.

TEN LARGEST CITIES

Debits in Pittsburgh exceeded \$2,000,000,000 again and were 12.1% ahead of a year ago. The second largest gain occurred in Canton where debits in January were approximately \$120,000,000, as against \$107,000,000 a year earlier. In Cleveland, the year-to-year increase was 7.2%.

Last month's debits in Cincinnati, Dayton, Toledo, and Erie fell short of the year-ago figures.

TWENTY-ONE SMALLER CITIES

Among the smaller cities, Lexington led the list with a 6.8% gain over last year. Hamilton was second with a 6.1% increase, and Sharon next with a 6.0%-margin over January 1948.

In six of the smaller cities, debits last month were below year-ago totals.

Indexes of Department Store Sales and Stocks

Daily Average for 1935-1939=100

	Adjusted for Seasonal Variation			Without Seasonal Adjustment		
	Jan. 1949	Dec. 1948	Jan. 1948	Jan. 1949	Dec. 1948	Jan. 1948
SALES:						
Akron (6).....	298	334	294	229	531	226
Canton (5).....	361	386	342	267	640	253
Cincinnati (8).....	310	320	304	242	515	237
Cleveland (10).....	292	299	276	225	457	212
Columbus (5).....	391	349	321	297	569	244
Erie (3).....	336	338	295	259	595	227
Pittsburgh (8).....	293	288	259	220	441	194
Springfield (3).....	284	304	291	205	516	209
Toledo (6).....	296	306	286	210	517	203
Wheeling (6).....	265	261	235	183	459	162
Youngstown (3).....	348	357	318	261	572	238
District (96).....	303	317	284	230	491	216
STOCKS:						
District.....	274	295	277	240	245	243