



**FEDERAL  
HOME  
LOAN  
BANK**

# REVIEW

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NATIONAL HOUSING  
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FEDERAL HOME LOAN  
BANK ADMINISTRATION

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FEDERAL HOME LOAN  
BANK SYSTEM

FEDERAL SAVINGS AND LOAN  
ASSOCIATIONS

FEDERAL SAVINGS AND LOAN  
INSURANCE CORPORATION

HOME OWNERS' LOAN  
CORPORATION

UNITED STATES HOUSING  
CORPORATION



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★ ★ ★ WORTH REPEATING ★ ★ ★

**BASIC INDUSTRY:** "Construction is a basic industry in our economy. We must build before we can produce, and we must produce to be strong."

"If we look carefully at our economy, we will see that nothing is more important than a healthy building activity. The ups and downs of construction, as much as any one thing, help create that most serious threat to the continuance of our free institutions—widespread unemployment."

Eric A. Johnston, before the National Association of Home Builders, September 25, 1944.

**EFFECTIVE DEMAND:** ". . . It is clear from various surveys that in no small part savings accumulated by individuals during the war are intended, now at least, to go into new home ownership. Provided reasonable general employment and income are maintained, as seems likely, houses—single and multi-unit—will be built in large numbers. Moreover, in the development of *cheap* (possibly prefabricated) housing there may possibly prove to be, as some authorities suggest, the equivalent of a new industry capable of sustaining a period of prosperity (with minor recessions, of course) for an extended period."

Dr. Bishop C. Hunt, *Best's Insurance News*, September 1944.

**LOCAL RESPONSIBILITY:** "In striving for good homes for veterans and for all American families, no sector of American society has a greater responsibility than our cities, towns and villages. Housing is a local responsibility; the Federal Government should assist communities in their housing problems where such assistance is needed and wanted, but it cannot and should not attempt to replace local initiative and local decisions."

John B. Blandford, Jr., before the American Legion Convention, September 19, 1944.

**MODERN AGE:** "It is important for all cities to realize that this is a modern age and that housing—the last major American industry to get out of the hoop-skirt era—is finally catching up. Homes for the great mass of solid Americans—for the people who are today saving our nation in the factories and on the battlefields—will inevitably be built

at low cost on assembly lines. They will be safe, comfortable, attractive and homey, but they will require modernized building codes. The problem is one that must be faced realistically by city leaders."

William B. Stout, *The American City*, July 1944.

**TOMORROW'S RISK:** "Our appraisers cannot be too hard-boiled. The borrower of today with the wages of a wartime job may be a poor risk tomorrow. If he fails, nothing remains but the property. If its value is not sound—if the home is on our books at an excessive valuation, we shall have set up a risk which one day we shall have to overcome."

Arthur G. Erdmann, before the Conference of the Illinois Savings and Loan League.

**STABILIZED ECONOMY:** "Recently we have read and heard broad discussion as to the future influence of savings. Melancholy prognosticators tell us that the moment peace returns every one with a war bond or a savings account will rush forth to cash bonds, withdraw accounts and buy whatever may be offered in goods presently denied us. That is a doubtful assumption. . . .

"There is reason to believe that we will not experience a wasteful buying spree, but an orderly turnover to peacetime industry, a program in which business, banking, industry, and—by far the most important—the people themselves, will join hands. Let us have faith in this, our way, to a stabilized economy."

Isaac W. Roberts, *The Month's Work*, September 1944.

**THREAT TO STABILITY:** "Unfortunately, the gathering strength of your institutions is in great danger of being sapped by the fierce competition which has produced murderous bidding for high-percentage loans on the basis of current sales prices. Not only our type of institutions, but mortgage lenders of every variety are driven into practices that are a grave threat to the stability of the real estate market, to the soundness of lending institutions, and to their ability to begin post-war operations with a clean slate. . . .

"Our position with respect to inflationary lending is simply this: Any individual is at liberty to wager his own money on the chances of continuing inflation after the war, but the trustees of other peoples' savings cannot afford to do so. It is the way of deadly peril."

James Twohy, before Fall Convention of the Massachusetts Cooperative Bank League.

**ADVENTURE IN PROSPERITY:** "For the good of all of us, but mostly for the sake of our soldiers and sailors, let us hurry, hurry, hurry, not only in winning the war but in being ready for the peace. If this transition is to be handled without unnecessary unemployment, without further inflation and chaotic confusion, the government must be ready for the swiftest action. . . . Further delays will turn the adventure in prosperity that lies within our grasp into an adventure in adversity."

Bernard Baruch, *Your Investments*, August 1944.

## POST-WAR BOOKSHELF

*Although inclusion of title does not necessarily mean recommendation by the Review, the following recent publications will be of interest.*

**THE VETERAN COMES BACK:** By Willard Waller. 316 pp. Available at \$2.75 from the Dryden Press, 386 Fourth Avenue, New York, N. Y.

**PROMOTIONAL PLAN TO ASSIST IN SOLVING WAR HOUSING PROBLEM IN CRITICAL COMMUNITIES:** 1944. 29 pp. Available from Homes Use Service, National Housing Agency, Washington 25, D. C.

**EFFECT OF THE WAR ON THE FINANCIAL STRUCTURE OF THE UNITED STATES.** Institute of International Finance of New York University. 18 pp. Bulletin No. 131. Available from the Institute, 90 Trinity Place, New York 6, N. Y.

**POST-WAR PLANNING:** 1943. 23 pp. Available from the Bureau of Foreign and Domestic Commerce, U. S. Department of Commerce, Washington 25, D. C.

*Federal Home Loan Bank Review*

# POST WORLD WAR I—A STRAW IN THE WIND?

*Expectations of an easing of limitation orders affecting construction and building materials following the end of the war in Europe have prompted many estimates as to future trends in new residential construction. In the belief that savings and loan executives, in planning the future course of their business, may be interested in examining experience during approximately similar periods in the past, the REVIEW presents a survey of trends in real estate and construction following the last war, and a summary of differentiating factors of the two times.*

■ ALTHOUGH history rarely repeats itself, frequently there are occasions when the present seems to approximate the past. Thus, as the home-financing industry looks ahead to the unknown quantities in the approaching post-war era, it is a natural instinct to glance at the record of events from immediately before World War I through the first few years following the peace. Just how are those times similar to the present and the impending future? How do they differ? And what information can such a study yield?

In answer to the last question, this analysis is merely intended to highlight some of the effects that a major war has had upon residential real estate and construction. It does not propose to apply findings to a projection of conditions after this war, but presents some of the salient differences between the two periods which should, to some extent, be considered by the reader in drawing any conclusions of his own on the basis of experience of twenty-six years ago.

Unfortunately, data covering residential real estate and construction in the period of the last war are extremely meager, and frequently no comparable information can be found for the more detailed information on current trends. Correspondingly, we must rely primarily upon comparisons of movements in residential construction volume, residential construction expenditures, over-all construction costs, and changes in the index of rentals.

## Construction—World War I

When war first broke out in Europe in 1914, new nonfarm residential construction in the United States was gradually declining in annual volume for the fifth consecutive year from its first peak of the new century—about 573,000 dwellings produced in 1909. After a pause at a rate of 414,000 units in the first and second years of fighting it resumed

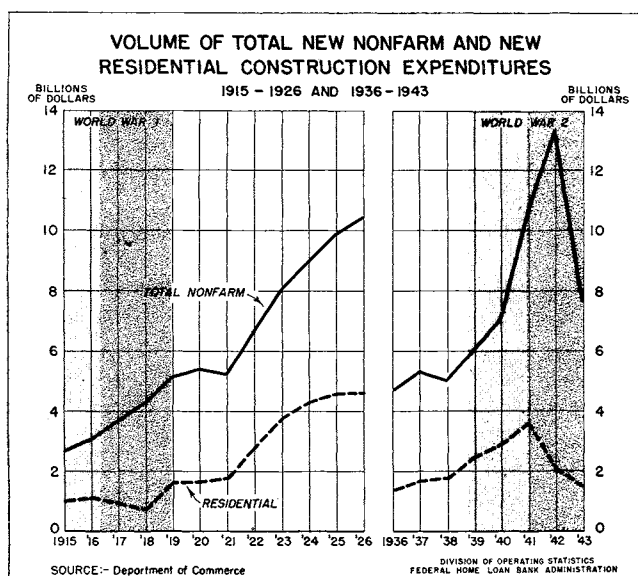
its downward movement in 1916 when it dropped 5 percent. However, expenditures for new residential construction, as reported by the Bureau of Foreign and Domestic Commerce, showed a slight gain during the latter year. Although this may be in part explainable by the lag in expenditures<sup>1</sup> for new housing, it undoubtedly reflects the beginning of an abrupt rise in the cost of building materials and gains in construction wage rates.

In 1917, when the United States entered the war, the rate of decrease in the volume of nonfarm residential building became much more acute, down almost 30 percent from the level of the preceding year, whereas the decline in 1916 had been 5 percent from the higher base of 1915. This trend continued, with the result that the annual volume of home construction in the last year of the war was but 174,000 units, a low for the century second only to that of 1933.

There is no absolute method for measuring the degree of inflation in building. However, it is interesting to note that although the number of dwellings built in 1918 was approximately 56 percent less than in 1916, expenditures for new dwellings were only about 32 percent below the earlier year. The meaning that these figures have may be partly obscured by the same lag in expenditures referred to previously, as well as by changes that may have taken place in the composition of construction. That the spread between these rates of decline does represent a considerable inflationary factor is borne out by the continued upward surge of construction costs—materials and labor. The cost index for frame residential construction, as reported by the Department of Commerce,<sup>2</sup> rose to 154 percent of the 1914 average

<sup>1</sup> This lag is to allow for differences in timing between permits issued and actual construction activity.

<sup>2</sup> Series here are based on costs in four cities—New York, Atlanta, St. Louis and San Francisco. Indexes originally compiled by E. H. Boeckh and Associates, combined and converted to 1914 base.



in 1918 from 107 percent the year before our entry into the war. Building materials alone increased from 128 percent of the same base to 187 percent.

Post World War I brought with it a release of the many pent-up economic forces, and, following a somewhat convulsive upward and downward fluctuation in the first two years after the Armistice, home building began its climb to the peak of the mid-twenties. The early variations in construction and construction costs, however, are interesting in that they reveal several important facts: First, that the greatest and most dangerous inflation occurred *after* and not during the war. This is indicated not only by a more acute rise in construction costs in the early post-war years, but also by the general tendency of these costs to return just as abruptly to a level slightly above that attained in 1918 and to sustain approximately this level with the exception of only the darkest years of the depression.

Secondly, the fluctuations of 1919, 1920 and 1921 show that new nonfarm residential construction did not go into high gear until construction costs had returned to more realistic proportions.

Although there was a sharp up-swing in the number of dwellings placed under construction in 1919, the volume for that year—405,000—was nothing spectacular, being slightly below the number produced in 1914. The recession which struck residential building in 1920, though, was more severe than any suffered during a single war year as the rate fell off to 247,000 units, a drop of 39 percent. Soaring building costs rose to 232 percent of the 1914 average

for that year. Reflecting the greatly inflated cost of building, expenditures for nonfarm residences show only a fractional downward movement, remaining virtually the same from 1919 through 1921 after having risen 26 percent from the last war year.

## Rental Indexes

Unfortunately, reliable figures on home-financing operations are not available for these years and the only guide to movements in the value of existing residential realty is the index of rentals of the Bureau of Labor Statistics. By and large the rental index has followed trends generally equivalent to those of new home building, although not fluctuating as widely as the latter.

Both before and during the first war, rents according to this index remained comparatively stable, rising gently in 1916, falling slightly the next year and rising mildly in 1918. Here again is evidence that war periods do not see as violent changes as occur in the ensuing years, for in 1919 the rent index rose along with the increasing volume of new residential construction and the index of construction costs,

However, rents did not follow these factors in the recession of 1920 but continued their upward movement in an unbroken line to a peak of 152 percent of the 1935-1939 average in the middle of the decade. It is interesting to note that in the first two years following the war, rents increased to 121 percent of this base, a gain of about 25 points, whereas the 1918 level of 95 percent was less than one point higher than that reported for 1916. Apparently, an increase in demand for housing covers the field in general, the willingness and ability to pay more for rental accommodations also indicating an ability on the part of the public to make greater investments in the purchase of homes. Whether this and other trends will be observable after the present war are questions which can hardly be answered by anything more than a guess now. It can be reasonably argued, though, that they may, but the acceptance of such a conclusion must rest upon an understanding of the similarities and differences between the periods under consideration and of the forces that may bear upon the market in the future.

## World War II

The first difference which may be easily recognized is that this war, when it first started in 1939, struck at a time when residential construction was moving upward rather than downward. In fact, 1939 was

the sixth consecutive year of gain for private building, 458,000 dwelling units having been placed under construction.

Construction costs, it will be recalled, had never receded to levels prevailing in the years before the first World War. To the home-financing industry this general long-range trend of diminishing dollar purchasing power has been important in that the converse movement of prices is a factor affecting loan ratios. As related to the longer trends, annual fluctuations are of equal importance in that they may contain severe dangers of a more immediate nature when variations are of sufficient magnitude.

Construction costs during the middle thirties were on the up-grade from depression lows, and from 1937 through 1939 showed considerable stability. The index for the standard 6-room house indicates a slight decline in the cost of residential building during 1938 and 1939. In these two years the index had receded from 105 percent of the 1935-1939 base to 102 percent. In the first year a decline in the cost of materials had offset a gain for the labor component, while in the latter, both factors diminished.

The outbreak of war in Europe, however, coincided with a reversal of this downward trend in costs as well as with an acceleration in privately financed new residential building which, as shown in the chart on page 5, mounted in a steepening line to a peak of 619,000 units in 1941. The decline to 301,000 dwellings the following year as a result of the shortage of critical materials was more precipitous than any decrease reported in a single year of the last depression. The very cause of this drop, the diversion of materials and labor to war production, though, prevented the index for the standard 6-room house from following a similar line. Residential construction costs, according to this gauge, rose to 127 percent of the 1935-1939 average, making an unbroken line of gain of 25 points during the four-year period.

### Effects of Rent Control

During this time, what had been happening to rents? In the thirties they had been following a rising trend along with new residential construction just as they had before in the first half of the twenties. This movement continued through 1941, at the end of which year the fourth quarterly index stood at 108 percent of the 1935-1939 average. Throughout the interval since then rents have been stabilized at about 108 percent as OPA ceilings have been extended to almost every community

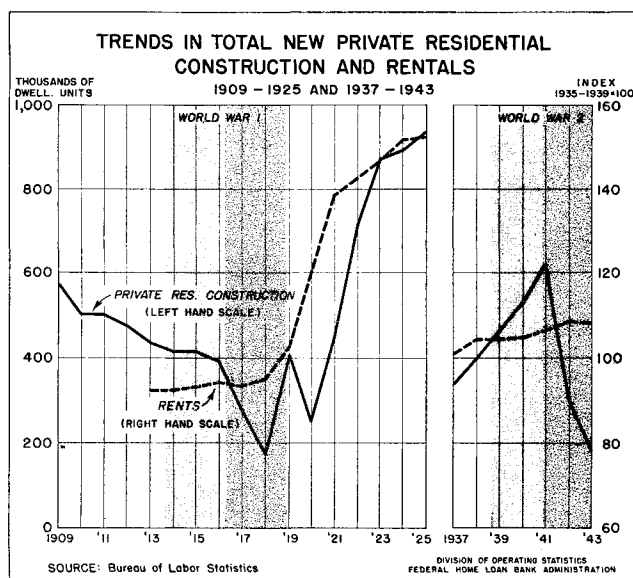
throughout the country. How far rents would have continued to rise is but a matter of speculation, for it hardly seems reasonable to suppose that they would reflect the artificial curtailment in building volume. That the two have moved in unison merely indicates that, if allowed to operate freely, each is symptomatic of the same changes in the general demand for housing. To this extent, trends in rents may prove valuable guides to demand for new building when wartime ceilings are removed.

As an example of this, the very failure of rents to follow the temporary decline in new home construction in 1920 seems to have been advance notice of the tremendous demand for building which finally joined the upward sweep after materials and labor costs had receded to more reasonable levels following the inflated jump of 1919. However, in view of rent control, this index is not currently a guide to inflation in realty. Reliable estimates have been advanced that in a number of areas, residential real-estate prices (existing properties) are 40 percent above pre-war figures.

### Planning for Peace

If planning for the future can make any contribution to post-war stability, prospects after this war should be infinitely brighter than they were a quarter of a century ago, for certainly this time much more careful thought and experience are being applied to the multitude of problems involved

(Continued on p. 14)



# WARTIME TRENDS REFLECTED IN OPERATING STATEMENTS OF MEMBER ASSOCIATIONS

*This analysis of operating ratios of all savings and loan members of the Bank System shows that, despite the reduction of their chief source of income the net operating ratio of these associations was improved and their reserve position strengthened during 1943. A breakdown by asset-size group gives current information for specific application in assessing the records of individual institutions.*

■ THIS analysis of operating statements of member savings and loan associations supplements the recent discussion of combined balance sheets carried in the August REVIEW and rounds out the picture of these institutions during the past year. In spite of numerous war-induced fluctuations in the proportion and character of income and expense items, total operational activities in 1943 showed a continued strengthening of the reserve position of this portion of the industry.

The gross operating income of 3,681 associations on which this study is based amounted to \$255,051,211 during the year. Operating expenses totaled \$69,270,248, of which approximately \$34,329,790 went for salary expenses and \$4,443,640 for advertising. The net income of all these reporting members, allowing for interest on borrowed money and for non-operating income and expense items, was more than \$186,000,000. Dividends (including interest on deposits and investment certificates) absorbed almost \$131,000,000 of this, and something over \$55,000,000 was allocated to reserves and undivided profits.

Although these figures are significant in evaluating operations during a single year, an annual comparison of *operating ratios* rather than of dollar amounts provides a better criterion of progress made from year to year since they are not affected by variations in the number of reporting institutions. Such an analysis of the proportionate amounts of income and expense items for 1943 and 1942 is presented in Table 1.

## **Income Proportions Change**

Last year, for the first time since these comparative data have been available (1939) the income received from first mortgage loans represented a smaller proportion of gross operating income than it had during the year before. Of each \$100 of gross operating income received in 1943, only \$87.44

came from this source compared with \$89.33 in 1942 and \$88.07 in 1941. This development is, of course, the result of last year's decline in the portion of total resources represented by the mortgage portfolio of these associations, and also, of course, of a greatly increased volume of liquid assets. The income derived from bond holdings almost tripled from 1942 to 1943, compensating to some degree for the loss of mortgage-loan income. Last year \$3.32 of every \$100 of gross operating income came from investment income, in comparison with only \$1.16 the year before.

This rapidly increasing liquidity tends to reduce the earning power of associations inasmuch as cash and Government bonds are lower earning assets than first mortgage loans. As a result, relation of net operating income to the average amount of invested capital shows that in 1943 all reporting institutions earned only 3.99 percent of their average invested capital compared with a return of 4.33 percent in 1942 and 4.45 percent in 1941.

The very favorable real-estate market last year, which facilitated an unprecedented liquidation of real-estate owned, brought about a corresponding decline in income from this source. In 1943 net income from real-estate owned represented only \$0.78 of each \$100 whereas the 1942 ratio was \$1.03. During the same period "all other" operating income increased from \$4.81 to \$5.15 which provided another offsetting factor to counter trends reported.

Total operating costs amounted to 27.2 percent of gross operating income in 1943 after remaining constant at 26.4 percent during the two previous years. The increase last year was due to advances in all expense items except advertising. This increase produced a corresponding decline in the ratio of net *operating* income (before deducting interest and other charges) which stood at 72.84 percent as compared with 73.60 in the two previous years. As a result of declining interest on Bank advances and a reduction

in non-operating charges, *net income* in relation to gross operating income increased to 73.08 percent last year from 72.31 in 1942.

### Distribution of Income

The downward trend in the proportionate allocation of net income for dividend purposes which has been evident during recent years continued, although at a slower pace, with only a fractional decrease being noted last year. Of each net income dollar, 70.26 percent was utilized in the payment of dividends (including interest on deposits and investment certificates). The 1942 ratio was 70.65 percent.

The continued strengthening of the reserve position of savings and loan members of the Bank System is evident from a study of the distribution of net income. As in 1942, member institutions devoted a slightly increased proportion of their net earnings to building up their reserve position last year when 29.74 percent was retained in the reserve and undivided profits accounts as against 29.35 in 1942. It is also significant to note that, following the trend of the previous year, a slightly increasing proportion was set aside for reserves as such rather than being retained as undivided profits.

### Variation by Class of Association

With the exception of the item, "miscellaneous operating income," trends in each separate class of institution were identical with the over-all trends shown by the entire group. However, considerable variation was noted in degrees of change in operating ratios as among the different types of associations. Following the pattern evident during previous years, uninsured member associations showed lower ratios in all expense items than did the other classes of reporting institutions with the obvious result that their ratio of net to gross income was higher. Also their ratio of net income from real-estate owned was somewhat above that of other groups of associations and these uninsured state-chartered members showed the lowest proportion of income derived from investments and bank deposits.

Federal associations again led in the growth of reserve accounts. Their transfers to reserves and undivided profits represented 32.17 percent. Only uninsured State-chartered members showed a reduction in the relative amount set aside for their reserve accounts.

**Table 1.—Selected operating ratios for reporting savings and loan members of the Federal Home Loan Bank System**

[Calendar years 1942 and 1943]

Item	All associations		Federals		Insured State-chartered		Uninsured State-chartered	
	1943	1942	1943	1942	1943	1942	1943	1942
Number of associations.....	3,681	3,722	1,466	1,464	960	926	1,255	1,332
Interest income:	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
On mortgage loans.....	87.44	89.33	88.23	91.08	85.61	86.43	88.00	89.27
On real estate sold on contract.....	3.31	3.67	2.62	3.01	4.59	5.06	3.20	3.41
On investments and bank deposits.....	3.32	1.16	3.48	0.81	3.47	1.42	2.86	1.47
Net income on real estate owned.....	0.78	1.03	0.28	0.39	1.18	1.64	1.23	1.48
Gross income from office building.....	1.20	1.11	1.12	1.00	1.18	1.15	1.39	1.26
All other operating income.....	3.95	3.70	4.27	3.71	3.97	4.30	3.32	3.11
Total gross operating income.....	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Compensation.....	13.46	12.98	13.89	13.38	14.32	13.87	11.77	11.49
Maintenance and depreciation of office quarters.....	3.07	2.97	3.11	2.98	3.22	3.16	2.82	2.76
Advertising.....	1.74	1.88	2.21	2.46	1.70	1.88	0.94	0.95
All other operating expense.....	8.89	8.57	9.39	9.16	10.48	10.24	6.29	6.03
Total operating expense.....	27.16	26.40	28.60	27.98	29.72	29.15	21.82	21.23
Net operating income (before interest, etc.).....	72.84	73.60	71.40	72.02	70.28	70.85	78.18	78.77
Less: Interest on FHLB advances and other borrowed money.....	0.97	1.92	1.22	2.57	0.95	1.70	0.54	1.03
Add: Total non-operating income.....	2.40	2.25	1.65	1.50	3.46	2.94	2.63	2.79
Less: Total non-operating charges.....	1.19	1.62	1.10	1.42	1.28	1.61	1.25	1.97
Net income.....	73.08	72.31	70.73	69.53	71.51	70.48	79.02	78.56
DISTRIBUTION OF NET INCOME								
Dividends (including interest on deposits and investment certificates).....	70.26	70.65	67.83	68.70	70.60	71.26	73.83	72.90
Transfer to reserves.....	18.49	18.05	19.72	19.14	19.55	18.88	15.48	15.79
Balance to undivided profits.....	11.25	11.30	12.45	12.16	9.85	9.86	10.69	11.31
Net income.....	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

## Asset-Size Group Analysis

Table 2, containing a breakdown by asset-size group of the 3,681 reporting members, provides a valuable yardstick for individual associations in comparing their operating results with the composite picture of institutions of like size. Corresponding data which have been published in the REVIEW annually since 1941 now give a four-year picture of trends and show the progress that has been made during this period in spite of two years of wartime operation. (An interesting corollary to this asset-size breakdown is provided by reference to the analysis of operating ratios by community-size group contained in the April 1944 issue of the REVIEW, page 184—"Savings and Loan Operations in City, Suburb, and Small Town.")

Again as in the three previous years, these data confirm the fact that total operating expenses as a percentage of gross operating income tend to decline as the size of the institution increases. The spread between these ratios—25.9 to 39.9 percent—has increased considerably over that shown in 1942—25.6 to 36.5 percent—and last year was greater than at any time since these data have been available. Since,

in each year for which this information is on record, the lowest ratio (that shown by the larger-size institutions) has fluctuated only fractionally around 25 percent while the more substantial increases have been found at the other end of the scale, it would seem that operational economy is becoming increasingly difficult of attainment by the smaller associations.

On the other hand, a further analysis of these data indicates that there has apparently been a point beyond which mere size is not a deciding factor in operational efficiency. This is borne out by the fact that for the past three years the optimum ratio has been attained, not by the largest-size group but by those institutions with assets between \$5,000,000 and \$10,000,000.

These annual surveys have established the fact that smaller institutions tend to show a higher proportion of their funds absorbed by payment of interest charges on FHLB advances and other borrowed money. The 1943 data indicate that this same trend has continued with greater advantage in this respect accruing to the larger institutions. In 1942 only those associations with assets of \$2,500,000 or over reflected a percentage below 2 percent, with the

**Table 2.—Selected operating ratios for 3,681 savings and loan members of the Federal Home Loan Bank System**

[For the year ending December 31, 1943, by size of association]

Item	Total	Less than \$50,000	\$50,000- \$99,999	\$100,000- \$249,999	\$250,000- \$499,999	\$500,000- \$999,999	\$1,000,000- \$2,499,999	\$2,500,000- \$4,999,999	\$5,000,000- \$9,999,999	Over \$10,000,000
Number of associations.....	3,681	37	157	627	717	740	844	360	130	69
Interest income:	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
On mortgage loans.....	87.44	84.91	85.78	88.66	87.68	87.50	88.25	87.55	86.47	86.84
On real estate sold on contract.....	3.31	5.95	4.81	3.14	3.64	4.58	3.25	3.33	3.44	2.53
On investments and bank deposits.....	3.32	0.53	0.54	0.91	1.60	1.89	2.88	3.54	3.89	4.71
Net income on real-estate owned.....	0.78	2.91	2.49	1.90	1.77	1.36	0.78	0.84	0.48	0.20
Gross income from office building.....	1.20	0.83	0.83	0.55	0.76	0.85	0.93	0.98	1.82	1.71
All other operating income.....	3.95	5.70	5.55	4.84	4.55	3.82	3.91	3.76	3.90	4.01
Total gross operating income.....	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Compensation.....	13.46	23.30	21.33	16.91	16.07	15.28	14.07	13.09	11.79	12.23
Maintenance and depreciation of office quarters.....	3.07	4.18	3.43	2.83	2.93	2.90	2.83	2.90	3.35	3.49
Advertising.....	1.74	0.69	0.70	0.74	0.89	1.18	1.60	1.93	1.93	2.22
All other operating expense.....	8.89	11.68	9.77	8.24	8.54	8.55	8.84	8.86	8.81	9.37
Total operating expense.....	27.16	39.85	35.23	28.72	28.43	27.91	27.34	26.78	25.88	27.31
Net operating income (before interest, etc.).....	72.84	60.15	64.77	71.28	71.57	72.09	72.66	73.22	74.12	72.69
Less: Interest on FHLB advances and other borrowed money.....	0.97	2.30	1.41	1.43	1.18	1.12	1.02	0.92	0.82	0.87
Add: Total non-operating income.....	2.40	11.12	4.50	2.26	2.27	2.22	1.87	2.68	2.39	2.87
Less: Total non-operating charges.....	1.19	9.46	2.09	2.10	1.18	0.91	0.97	1.35	1.11	1.35
Net income.....	73.08	59.51	65.77	70.01	71.48	72.28	72.54	73.63	74.58	73.34
DISTRIBUTION OF NET INCOME										
Dividends (including interest on deposits and investment certificates).....	70.26	78.11	79.35	74.77	71.89	72.08	70.80	69.93	67.47	70.17
Transfer to reserves.....	18.49	17.30	17.28	16.88	16.79	18.29	18.89	18.11	18.82	18.91
Balance to undivided profits.....	11.25	4.59	3.37	8.35	11.32	9.63	10.31	11.96	13.71	10.92
Net income.....	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

lowest ratio being 1.51. Last year, however, the smallest-size group (less than \$50,000) was alone in showing as much as 2 percent of gross operating income going for this purpose. The three largest groups (\$2,500,000 and over) used fractionally less than 1 percent to pay interest on borrowed money.

Net income, after allowing for interest on borrowed money and for non-operating income and charges, followed the previously discerned pattern of increasing with growing asset size of institutions.

The distribution of net income as between the various asset-size groups again showed that a greater proportion was devoted by the larger associations than by the smaller ones to building up the reserves and undivided profits accounts. The range of variation was wider last year as revealed by the fact that only institutions with assets of \$1,000,000 or more were able to increase this proportionate allotment over that of the previous year, while those member associations with assets of less than \$1,000,000 devoted a lower proportion of their net income to this purpose in 1943 than during the year before.

## Redemption of War Savings Bonds by Savings and Loan Associations

■ EARLY this month, banks and trust companies started their operations as agents of the Treasury Department in the redemption of war savings bonds. As this issue of the REVIEW goes to press, indications are that all of the 12 Federal Home Loan Banks will have qualified as agents of the Department for these purposes. In accordance with Treasury regulations, savings and loan associations may apply for sub-agency agreements with either their respective FHL Bank or a commercial bank or trust company.

According to Department Circular 750, "The terms of any subagency agreement are for determination by each paying bank: Provided, however, that no subagent shall be permitted any greater authority in the payment of bonds than is granted to the qualified bank. All bonds paid by a subagent and all transactions in connection therewith shall be handled by and through the bank establishing the subagent. Each qualified bank shall be fully responsible for the acts of its subagents and for losses resulting therefrom."

Those associations interested in offering this service to their customers will appreciate the desire of the Treasury Department to discourage any un-

necessary activity in the payment of these securities. Obviously a high rate of redemptions negates the effect of new investments and increases the cost of financing the war.

With respect to any publicity given to qualification as an agent or subagent, Circular 750 requires that no announcement or reference to authority to pay savings bonds be made until notice of qualification is received, and after such time only such announcements may be made as meet with the approval of the Secretary of the Treasury or the Federal Reserve Bank of the district, as fiscal agent of the United States. These restrictions apply to all statements for publication or general distribution.



# DIRECTORY CHANGES



AUGUST 16-SEPTEMBER 15, 1944

### Key to Changes

- \*Admission to Membership in Bank System
- \*\*Termination of Membership in Bank System
- #Federal Charter Granted
- ##Cancellation of Federal Charter
- ‡ Insurance Certificate Issued
- ‡‡ Insurance Certificate Canceled

#### DISTRICT No. 3

##### PENNSYLVANIA:

###### Johnstown:

\*Cambria Building and Loan Association, 231 Franklin Street.

###### Pittsburgh:

\*\*Pius Building and Loan Association of the 27th Ward, 104 Pius Street (merged with United Savings and Loan Association).

#### DISTRICT No. 5

##### KENTUCKY:

###### Newport:

\*\*Standard Savings, Building and Loan Association, 107 East Ninth Street (transfer of stock and sale of assets to Clifton-Southgate Federal Savings and Loan Association).

##### OHIO:

###### Alliance:

#Alliance Federal Savings and Loan Association, 337 East Main Street.

###### Cleveland:

\*\*‡‡The Doan Savings and Loan Company, 145 The Arcade (transfer of stock and sale of assets to Union Savings and Loan Association).

#### DISTRICT No. 6

##### INDIANA:

###### Seymour:

\*Co-operative Building and Loan Association of Seymour, Indiana, 211 West Second Street.

#### DISTRICT No. 7

##### ILLINOIS:

###### Chicago:

\*Colonial Savings and Loan Association, 5056 South Halsted Street.

###### Granite City:

‡State Loan Association, 1415 Niedringhaus Avenue.

#### DISTRICT No. 8

##### MINNESOTA:

###### Owatonna:

\*\*‡‡‡Owatonna Federal Savings and Loan Association, 105 West Main Street (transfer of stock and sale of assets to The Steele County Building and Loan Association).

##### MISSOURI:

###### St. Louis:

\*\*Reliable Life Insurance Company, 5144 Delmar Boulevard.

#### DISTRICT No. 12

##### CALIFORNIA:

###### Los Angeles:

\*Pioneer Savings and Loan Association, 740 South Broadway.

October 1944

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# URBAN PLANNING: A KEY TO POST-WAR PROBLEMS

*As the post-war period nears, it seems well to re-examine the general subject of urban planning as a logical approach to the problems that savings and loan associations must face after the peace. As the savings and loan industry is, by its nature, involved in matters of urban planning, it is to the interest of every director to familiarize himself with the aspects of the over-all problem and the multiplicity of questions that stem from it. This article is intended to serve as a brief summary and as an introduction to a series of more detailed and particularized studies to follow.*

■ WITH the rising talk of reconversion and the general feeling of imminence as to the end of the war in Europe, almost all forms of business and industry are preparing to put their blueprints for post-war production into operation. This leads to an inquiry as to just what planning has been done by savings and loan associations, which are expected to play an important part in providing credit facilities for a regeneration in home construction. By and large, many of the subjects on the savings and loan agenda for the post-war period fall within the scope of the general topic of urban planning. City development, which is of the highest concern to all mortgage lending institutions in that it touches on both their civic and business interests, is of particular importance to those of the savings and loan type the portfolios of which consist almost entirely of loans made in each association's local community.

In general terms, what is planning? As a function affecting community interests, it is properly an operation for representative citizens' groups and for government. Although the latter is not necessarily involved in development, it must under ordinary circumstances be relied upon to provide some means for the execution of a plan. Specifically, planning is the drafting of a design for the organization of a community's resources believed to best serve the local economy and promote the general welfare. Thus, to the extent that government is involved in planning, is it not a function of local authorities—city, county or state? Varying according to the community's needs and means, planning for the physical outline of an area involves both quantitative and qualitative considerations of housing needs, the location of business and industrial activity, transportation facilities and traffic control and the development and extension of public utilities and services.

In summary, it is a pattern to shape and even remold communities for better social as well as for economic living.

To the mortgage-lending business, urban planning offers a preservative for sound values, which as proved in many areas, can unnecessarily deteriorate under the "outside" influence of neighborhood blight where the force of aggressive community action is lacking. Above and beyond the protection of existing security, it can open channels to new lending with a greater assurance of more stable loan ratios, while on the other hand improved opportunities for local prosperity and economies in local government can reduce the likelihood of need for recourse to this security.

## Local Considerations

The process of planning, though, is a long and tedious one, and enthusiasm for it may easily lag. This is particularly the case when there is a lack of understanding as to its purpose or when there are excessive and premature expectations as to findings and results. Planning for a city is planning for a living social organism, one capable of an almost infinite variety of responses. Obviously a meticulously rigid plan can have almost no chance for survival under such conditions. Flexibility and breadth are necessary to accommodate the inevitable changes within the framework of a master plan.

Clearly, any design affecting the life of a social group must have its roots in the people and their livelihood. Thus the determinants of urban planning are the population and the economy, and under these two general headings fall all the necessary background of information from which must be derived not only a city's needs but, equally important, the type of plan which it can support. This latter factor

is of greater importance than might at first meet the eye, for over-reaching in planning is a grave danger in that almost irreparable damage can be wrought to planning interest by projections beyond either the financial means of a locality or its disposition for additional regulation.

### Problems of Planning

A commonly heard truism is that housing is a universal need. In city planning it is essential to determine not only the extent of this need, but also the type, and where, when and how it should be met. Knowing the answers to these questions has established savings and loan associations as one of the most important types of home-financing institutions in the country. From their experience, the experience of other mortgage-lenders, and that of real-estate operators must come the answer to the query as to how far private capital can go in providing low-rent accommodations.

The concern of city planning with housing, though, extends beyond the field of low-rent construction, for it pervades virtually all phases and strata of the broader subject. In general, it is concerned with three basic aspects: (1) the elimination of degenerated and blighted areas; (2) the conservation of middle-aged districts; and (3) the planning of areas for new development. Therefore, in planning, the idea is to approach the problem from all sides, lest in correcting one difficulty another be created in its place. Proposals for the quarantine and elimination of areas of general property decay and remedial measures recommended for middle-aged neighborhoods are intended to preserve sound existing assets in a community's housing supply. The development of plans for new construction is to provide an orderly basis for the replacement of worn-out dwellings and to accommodate any anticipated growth in the city's need for more homes. The master city plan is fundamentally a skeletal guide to give unity and purpose to these changes.

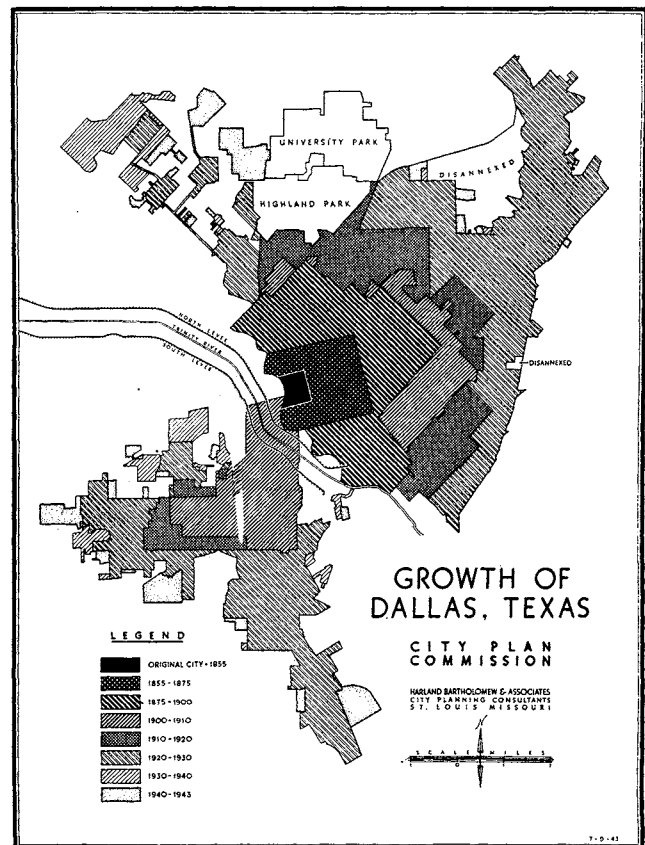
### Blighted Neighborhoods

With respect to the replanning of blighted neighborhoods, the most crucial problem that must be faced is usually that of land assembly. Briefly stated, it is a matter of gaining control of sufficient blocks of properties to constitute what might be referred to as a planning unit. This implies purpose in acquisition to avoid spotty holdings which are unsusceptible of improvement on a neighborhood basis. The exercise of local powers of eminent domain is frequently advocated as the most practical

means to accomplish this end. However, the wide use of condemnation proceedings, while purportedly more simple and cheaper, is believed to present certain legal problems and almost inevitably involve difficult questions as to the equitable treatment of property owners. Where the reconstruction of blighted areas is planned with the participation of private risk capital, such as in the case of a quasi-public redevelopment corporation, it is argued in some quarters that the employment of this system of property acquisition is not within the strict bounds of legal authority.

On the other hand, unless there is some means of assuring an orderly process of land assembly at a reasonable cost, both the control and the elimination of blighted neighborhoods become virtually impossible for local authorities to administer.

Acquisition, however, is but part of the implementation of this phase of the over-all plan which must provide not only for the future use of cleared areas but also for the accommodation of displaced citizens in a more satisfactory environment. The elimination of slums usually brings about a lower population density. Therefore, even if the same sites are to be utilized for low-rent housing, the commitment of



additional land for the former residents becomes almost inevitable. In many cases it may be considered preferable to rehouse entire displaced groups in other portions of the community. This introduces another determination which must be made in planning, the general pattern of concentration or dispersion best suited to the needs of each individual community.

### **Concentration Versus Dispersion**

Some cities have found it desirable to plan for a somewhat decentralized growth in the future with new neighborhoods being developed as semi-self-contained entities, each being served to a considerable degree by its own community shopping and service centers. Obviously, such a determination must be based not only upon the size of the particular city in question but also on the effect that such a growth would have on existing business investments. In a number of cities served largely by local neighborhood merchants and chain stores, expansion has quite naturally followed along such lines.

The choice of future concentration or dispersion, though, is fundamentally based upon considerations of accommodating anticipated growth, stability or decline in population, and must likewise be influenced by the effect of any of these trends upon the local planning jurisdiction. Although metropolitan planning ordinarily includes considerations affecting adjacent populated areas beyond city limits, often its primary concern is the city itself. Correspondingly, it must weigh the influence of proposed development upon city tax rolls as well as the demands that it will place upon public services such as police and fire protection, schools, refuse collection and the extension of utilities—gas, water and electricity.

### **Taxation Problems**

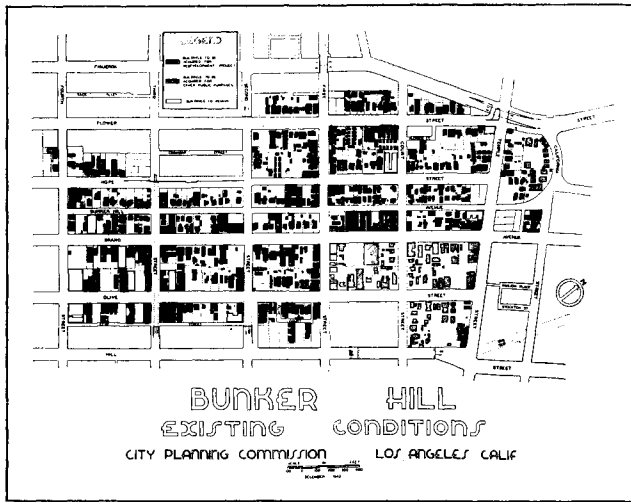
With respect to taxation, it will be recalled that the bulk of local revenues are derived from levies on real estate, principally residential. If a proposed plan is to operate efficiently, there is frequently the need to re-examine assessments. High tax rates and high land costs, particularly in the older, run-down areas, can constitute an insurmountable barrier to private activity in the reclamation of downtown neighborhoods. The general tendency toward a higher ratio of tax delinquencies in the blighted and older portions of the city may considerably diminish any actual loss in revenues which may be sustained through a revision of their assessment, while a general overhauling of the tax base may disclose other

parts of the community better equipped financially to shoulder a larger portion of the property tax load. In this respect it may be worthwhile to consider the possibilities of a levy on occupancy rather than to depend solely upon ownership. A number of the larger cities have been able to broaden their taxing base by the introduction of other forms of taxation; sales taxes are but one example. From the city planner's point of view, the problem is essentially one of removing ruinous and unrealistic assessments on older and less economic properties without transferring an undue burden to new neighborhoods. Also, the cost of government to the replanned city must be within reasonable expectations as to future local revenues.

### **The Role of Conservation**

Thus far discussion has centered on the problems of slums or blighted areas and planning for new construction with but superficial mention of middle-aged neighborhoods. The latter zones, however, ordinarily consist of the largest and certainly one of the most crucial portions of urban residential real estate. Usually accounting for about 50 percent of a city's housing supply, they are frequently caught in the flow of population toward the newer outlying developments in the suburbs, providing hand-me-down housing for the poorer families which are unable to pay rents sufficient to support the fixed charges, maintenance and taxes on the newer homes. Although this type of transition probably cannot and possibly should not be stopped altogether, there is, nevertheless, a major problem of conservation for these neighborhoods to assure their best possible use. Such conservation, though, is a complicated operation involving first a general definition of objectives as to the desirable economic life of the properties affected and an over-all pattern of utilization through their "declining" years. This in turn must be followed by general recommendations for the effectuation of the plan, including measures to assure proper maintenance; physical improvement of the neighborhoods; and considerations for the protection of values by zoning, deed restriction, the control of new building and rebuilding within the conservation areas. Also there is the matter of their ultimate disposition to prevent them in turn from becoming slums. Conservation is intended to gain the maximum from these properties during their economic life. It does not imply a total stoppage of their deterioration.

The housing problem of a city is one of eternal change. Planning for housing, therefore, is not



simply one for the development of hitherto unused land. It is the development of a predetermined course of action for each principal phase in the life of urban realty. In so doing it must inevitably complete the cycle and contemplate the clearance and re-use of land upon which improvements have depreciated to the point that they may no longer adequately serve the purpose for which they are intended. Thus, over-all planning for housing is characterized in large part by considerations of age and the re-use of land.

### Integration Necessary

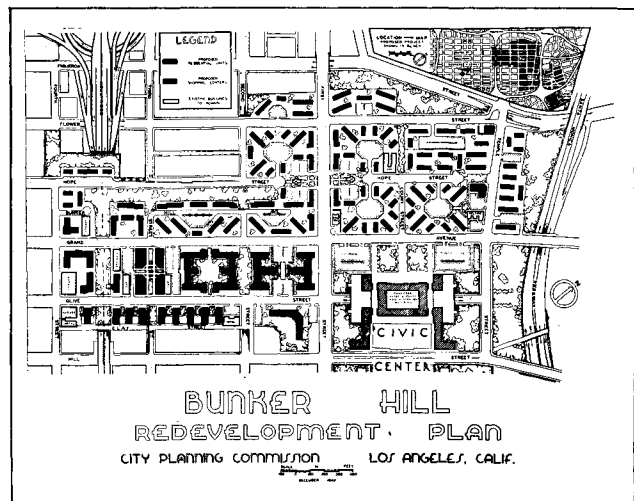
In turning to a brief discussion of the other problems of urban planning, it should be borne in mind that the inter-relation of all planning phases—housing, commerce and industry, street layouts, utilities, public services and so forth, makes the successful solution of each type of problem largely dependent upon the outcome of solutions to all of the others. Perhaps experience during the present war has brought this realization to more civic leaders with greater force than at any other time. Industries, confronted with unheard-of demands for military production, soon found that to gain sufficient labor, workers had to be attracted from areas beyond their own particular city or labor market. To do this and to retain these employees it was necessary to provide housing which was plainly not available in many local markets at the time. Although the priority controls imposed may partially obscure the point, the programming of war housing has been a temporary form of city planning applied on a national scale in that these dwellings were provided to meet the local needs of

communities which were faced with serious problems because of their war-production activities.

Another example of this inter-dependence which has been emphasized by the war has been in the line of utilities expansion. Although not as prevalent as the shortages of housing and also not as widely publicized, a number of cities found that existing facilities for sewerage, water and power were insufficient to bear the added load imposed by expanding war-housing programs. The urgency with which they had to be supplemented brought into clear focus the bearing that this phase of planning has upon that for housing.

Although highway construction has virtually ceased since priorities and manpower controls have been initiated, the very absence of this work provides an illustration of its relation to the other factors involved. Despite the cessation of automobile production and the increasing number of vehicles laid up for the duration due to the rationing of gasoline and tires, traffic congestion has increased in some cities. No statistics are available, but under present working conditions where long hours are put in at war plants such congestion can produce reductions in man-hour productivity. Although, in peacetime, the elimination of such difficulties might be considered more of a luxury from the individual's point of view, it still carries a dollars-and-cents meaning to business in that it simplifies trucking time and renders commercial sites more conveniently accessible to customers. To the local government, it can materially reduce local expenditures for traffic, police and fire departments.

War experience has made us more conscious of the quantitative aspects of planning problems. It has



also been characterized by numerous phenomena which most likely will not exist in their present intensity in times of peace. These distortions, though, have made more obvious many facts which would otherwise be only obscurely discernable in long-range trends. In planning for peacetime, there will be a regeneration of interest in qualitative phases—that is, economics in operation as well as esthetic considerations.

### Importance of Planning Now

Although many cities have abruptly changed size as the result of war activities, sudden growth is not peculiar to these times. Where expansion has taken place, perhaps the volume of gain was the earmark of war. Under ordinary conditions "most city growth takes place by spurts as opportunities of employment attract migrants."<sup>1</sup> If this be the case, what chance is there for orderly city development after the war unless careful planning is done well in advance? Lethargy to planning now may be in large part due to uncertainties as to future developments, but planning very rarely can be carried out with any definite assurance of what is to come. Some cities are working assiduously in gathering what information they can. As reported previously in the REVIEW, a number are canvassing local industries to gain some clue as to post-war employment. Syracuse, for example, has found the radio a successful medium in arousing general public interest in its problems. Almost as many techniques have been devised as there are cities engaged in planning for the future.

The need for an early start is not only acute for those areas looking forward to a resumption in building after the termination of priority controls, but also for those anticipating a loss in population and a supply of surplus housing. Involved in this is the whole problem of the relation of war housing—both private and public—to future developments of the localities in which it has been built. This also must be taken into account in urban planning for post-war years. Real concern is warranted as to effect upon values, not only as loan collateral to lending institutions but also as an equity to the owner and as a source of revenue to the local government. While urban planning may not be a panacea, it is certainly a measure which no mortgage lending institution can afford to ignore.

<sup>1</sup> *The Structure and Growth of Residential Neighborhoods in American Cities*, Federal Housing Administration, Washington, D. C., 1939, page 1.

## Post World War I—A Straw in the Wind?

(Continued from p. 5)

in a transition to peacetime production. However, more than planning for industrial and military demobilization is involved—planning for the peace to follow. World War I occurred at a time of decline in economic activity. World War II came when the country was recovering from one of the most severe depressions in its history. In terms of cost, the present conflict stands head and shoulders above the last war. Growth in the public debt during the two periods gives some idea of the relative deferred portions of these costs to be met by peacetime taxes.

By June 30, 1919, the public debt had reached a peak of \$25,482,034,000, standing more than 20 times greater than the \$1,225,146,000 reported at the end of the fiscal year 1916. At the end of June 1944, the debt was \$201,003,387,000, or four times as high as the 1941 figure of \$48,978,919,000. Thus, the increase in the general period of the first war was about \$24,256,888,000, while from the first of July 1941 through the end of the fiscal year 1944 there was a gain of \$152,024,418,000, between six and seven times as great a rise as occurred in the earlier period.

### What of the Future?

In addition to the differences between economic trends and magnitude of the war-financing problems are those of wartime institutions—the more extensive controls over materials, manpower, prices and credit which exist today. Some of these were in effect during World War I, but under the greater pressure of fighting in two hemispheres and of supplying our Allies as well, it has been necessary to carry these much further and to introduce new types of regulations which were unknown during the period of World War I.

Just what the effect of this war will be on future economic trends remains to be seen. After the last war there were several years of uncertainty before our economy began its expansion of the twenties. Can planning minimize such disturbances after the present war? Will the so-called backlog of demand built up in these times of restrictions find purchasing power after the war, and if so, will it be sufficient to carry us over into a period of high employment under civilian production?

# SIXTH WAR LOAN IN THE OFFING

■ FIGHTING dollars are still as much in demand as fighting men; and successes in past drives, whether military or financial, are only a prelude to what remains to be done. It is on this note that the Sixth War Loan Drive will be launched on November 20. The goal this time is being set at \$14 billion. Of this, the quota for individuals is \$5 billion. Subscriptions for bonds and notes processed through Federal Reserve Banks between November 1 and December 31 will be counted toward the drive. This arrangement has been made in order to take care of payroll purchases of industrial and business employees.

*Honor Roll* standards for this coming drive will be sales equal to 10 percent of associations' assets to cover the two-month period of November and December. Good as the record of the Bank System membership has been in promoting and supporting previous bond drives, it can still be topped. With so much at stake in the war and peace, these institutions should, and doubtless will, do more.

## August Sales and Purchases

War bond sales and purchases during August showed the customary slump following the big push of a Drive. Activity by members of the Bank System dropped 95 percent in combined volume of sales and purchases from the unprecedented peak reached during June and July. However, the combined total of \$27,165,000 reported by 2,356 member institutions compared favorably with the volume reached in May, the last month preceding the Fifth War Loan when a volume of \$22,733,000 was rolled up by 2,499 reporting associations. Of the August amount, \$12,460,000 represented sales to the public, compared with \$11,693,000 in May, while purchases amounted to \$14,705,000 in August, and only \$11,040,000 in May.

Member associations in the Cincinnati District showed the highest combined volume of sales and purchases during August—\$7,657,000. This region also stood first in the amount of purchases (\$5,438,000) although in volume of sales it was topped by Chicago Bank District institutions on the basis of \$2,447,000 against \$2,219,000 for Cincinnati.

Sales and purchases during August brought the cumulative total of all Bank Districts since January 1, 1943, to \$2,261,755,000. The total obligations held by all reporting associations at the end of August

amounted to \$1,136,231,111, or 21.7 percent of their total assets.

## Honor Roll

Of the 2,356 associations reporting their August war bond activities, 136 attained the recognition of the *Honor Roll* by selling to the public bonds and stamps equivalent to at least 1 percent of their assets. In May, 123 associations reached this goal. The Little Rock District was represented by the largest number of associations in August—33, followed closely by Chicago with 29. This same standard of admission will be retained for the *Honor Roll* to be published in the November REVIEW which will cover sales made during the month of September.

### More Fifth War Loan

The REVIEW regrets the oversight of last month which deprived the following associations in the Little Rock Bank District of their proper recognition in the *Honor Roll* of the Fifth War Loan drive. These associations had qualified by reporting war bond sales during June and July equal to 10 percent or more of their assets. In order to give credit where it is due, this supplementary list is published.

#### LITTLE ROCK

First Federal Savings and Loan Association, Paris, Tex.  
First Federal Savings and Loan Association, Ranger, Tex.  
First Federal Savings and Loan Association, San Antonio, Tex.  
Home Building and Loan Association, Plainview, Tex.  
Olney Federal Savings and Loan Association, Olney, Tex.  
Quanah Federal Savings and Loan Association, Quanah, Tex.  
San Antonio Building and Loan Association, San Antonio, Tex.  
Security Federal Savings and Loan Association, Pampa, Tex.

#### NO. 2—NEW YORK

Berkeley Savings and Loan Association, Newark, N. J.  
East Paterson Building and Loan Association, East Paterson, N. J.  
Edison Savings and Loan Association, New York, N. Y.  
Lakeview Savings and Loan Association, Paterson, N. J.  
North Belleville Savings and Loan Association, Belleville, N. J.  
Walton Savings and Loan Association, Walton, N. Y.  
West Essex Savings and Loan Association, Caldwell, N. J.

#### NO. 3—PITTSBURGH

First Federal Savings and Loan Association, Indiana, Pa.  
First Federal Savings and Loan Association, Logan, W. Va.  
First Federal Savings and Loan Association, Wilkes-Barre, Pa.  
Huntington Federal Savings and Loan Association, Huntington, W. Va.  
Montour Valley Savings, Building and Loan Association, Imperial, Pa.  
North Philadelphia Federal Savings and Loan Association, Philadelphia, Pa.  
St. Edmond's Building and Loan Association, Philadelphia, Pa.  
United Federal Savings and Loan Association, Morgantown, W. Va.

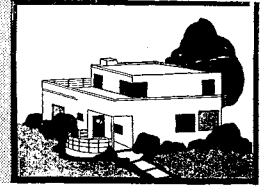
#### NO. 4—WINSTON-SALEM

Atlantic Federal Savings and Loan Association, Baltimore, Md.  
Brevard Federal Savings and Loan Association, Brevard, N. C.  
First Federal Savings and Loan Association, Cordele, Ga.  
First Federal Savings and Loan Association, Decatur, Ala.  
First Federal Savings and Loan Association, Eustis, Fla.  
First Federal Savings and Loan Association, Forest City, N. C.  
First Federal Savings and Loan Association, Phenix City, Ala.  
Fort Hill Federal Savings and Loan Association, Clemson, S. C.  
Gate City Building and Loan Association, Greensboro, N. C.  
Home Building and Loan Association, Easley, S. C.  
Jefferson Federal Savings and Loan Association, Birmingham, Ala.  
Lithuanian Federal Savings and Loan Association, Baltimore, Md.

(Continued on p. 31)



# THE HOME FRONT



## FHA prepayment regulations clarified

In recognition of the growing popularity of mortgage-loan prepayments as means of establishing a margin of safety against possible future exigencies, the Federal Housing Administration has issued a statement clarifying its regulations covering advance liquidation of insured-mortgage obligations.

Such prepayments, according to the statement which was sent to 8,767 banks and lending institutions participating in the FHA program, may take one or more of three forms. They may be made for a definite number of months in advance for which instalments may then be skipped; one or more monthly instalments may be prepaid at the same time that regular payments are continuing; or, prepayments on principal may be made, thus accelerating the final maturity of the loan by reducing the number of future instalments necessary for final liquidation of the debt.

## New sites for old houses

In order to keep up with shifts in housing demands, more than 8,400 units of publicly-financed war housing have been moved from one production center to another, over distances varying from 2½ to almost 900 miles, according to a recent announcement by the National Housing Agency. Although some of this housing was prefabricated with demountability as a feature, other units, though classified as temporary war housing, were not intended to be moved from their original location.

The first experiment in moving this latter type of home was completed by the Federal Public Housing Authority when 12 units, contained in two buildings, were moved from Delaware to Virginia, over 186 miles. One of the buildings, one story, held four units while the other was a two-story dwelling of eight units. These buildings

were cut apart and panelized, shipped by freight car and highway, taken to the site by truck, and re-erected with only slight losses in material.

In another experiment at Niagara Falls, N. Y., the practicability of converting a two-story building into smaller single story dwellings for reuse elsewhere as war housing is being tested. On the same site, a dismantling job will be done to discover various possible means of disposing of materials from temporary war housing after the war.

## Survey on home merchandising

A recent survey, conducted by the *National Real Estate Journal*, presents some interesting findings on the subject of home merchandising. Three hundred real-estate builders, chosen at random, provided the sample for the inquiry.

The most popular choice of promotion proved to be classified ads, with most builders preferring a combination of three or four methods, such as display ads, model homes, outdoor signs, etc. Almost half of the builders said that they used model homes as part of their campaign. The majority set aside a definite percentage of the sales price to defray advertising expenses, the average amount being about 1 percent.

Replies to other questions show that 45 percent of those canvassed believe that, for some time after restrictions are lifted, markets will be so large that sales will be almost automatic. However, about 30 percent expressed contrary views.

Opinion was divided on the subject of materials and labor cost trends and their effect on the market for homes. While 38 percent indicated belief that these factors might discourage prospective buyers from proceeding with their plans, 46 percent did not consider this item as a major barrier to the volume of home buying which they expected.

Most real-estate builders are staying close to their market, as shown by the fact that all but 22 percent have a comparatively active file of probable post-war home purchasers.

As far as merchandising features of the homes were concerned, a change of ideas is taking place. Several items not mentioned as pre-war selling points, such as good location, ample closet space, air conditioning, large windows, larger lots and electrical equipment are to be found on the list of post-war selling features. However, several old standbys like tile baths, doorbell chimes, landscaping, weatherstripping and linoleum are not to be found in the enumeration of the twelve post-war sales points. A good many builders, too, cited the importance of established brand name equipment in the homes.

## City reports to its citizens

The city report of Greenwich, Connecticut, for 1944, latest in an interesting series, is proof of the municipal officials' determination to enlist the support of their fellow citizens in the operation of their own community. It is readable, employing a number of devices to arouse interest; the cover, for example, carries a graphic legend of the town's problems: working in wartime and planning for peacetime.

In addition to the regular financial and departmental coverage, one feature, "Demobilization in Greenwich," covers the work already done on this important subject, and points up the alternatives: public works or relief. The report carries a note to the reader reminding him that, although he may not be able to join in the world peace conference, he has a real part to play in planning for his own town. A summary of the work and policies of the Town Plan Commission, with problems to face and the probable program of the Commission is presented.

### **Maritime Commission transfers housing**

The U. S. Maritime Commission has announced the transfer of thirteen of its war-housing projects to the National Housing Agency. Built by the Maritime Commission, and containing accommodations for 18,851 shipyard workers, they will now be operated by the Federal Public Housing Authority.

Since FPHA has similar developments in the localities where the Maritime Commission projects are located, transfer will make possible economy of operation. Too, payments to local communities—in lieu of taxes—totaling about \$700,000 will be made; this was not possible before. Types of housing included are both temporary dormitory and temporary family, and are located in Maine, Alabama, Florida, Mississippi, Texas and California.

### **Sound conditioning—for tomorrow's houses**

The idea of air conditioning homes is no longer a new one; but the idea of sound conditioning, which may prove as important, is less familiar. September's *Architectural Forum* discusses this new field. The difference between sound insulation, which deals with the transmission of noises, and sound absorption, which covers the reduction of the general noise level within a space and attempts to provide better acoustical emphasis, is pointed out. Once this definition is made clear, sound conditioning can be reduced to three main principles: the prevention of sound passage between rooms, the absorption of noise at its source, and sound control within the rooms.

For the one-story house, such planning may be done in the design stage, using fireplaces, closets, or a masonry wall as a device for sound conditioning. The two-story home, more difficult because floor and ceiling construction do not form an effective barrier, may use insulating material in stair-way treatment. It should be possible, according to the author of this article, to supply the house of the future with "quiet areas," or at least to reduce everyday noises.

Special attention will be paid, probably to plumbing and kitchen sounds, and to providing a spot for the telephone which will allow comfortable

conversation. For this, perhaps, the principles now being used in the doorless booths in the newest New York subways, where you can hear clearly even when the trains thunder by, will be used—a nook with insulating material on three sides. It may be possible to segregate areas of the living room, so that studying or reading may be done in one part, while the radio plays in another without disturbing the reader.

### **Fire retardant approved for New York building code**

A special fire-retardant coating for wood construction has been unanimously approved by the New York City Board of Standards and Appeals. This advisory group (see "Building Codes—Present and Future," FHLB REVIEW, March 1944, p. 157) has recommended the use of this material under the New York City Building Code.

Comparative tests of coated and uncoated lumber were made by the Board's Committee of Tests and by the Fire Council of the Underwriters' Laboratories. The latter demonstration showed that, in comparison with uncoated red oak, which was rated as 100, lumber to which Albi-Firepel S had been applied registered only 65 in flame spread, 40 in fuel contribution, and 15 in smoke developed. This material, a viscous liquid which may be painted or sprayed on interior wood construction, is a white or ivory color but may be tinted in order to obtain any decorative effect that may be desired.

### **Changes in defense-rental areas**

The extension of rent control to six southern and western communities, because of an increased demand for housing and a subsequent rise in rents, has been announced by the Office of Price Administration. Over 23,000 dwelling units will thus be added to the more than 14,600,000 units now under rent control.

The additional Defense-Rental Areas, and the maximum rent dates, are: Boulder (Colorado), June 1, 1943; Ardmore (Oklahoma) and Longview (Texas), July 1, 1943; De Funiak (Florida) and Orangeburg (South Carolina) October 1, 1943; Clarksville (Arkansas) January 1, 1944.

### **Trailers now sold to more workers**

House trailers may now be sold to non-migratory workers in essential jobs if other housing accommodations are inadequate, the War Production Board has announced. Formerly, the sale of these trailers was authorized largely for migratory war workers or those essential to community welfare. Since Government officials have already recommended that more trailers be made available, it is probable that some increase over the present rate of production may be permitted.

The two major types of essential workers now eligible for trailer accommodations are migratory workers, and those who require housing in labor shortage areas where adequate regular dwelling units are not now available.

### **Central heating a public service**

Virginia, Minnesota, a city with a population of over 12,000, is the first and only community in the country with a central plant providing steam heat for all homes, stores, schools and churches, according to the *Technical Bulletin* of the National Housing Agency for October 1944.

Operating as a non-profit enterprise, the municipally owned heating system consumes 43,000 tons of bituminous coal a year. The annual cost of this service to the average owner of a 5-room house in the city is \$70, covering both the heating of the home and the provision of hot water. This is estimated to be approximately one-half of what it would cost on an individual basis. Operating costs for this type of heating system, according to the *Bulletin*, vary according to the ability and inclination of the consumers to economize as well as their understanding of the facility which is provided.

Prior to being piped to homes and business establishments, steam is first used to generate electricity, while after its heating job is done it drops through waste pipes as water to be weighed and recorded by a special meter before being discharged through the sewerage system.

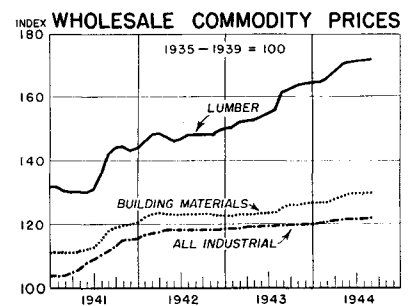
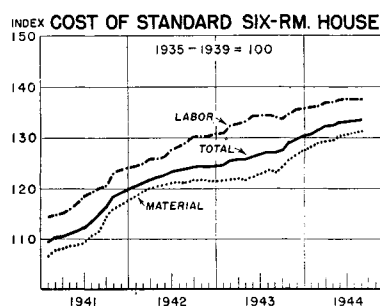
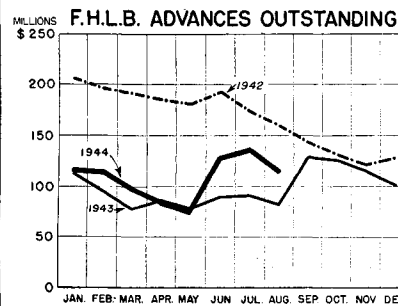
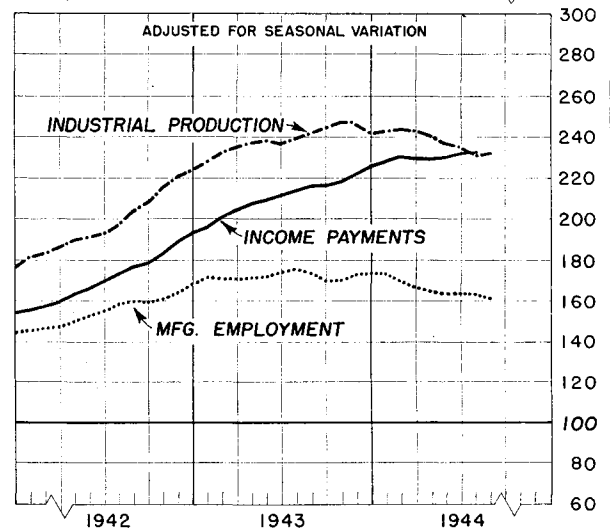
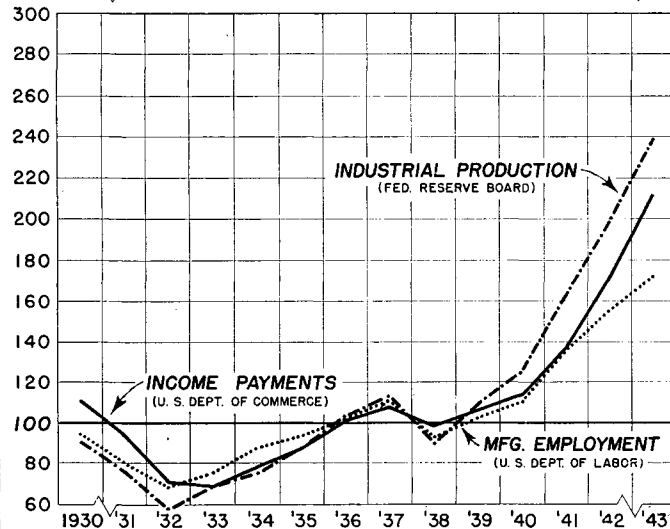
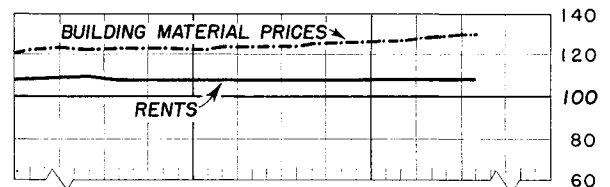
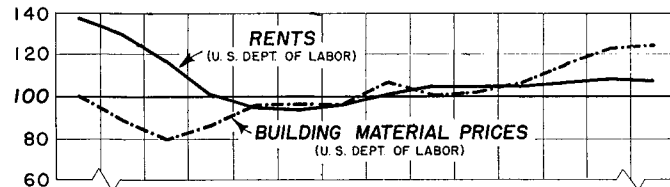
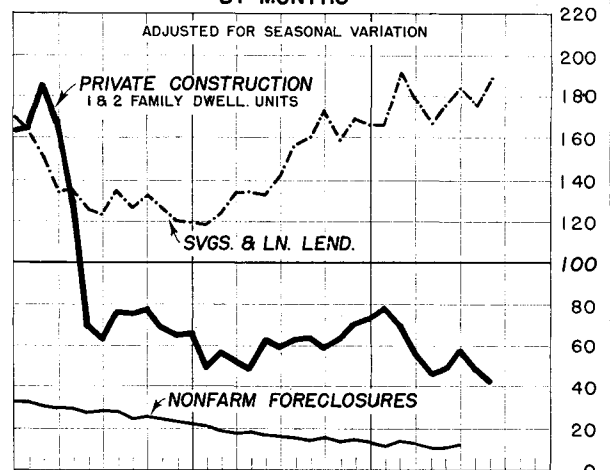
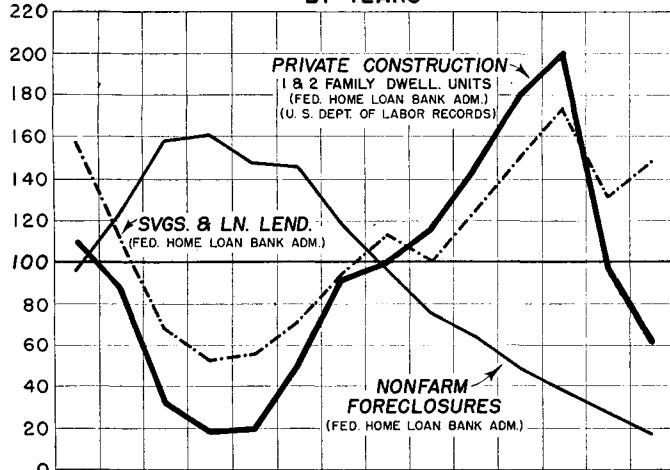
As a result of this novel service the city is virtually smokeless, and dwelling fires are down 40 percent.

# RESIDENTIAL BUILDING ACTIVITY AND SELECTED INFLUENCING FACTORS

BY YEARS

1935-1939 = 100

BY MONTHS



# « « « MONTHLY SURVEY » » »

## HIGHLIGHTS

- I. Home purchase loans by savings and loan associations during August aggregated \$105,000,000, a new peak for any month on which data are available.
  - A. The volume of lending done by all operating savings and loan associations was exceeded only once (June 1944) in the last 14 years.
  - B. The \$955,000,000 loaned by all associations in the January–August period, represents a 28-percent gain over the volume of lending in the comparable 1943 period.
- II. During August, total recordings of nonfarm mortgages of \$20,000 or less reached \$431,000,000—a new high for the war years.
  - A. For the fourth consecutive month, the volume of recordings exceeded \$400,000,000—a gain of 5 percent from July and 21 percent from August 1943.
  - B. Every type of mortgage except insurance companies participated in this monthly gain, with savings and loan associations in the lead as a result of an 8-percent rise.
- III. Total urban residential construction declined 2.5 percent from July to August on the basis of a decrease in permits issued for privately financed 1-family dwelling units.
- IV. Increases in building material prices were responsible for a fractional rise during August in the index of construction costs for the standard house. A 5-percent rise in total building costs has been registered between August 1943 and August 1944.
- V. Insured savings and loan associations showed continued expansion in their total resources which reached \$4,667,000,000 at the end of August. During the month, these institutions reduced their borrowings from Federal Home Loan Banks more than \$20,000,000.



## BUSINESS CONDITIONS—Production shows little change in August

The general level of industrial production showed little change in August and economic activity thus far during the year has been but slightly below the record high of late 1943. Employment was also virtually the same as in July, while railroad freight movements continued in large volume, as expected, but dropped in the opening weeks of September to a point slightly less than in the corresponding weeks of last year. Retail trade was at a new high level for the month of August.

In the middle of the month, action was taken by the War Production Board to pave the way for a reconversion to civilian production on an as, if and when basis, military needs being the determining as well as the uncertain factor. The initial step consisted of the removal of direct controls from a number of simple items which can be fabricated from idle and excess inventories in the hands of manufacturers where manpower not needed for war production is available. Looking ahead to the end of the war in Europe, WPB also made public estimates that a 40-percent reduction in the output of munitions would take place following the defeat of Germany, foreshadowing an easing of the tight manpower situ-

ation, and, possibly, some increase in materials for civilian production.

As shown in the seasonally adjusted index of the Federal Reserve Board, industrial production rose only 1 point during August to 232 percent of the 1935–1939 average. The maintenance of this high level, believed to be about three times the peak attained in the last war, has been made possible in part by a fuller employment of idle resources and by demands for new types of military products.

According to reports of the Bureau of the Census, the labor force in August totaled 54,010,000 persons, standing more than 1,400,000 below the figure reported for the corresponding month of 1943, and about 990,000 below July of the current year. Non-agricultural employment showed but a slight decline for the month, being reported at 44,600,000 while

[1935–1939=100]

Type of index	August 1944	July 1944	Percent change	August 1943	Percent change
Home construction (private) <sup>1</sup> .....	41.7	48.7	-14.4	62.8	-33.6
Rental index (BLS).....	108.1	108.1	0.0	108.0	+0.1
Building material prices.....	129.5	129.4	+0.1	125.3	+3.4
Savings and loan lending <sup>1</sup> .....	188.9	175.1	+7.9	159.9	+18.1
Industrial production <sup>1</sup> .....	232.0	231.0	+0.4	242.0	-4.1
Manufacturing employment <sup>1</sup> .....	161.1	163.1	-1.2	173.3	-7.0
Income payments <sup>1</sup> .....	234.6	232.2	+1.0	215.2	+9.0

<sup>\*</sup> Revised.

<sup>1</sup> Adjusted for normal seasonal variation.

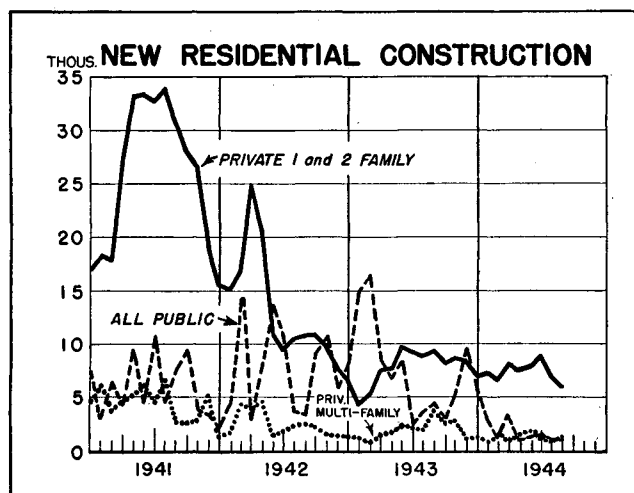
unemployment was placed at 840,000, compared with about 1,000,000 persons in July. The decline in unemployment which took place despite the reported slight downward movement in the total employed in the labor force reflects the over-all decline in the labor force due to withdrawals for selective service and quits for the purpose of returning to home or to school.

The index of all manufacturing wage earners, compiled by the Department of Labor, was at 161.9 percent of the 1935-1939 average (figures converted) in August, only a fractional change from the preceding month. In the corresponding month of 1943 the index was reported at 174.2 percent.

The combined cost-of-living index of the Bureau of Labor Statistics showed a fractional gain in August as it rose to 126.3 percent of the 1935-1939 base. As compared with the level reported for the same month last year, the combined index showed a rise of only 2.9 points.

### BUILDING ACTIVITY—Total residential construction declines

The total of residential construction in urban areas continued to decline during August when building permits were issued for only 8,236 dwelling units, a decrease of 2.5 percent from last month and a 53-percent drop from August of last year. Privately financed 1-family dwelling units, which represented two-thirds of all permits for August, were responsible for the decline from last month. Permits for other types of dwelling units increased during the month. Privately financed 2-family and 3-or-more family dwellings gained 67 percent and 64 percent respectively, while publicly financed dwelling units rose 21 percent from July of this year. The season-



ally adjusted index of residential construction, based on 1- and 2-family privately financed dwellings, fell to 41.7 percent of the 1935-1939 average, the lowest point for any month in the past nine years.

During the first eight months of this year, permits were issued for a total of 81,000 family-dwelling units compared with 146,000 units during the same 1943 period, a decline of 44 percent. More than four-fifths of this decrease was due to a sharp decline in public construction which dropped from 66,600 units during the January-August period of 1943 to 12,800 during the same months of this year. The 14-percent drop in total private construction occurred in the 2-family and 3-and-more-family unit categories. Privately financed 1-family construction to date this year, 52,200 units, represents a fractional gain over such construction through August of last year. (TABLES 1 and 2.)

### Construction costs for the standard house

[Average month of 1935-1939=100]

Element of cost	August 1944	July 1944	Percent change	August 1943	Percent change
Material.....	131.4	131.0	+0.3	123.4	+6.5
Labor.....	137.3	137.3	0.0	134.2	+2.3
Total.....	133.4	133.1	+0.2	127.1	+5.0

### BUILDING COSTS—Upward trend continues

The gradual upward trend in the FHLBA's index of the cost of building a standard house was continued during August with a fractional rise in the index, from 133.1 to 133.4 of the 1935-1939 average. Increases in building materials prices were responsible for the rise in the total cost index while labor charges, which had declined slightly in July, showed no change during August. The index of the cost of materials going into the standard house now stands 31.4 percent above the average for the 1935-1939 base period and the index of labor costs, 37.3 percent above this base.

Over the past year ending in August, there has been a 5-percent increase in total building costs. Materials now cost 6.5 percent more than a year ago while labor charges have advanced 2.3 percent during this period. Approximately half of this gain has been registered during 1944; the total cost index has risen 2.2 percent since December as a result of a 3-percent increase in materials costs and a 1-percent advance in labor costs.

Of the 24 cities reporting building costs during August, 14 registered increases, 3 reported decreased costs, and 7 indicated no change from the previous reporting period.

During the 12 months ending last August, U. S. Department of Labor's composite index of wholesale building materials prices rose 3.4 percent, all commodities except structural steel contributing to the increase. During August, only lumber and "other" building materials prices evidenced gains, carrying the total index (1935-1939=100) from 129.4 to 129.5. [TABLES 3, 4, and 5.]

## MORTGAGE LENDING—Home-purchase loans set new record

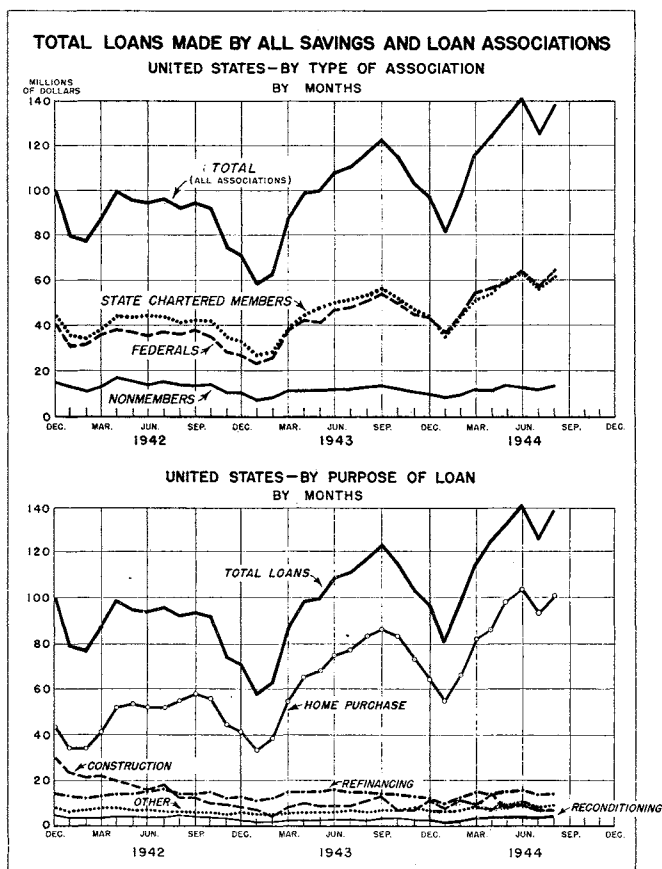
During August new mortgage credit extended by all operating savings and loan associations approximated \$139,000,000, the highest volume in any month of the last 14 years, with the exception of June of this year. Compared with July activity, the current total represents a rise of 11 percent, to which all types of associations contributed. New loans made by nonmember associations rose 14 percent in this comparison; Federals, 13 percent; and state-chartered members of the Bank System, 9 percent. While loans in each purpose-category also increased from July to August, the greatest relative gains were shown in the home-purchase and "other purpose" groups which increased 13 percent and 10 percent, respectively.

Loans made by savings and loan associations during August for the purchase of existing homes aggregated \$105,000,000, or 2 percent more than in June, the previous high month of this year, and a new peak for such loans in any month for which data are available. Of every \$100 of home-mortgage loans made by these institutions during August, \$76 was for this purpose compared with an average of \$72 for the first eight months of this year and an

### New mortgage loans distributed by purpose

[Amounts are shown in thousands of dollars]

Purpose	August 1944	July 1944	Percent change	August 1943	Percent change
Construction	\$7, 589	\$7, 078	+7. 2	\$10, 616	-28. 5
Home purchase	105, 050	93, 232	+12. 7	82, 894	+26. 7
Refinancing	14, 152	13, 871	+2. 0	14, 600	-3. 1
Reconditioning	3, 067	2, 841	+8. 0	2, 809	+9. 2
Other purposes	8, 816	8, 014	+10. 0	6, 470	+36. 3
Total	138, 674	125, 036	+10. 9	117, 389	+18. 1



average of \$66 for the corresponding period of the previous year.

All of the FHLB Districts showed greater activity in August than in July, with the exception of the Little Rock region which registered a 2-percent decline. Gains ranged from 19 percent in the Cincinnati area to 3 percent in Boston. Likewise, all regions except Portland reported increases over August 1943 mortgage financing, with gains in new lending ranging from 38 percent in the New York region to 3 percent in the Winston-Salem Bank District. The counter-trend evident among associations in the Portland area was reflected in a 6.6-percent decrease from August 1943 to the same month in 1944.

So far this year, associations have loaned approximately \$955,000,000, or 28 percent more than the \$745,000,000 of loans made during the same period of last year. This rise was general throughout the country. Loans for the purchase of homes were up 39 percent; other purpose loans, 35 percent; construction loans, 8 percent; reconditioning, 4 percent; while loans for refinancing were down 6 percent. [TABLES 6 and 7.]

## MORTGAGE RECORDINGS—Wartime peak reached

Nonfarm mortgage-financing activity during August reached a new high for the war years. The estimated \$431,000,000 of nonfarm mortgages of \$20,000 or less recorded during that month has been exceeded in only three months—May, July and October 1941—since this statistical series was inaugurated in 1939. With the exception of these three months, all available data indicate that the level of financing activity in August was the highest reached since 1930.

Recordings during August, the fourth consecutive month in which the volume exceeded \$400,000,000, represented a rise of 5 percent from July. This amount was 21 percent above August 1943 and exceeded by almost 1 percent the total of mortgages of \$20,000 or less recorded during the same month of 1941.

Every type of mortgagee participated in the \$20,000,000 advance from July, except insurance companies whose recordings registered an 8-percent decline. Savings and loan associations' financing activity advanced 8 percent in this comparison; individual lenders, 6 percent; and mutual savings banks, 4 percent. "Other" mortgagees and banks and trust companies registered gains of 3 percent each.

Savings and loan associations accounted for 35 percent of the August volume compared with 34 percent of the January-to-August cumulative amount. Individual lenders, for the sixth consecutive month, accounted for 24 percent of the total volume and mutual savings banks made up 4 percent for the fourth month consecutively. Banks and trust companies recorded 19 percent of the August volume;

### Mortgage recordings by type of mortgagee

[Dollar amounts are shown in thousands]

Type of lender	Percent change from July 1944	Percent of Aug. 1944 amount	Cumulative recordings (8 months)	Percent of total recordings
Savings and loan associations	+8.0	34.8	\$1,014,469	33.6
Insurance companies	-8.3	5.2	173,031	5.7
Banks, trust companies	+2.8	19.3	588,022	19.5
Mutual savings banks	+4.3	3.7	104,217	3.5
Individuals	+6.1	24.2	720,727	23.9
Others	+3.2	12.8	417,273	13.8
Total	+4.8	100.0	3,017,739	100.0

"other" mortgagees, 13 percent; and insurance companies, 5 percent.

While the aggregate volume of recordings for the first eight months of this year—\$3,000,000,000—represented a 25-percent gain over recordings during the same period of last year, the total number of recordings—949,700—represented an advance of only 18 percent. [TABLES 8 and 9.]

## FHLB SYSTEM—Declining seasonal trend evident

In line with the normal seasonal expectation, advances of the FHL Banks in August were considerably below those in July: \$4,072,000, as compared with \$28,481,000, a drop of 85.7 percent. While the August advances were 10.8 percent higher than those of the same month in 1943, still they were lower than during any other August since 1934. Every Bank reported advances as being lower in August than July.

Repayments, which exceeded advances in each of the 12 Banks, were the highest yet registered in August, 50 percent above the former peak reached in 1942. Repayments were \$5,875,000 above those of July, and \$12,669,000 higher than those of August 1943.

All Banks reported advances outstanding to be lower in August than in July. Since repayments exceeded advances in all Bank Districts, the balance of advances outstanding was 16.5 percent below the July figure, and 39.7 percent in excess of August last year.

The decline in advances to members was offset to some degree by a rise in cash and in Government securities held. Member deposits were up \$3,796,000 from July, but were \$9,696,000 below last August. Total consolidated assets decreased from \$281,079,000 in July to \$271,403,000 in August; however, this is higher than the \$262,441,000 registered in August 1943. [TABLE 12.]

### FLOW OF PRIVATE REPURCHASABLE CAPITAL

Savings and loan associations received an estimated \$159,900,000 from private investors and paid out approximately \$85,900,000 in withdrawals during August, resulting in a net increase of \$74,000,000 in private repurchasable capital. Insured associations recorded an advance of \$62,000,000; uninsured members, \$7,000,000; and nonmember associations, \$5,000,000. The 1944 growth represents a substantial gain over the same month of last year when the net advance totaled \$51,000,000.

## Share investments and repurchases, August 1944

[Dollar amounts are shown in thousands]

Item and period	All associations	All insured associations	Uninsured members	Nonmembers
Share investments:				
1st 8 mos. 1944	\$1,251,993	\$975,167	\$167,542	\$109,284
1st 8 mos. 1943	1,028,811	770,550	143,999	114,262
Percent change	+22	+27	+16	-4
August 1944	159,865	126,641	19,768	13,456
August 1943	124,196	94,229	17,729	12,238
Percent change	+29	+34	+12	+10
Repurchases:				
1st 8 mos. 1944	\$731,119	\$545,745	\$111,804	\$73,570
1st 8 mos. 1943	636,874	437,577	109,775	89,522
Percent change	+15	+25	+2	-18
August 1944	85,921	64,619	12,736	8,566
August 1943	72,855	50,250	12,807	9,798
Percent change	+18	+29	-1	-13
Repurchase ratio (percent):				
1st 8 mos. 1944	58.4	56.0	66.7	67.3
1st 8 mos. 1943	61.9	56.8	76.2	78.3
August 1944	53.7	51.0	64.4	63.7
August 1943	58.7	53.3	72.2	80.1

The ratio of repurchases to new investments during August 1944 was 54 percent for all associations, compared with 59 percent in the corresponding month of 1943. By type of association, the ratio for August of this year was: insured associations, 51 percent; uninsured members and nonmembers, 64 percent each.

During the first eight months of this year, the net growth in private capital of savings and loan associations was approximately \$521,000,000, exceeding by 33 percent the estimated net growth during the corresponding period of last year. Of this net gain, \$429,000,000 was in insured associations, \$56,000,000 in uninsured member associations and \$36,000,000 in nonmembers. The repurchase ratio of all associations for the January-August period was reduced from the 62 percent shown in 1943 to 58 percent this year.

### INSURED ASSOCIATIONS—Resources show continued rise

Total resources of insured savings and loan associations continued to expand during August, reaching \$4,667,000,000 after increasing \$47,000,000, or 1 percent, during the month. At the same time, these institutions reduced by more than \$20,000,000 their borrowings from the Federal Home Loan Banks. Private investors in the 2,461 insured associations in-

creased their capital accounts \$62,000,000 during the month, the result of total new investments of \$127,000,000 and repurchases of \$65,000,000. For each \$100 invested during the month, \$51 was withdrawn, compared with \$53 in August 1943 and \$59 in August 1942. During the past year, the private repurchasable capital of insured associations increased nearly \$663,000,000, or 20 percent, and at the end of August amounted to more than \$4,025,000,000. Insured associations made approximately \$104,000,000 of new mortgage loans during the month.

### FEDERAL SAVINGS AND LOAN ASSOCIATIONS

At the end of August 1,465 savings and loan associations with total resources of \$2,935,000,000 were operating under Federal charter. The private repurchasable capital of these associations aggregated \$2,556,000,000—an increase of \$41,000,000, or 1.6 percent, during the month. During the past 12 months the private capital accounts of Federals registered a \$439,000,000 rise, up 21 percent, while total resources increased 20 percent.

### Progress in number and assets of Federals

[Dollar amounts are shown in thousands]

Class of association	Number		Approximate assets	
	Aug. 31, 1944	July 31, 1944	August 31, 1944	July 31, 1944
New	634	635	\$978,374	\$966,433
Converted	831	831	1,956,273	1,941,541
Total	1,465	1,466	2,934,647	2,907,974

### New Advisory Council Member

■ ELECTION of Roy W. Larsen as a member of the Federal Savings and Loan Advisory Council for the 1944-1945 term has been announced by the Board of Directors of the Federal Home Loan Bank of Des Moines. Mr. Larsen is the president of the Twin Cities Federal Savings and Loan Association, Minneapolis, Minnesota.

The Advisory Council, which was created by an amendment to the FHLB Act, is composed of one member elected annually by each of the 12 Banks and six members appointed by the Commissioner of the Bank Administration.

**Table 1.—BUILDING ACTIVITY—Estimated number and valuation of new family dwelling units provided in all urban areas in August 1944, by Federal Home Loan Bank District and by State**

[Source: U. S. Department of Labor]  
[Dollar amounts are shown in thousands]

Federal Home Loan Bank District and State	All residential structures				All private 1- and 2-family structures			
	Number of family dwelling units		Permit valuation		Number of family dwelling units		Permit valuation	
	August 1944	August 1943	August 1944	August 1943	August 1944	August 1943	August 1944	August 1943
UNITED STATES.....	8,236	17,702	\$26,426	\$52,290	6,096	9,185	\$19,495	\$30,394
No. 1—Boston.....	191	709	730	2,358	119	283	455	1,108
Connecticut.....	101	206	395	772	29	140	120	588
Maine.....	4	254	14	635	4	54	14	154
Massachusetts.....	70	247	287	947	70	87	287	362
New Hampshire.....	1		1		1		1	
Rhode Island.....	13	2	27	4	13	2	27	4
Vermont.....	2		6		2		6	
No. 2—New York.....	84	793	314	2,134	84	248	314	845
New Jersey.....	32	508	136	1,238	32	99	136	322
New York.....	52	285	178	896	52	149	178	523
No. 3—Pittsburgh.....	137	574	566	1,648	137	261	566	943
Delaware.....	44		132		44		132	
Pennsylvania.....	87	540	425	1,564	87	227	425	859
West Virginia.....	6	34	9	84	6	34	9	84
No. 4—Winston-Salem.....	1,248	2,034	3,732	6,335	809	689	2,188	1,522
Alabama.....	157	114	197	155	149	102	167	134
District of Columbia.....	288	944	846	3,647	98	5	315	8
Florida.....	372	179	1,049	378	297	171	800	352
Georgia.....	75	148	113	315	75	148	113	315
Maryland.....	7	99	24	237	7	78	24	180
North Carolina.....	32	88	29	144	32	38	29	19
South Carolina.....	12	4	20	2	12	4	20	2
Virginia.....	305	458	1,454	1,457	139	143	720	512
No. 5—Cincinnati.....	647	2,329	2,237	7,917	616	935	2,146	3,979
Kentucky.....	14	69	26	121	14	55	26	87
Ohio.....	506	2,209	2,003	7,754	475	829	1,912	3,850
Tennessee.....	127	51	208	42	127	51	208	42
No. 6—Indianapolis.....	901	2,280	3,495	8,417	482	1,420	2,063	6,030
Indiana.....	196	195	713	465	188	195	693	465
Michigan.....	705	2,085	2,782	7,952	294	1,225	1,370	5,565
No. 7—Chicago.....	1,103	1,158	4,534	4,910	604	852	2,741	3,692
Illinois.....	746	1,125	2,884	4,806	289	819	1,228	3,588
Wisconsin.....	357	33	1,650	104	315	33	1,513	104
No. 8—Des Moines.....	100	48	226	33	100	48	226	33
Iowa.....	24	9	73	4	24	9	73	4
Minnesota.....	27	15	49	20	27	15	49	20
Missouri.....	43	22	100	5	43	22	100	5
North Dakota.....								
South Dakota.....	6	2	4	4	6	2	4	4
No. 9—Little Rock.....	1,458	1,454	2,985	2,256	1,151	1,190	2,243	1,642
Arkansas.....	45	22	23	6	45	22	23	5
Louisiana.....	399	88	1,083	100	151	76	463	85
Mississippi.....	146	101	107	24	138	101	103	24
New Mexico.....	47	84	134	111	47	24	134	12
Texas.....	821	1,159	1,638	2,015	770	967	1,520	1,514
No. 10—Topeka.....	233	737	473	2,071	207	544	406	1,666
Colorado.....	36	23	82	46	14	23	21	46
Kansas.....	16	428	16	997	12	235	10	590
Nebraska.....	57	130	233	462	57	130	233	462
Oklahoma.....	124	156	142	566	124	156	142	566
No. 11—Portland.....	500	1,535	1,760	4,809	432	1,022	1,734	3,635
Idaho.....	10	73	13	277	10	73	13	277
Montana.....	9	8	26	21	9	8	26	21
Oregon.....	138	334	361	844	135	95	360	167
Utah.....	135	339	546	1,183	135	333	521	1,169
Washington.....	207	777	812	2,481	207	509	812	1,998
Wyoming.....	1	4	2	3	1	4	2	3
No. 12—Los Angeles.....	1,634	4,051	5,374	9,402	1,295	1,693	4,413	5,301
Arizona.....	32	136	90	247	32	32	90	68
California.....	1,587	3,915	5,269	9,155	1,257	1,661	4,313	5,233
Nevada.....	15		15		6		10	

**Table 2.—BUILDING ACTIVITY—Estimated number and valuation of new family dwelling units provided in all urban areas of the United States**

[Source: U. S. Department of Labor]  
[Dollar amounts are shown in thousands]

Type of construction	Number of family dwelling units					Permit valuation				
	Monthly totals			January-August totals		Monthly totals			January-August totals	
	Aug. 1944	July 1944	Aug. 1943	1944	1943	Aug. 1944	July 1944	Aug. 1943	1944	1943
Private construction.....	7,271	7,646	13,088	68,198	79,094	\$22,849	\$23,686	\$42,793	\$214,936	\$244,515
1-family dwellings.....	5,441	6,537	7,251	52,203	51,900	17,069	20,174	24,399	164,598	169,919
2-family dwellings <sup>1</sup> .....	655	392	1,934	6,950	10,595	2,426	1,363	5,995	23,971	29,363
3- and more-family dwellings <sup>2</sup> .....	1,175	717	3,903	9,045	16,599	3,354	2,149	12,399	26,367	45,233
Public construction.....	965	799	4,614	12,799	66,639	3,577	3,664	9,497	33,608	141,010
Total urban construction.....	8,236	8,445	17,702	80,997	145,733	26,426	27,350	52,290	248,544	385,525

<sup>1</sup> Includes 1- and 2-family dwellings combined with stores.  
<sup>2</sup> Includes multi-family dwellings combined with stores.

**Table 3.—BUILDING COSTS—Index of building costs for the standard house in representative cities in specific months<sup>1</sup>**

[Average month of 1935-1939=100]

Federal Home Loan Bank District and city	1944			1943	1942	1941	1940	1939	1938
	Sept.	June	Mar.	Dec.	Sept.	Sept.	Sept.	Sept.	Sept.
<b>No. 1—Boston:</b>									
Hartford, Conn*.....	135.2	135.1	134.6	134.5	130.3	128.5	123.7	103.2	100.0
New Haven, Conn.....	144.1	140.6	138.3	135.9	132.5	131.1	126.3	103.9	100.5
Portland, Me.....	133.7	126.5	126.1	126.1	117.7	112.1	102.0	99.3	98.8
Boston, Mass*.....	133.1	132.5	130.2	130.0	128.5	125.7	116.7	104.5	101.7
Manchester, N. H.*.....	120.8	118.7	118.1	116.2	115.4	108.7	103.7	98.1	97.0
Providence, R. I.*.....	139.9	138.8	136.3	135.7	132.1	120.7	115.9	106.9	103.2
Rutland, Vt.....	129.1	127.0	126.8	126.0	125.4	124.4	115.0	98.8	97.5
<b>No. 4—Winston-Salem:</b>									
Birmingham, Ala*.....	129.3	127.4	126.9	125.2	122.7	117.0	114.7	94.2	92.7
Washington, D. C*.....	151.0	149.6	146.7	146.6	144.7	135.9	124.2	105.2	104.4
Tampa, Fla.....	138.2	138.2	130.2	130.2	119.4	112.0	103.6	101.1	100.4
Atlanta, Ga*.....	143.5	142.6	140.1	137.7	134.8	122.7	117.4	100.0	94.9
Baltimore, Md*.....	151.8	151.8	150.1	149.4	145.7	132.2	122.8	98.5	97.5
Cumberland, Md.....	141.0	141.0	138.4	138.4	126.8	122.1	113.8	99.5	100.1
Asheville, N. C.....	133.0	134.1	134.1	133.4	120.1	115.6	98.8	97.1	101.8
Raleigh, N. C.....	131.1	131.1	131.1	131.1	125.5	116.7	99.7	93.1	101.6
Columbia, S. C.....	139.1	139.1	139.1	138.3	132.2	124.9	98.4	99.3	102.4
Richmond, Va*.....	125.4	125.4	122.9	122.5	119.9	116.0	109.7	96.8	98.9
Roanoke, Va.....	137.6	137.6	136.6	136.6	127.2	125.0	122.6	104.8	103.4
<b>No. 7—Chicago:</b>									
Chicago, Ill*.....	111.9	111.9	112.2	111.2	110.2	103.9	103.9	99.3	99.5
Peoria, Ill.....	125.5	125.6	125.6	125.6	124.1	119.8	119.1	110.2	102.9
Springfield, Ill.....	123.5	123.7	123.7	123.7	123.5	116.6	116.3	106.3	100.5
Milwaukee, Wis.....	152.1	152.0	152.0	149.0	146.7	145.2	131.2	111.6	106.2
Oshkosh, Wis.....	133.6	133.6	133.6	133.6	133.6	133.6	120.1	101.4	102.4
<b>No. 10—Topeka:</b>									
Denver, Colo*.....	120.4	119.8	117.8	117.0	115.6	113.3	109.3	96.8	99.8
Wichita, Kans*.....	135.4	135.3	133.4	130.1	129.0	124.2	117.2	104.8	107.7
Omaha, Neb*.....	129.8	129.8	128.2	127.3	122.2	121.1	114.2	104.6	103.1
Oklahoma City, Okla*.....	156.4	156.3	155.1	154.0	151.2	135.5	128.0	108.4	104.9

\*Indexes of September 1940 and thereafter have been revised in order to use retail material prices collected by the Bureau of Labor Statistics.

† Revised.

<sup>1</sup> The house on which costs are reported is a detached 6-room home of 24,000 cubic feet volume. Living room, dining room, kitchen, and lavatory on first floor; three bedrooms and bath on second floor. Exterior is wideboard siding with brick and stucco as features of design. Best quality materials and workmanship are used.

The house is *not* completed ready for occupancy. It includes all fundamental structural elements, an attached 1-car garage, an unfinished cellar, an unfinished attic, a fireplace, essential heating, plumbing, and electric wiring equipment, and complete insulation. It does *not* include wallpaper nor other wall nor ceiling finish on interior plastered surface, lighting fixtures, refrigerators, water heaters, ranges, screens, weather stripping, nor window shades.

The index reflects the changes in material and labor costs in the house described above. Allowances for overhead and profit, which were previously included in the total costs, were based upon a flat percentage of the material and labor costs and therefore did not affect the movements of the series; no such allowances are included, now that the index is expressed in relative terms only.

Reported costs do *not* include the cost of land nor of surveying the land, the cost of planting the lot, nor of providing walks and driveways; they do *not* include architect's fee, cost of building permit, financing charges, nor sales costs.

In figuring costs, current prices on the same building materials list are obtained every 3 months from the same dealers, and current wage rates are obtained from the same reputable contractors and operative builders. The Bureau of Labor Statistics furnishes building material prices for some cities. Although shortages of materials and priority restrictions preclude the actual construction of this house under wartime conditions, tests indicate that the indexes measure fairly closely the cost changes for smaller frame structures that now can be built.

**Table 4.—BUILDING COSTS—Index of building cost for the standard house**

[Average month of 1935-1939=100]

Element of cost	Aug. 1944	July 1944	June 1944	May 1944	Apr. 1944	Mar. 1944	Feb. 1944	Jan. 1944	Dec. 1943	Nov. 1943	Oct. 1943	Sept. 1943	Aug. 1943
Material.....	131.4	131.0	* 130.8	130.3	129.7	129.1	128.8	127.8	127.6	126.8	126.0	124.4	123.4
Labor.....	137.3	137.3	137.5	137.3	137.0	136.8	136.5	136.1	136.0	135.6	135.0	133.8	134.2
Total cost.....	133.4	133.1	133.0	132.7	132.2	131.7	131.4	130.6	130.5	129.8	129.1	127.6	127.1

\* Revised.

**Table 5.—BUILDING COSTS—Index of wholesale prices of building materials in the United States**

[1935-1939=100; converted from 1926 base]

[Source: U. S. Department of Labor]

Period	All building materials	Brick and tile	Cement	Lumber	Paint and paint materials	Plumbing and heating	Structural steel	Other
1942: August.....	123.2	108.6	103.4	148.1	123.1	123.6	103.5	112.3
1943: August.....	125.3	109.0	102.7	161.5	126.4	118.8	103.5	109.7
September.....	125.6	109.0	102.7	162.7	126.1	118.5	103.5	110.3
October.....	125.8	109.0	102.7	163.3	126.4	118.5	103.5	110.5
November.....	126.3	110.1	102.7	164.1	126.9	120.6	103.5	110.5
December.....	126.6	110.1	102.7	164.3	127.0	120.6	103.5	111.2
1944: January.....	126.7	110.3	102.7	164.4	127.2	120.6	103.5	111.2
February.....	126.9	110.2	102.7	165.3	127.7	120.6	103.5	111.2
March.....	127.5	110.4	102.7	167.8	128.4	120.6	103.5	111.2
April.....	128.6	110.4	103.1	170.8	128.4	120.6	103.5	111.2
May.....	129.2	110.6	105.8	171.5	128.7	121.4	103.5	111.4
June.....	129.4	110.7	105.8	171.5	130.0	121.4	103.5	111.4
July.....	129.4	110.8	105.8	171.7	129.7	121.4	103.5	111.5
August.....	129.5	110.8	105.8	171.9	129.7	121.4	103.5	111.6
Percent change:								
August 1944-July 1944.....	+0.1	0.0	0.0	+0.1	0.0	0.0	0.0	+0.1
August 1944-August 1943.....	+3.4	+1.7	+3.0	+6.4	+2.6	+2.2	0.0	+1.7

**Table 6.—MORTGAGE LENDING—Estimated volume of new home mortgage loans by all savings and loan associations, by purpose and class of association**

[Thousands of dollars]

Period	Purpose of loans					Total loans	Class of association		
	Construction	Home purchase	Refinancing	Reconditioning	Loans for all other purposes		Federals	State members	Nonmembers
1942.....	\$190,438	\$573,732	\$165,816	\$41,695	\$78,820	\$1,050,501	\$412,828	\$476,080	\$161,593
January-August.....	149,670	373,720	111,819	29,187	55,771	720,167	283,742	323,702	112,723
August.....	12,568	55,301	14,019	4,126	6,549	92,563	36,620	41,549	14,394
1943.....	106,497	802,371	167,254	30,441	77,398	1,183,961	511,757	539,299	132,905
January-August.....	68,002	495,387	114,113	19,410	48,298	745,210	318,630	340,286	86,294
August.....	10,616	82,894	14,600	2,809	6,470	117,389	51,172	53,497	12,720
September.....	13,211	86,016	13,799	3,229	6,718	122,973	54,100	55,907	12,966
October.....	7,452	83,259	14,025	2,874	7,540	115,150	50,576	52,026	12,548
November.....	6,928	73,053	12,767	2,638	7,670	103,056	44,804	47,108	11,144
December.....	10,904	64,656	12,530	2,290	7,172	97,572	43,647	43,972	9,953
1944:									
January-August.....	73,346	688,982	107,245	20,258	65,026	954,857	437,415	426,401	91,041
January.....	7,872	55,000	9,976	1,521	6,609	80,978	37,076	35,456	8,446
February.....	11,195	66,138	11,955	1,960	6,916	98,164	44,144	44,139	9,881
March.....	9,127	81,846	14,422	2,266	8,469	116,130	53,883	50,686	11,561
April.....	13,484	85,568	13,491	2,679	7,421	122,643	57,045	54,212	11,386
May.....	7,338	98,872	14,415	2,967	8,931	132,523	59,229	60,141	13,153
June.....	9,663	103,276	14,963	2,957	9,850	140,709	64,474	63,851	12,384
July.....	7,078	93,232	13,871	2,841	8,014	125,036	57,164	56,539	11,333
August.....	7,589	105,050	14,152	3,067	8,816	138,674	64,400	61,377	12,897

**Table 7.—LENDING—Estimated volume of new loans by savings and loan associations**

[Thousands of dollars]

Federal Home Loan Bank District and class of association	New loans			Cumulative new loans (8 months)		
	August 1944	July 1944	August 1943	1944	1943	Percent change
UNITED STATES.....	\$138,674	\$125,036	\$117,389	\$954,857	\$745,210	+28.1
Federal.....	64,400	57,164	51,172	437,415	318,630	+37.3
State member.....	61,377	56,539	53,497	426,401	340,286	+25.3
Nonmember.....	12,897	11,333	12,720	91,041	86,294	+5.5
Boston.....	10,353	10,079	9,247	69,397	59,015	+17.6
Federal.....	4,045	3,949	2,804	25,410	17,110	+48.5
State member.....	5,176	4,863	4,926	35,099	32,161	+9.1
Nonmember.....	1,132	1,267	1,517	8,888	9,744	-8.8
New York.....	13,032	11,259	9,421	81,645	54,583	+49.6
Federal.....	4,359	3,757	2,479	24,941	13,250	+88.2
State member.....	6,620	5,507	5,049	42,387	28,401	+49.2
Nonmember.....	2,053	1,995	1,893	14,317	12,932	+10.7
Pittsburgh.....	11,866	10,095	9,732	79,380	64,482	+23.1
Federal.....	5,129	4,593	4,094	36,047	25,475	+41.5
State member.....	3,830	3,901	3,247	26,796	20,541	+30.5
Nonmember.....	2,907	1,601	2,391	16,537	18,466	-10.4
Winston-Salem.....	15,338	14,072	14,901	113,277	90,749	+24.8
Federal.....	7,673	6,710	7,037	59,846	45,321	+32.0
State member.....	6,651	6,449	6,404	46,512	35,936	+29.4
Nonmember.....	1,014	913	1,460	6,919	9,492	-27.1
Cincinnati.....	25,344	21,325	20,390	164,192	139,563	+17.6
Federal.....	11,345	9,300	8,649	68,187	53,685	+27.0
State member.....	12,228	10,374	10,273	82,368	74,832	+10.1
Nonmember.....	1,771	1,651	1,468	13,637	11,042	+23.5
Indianapolis.....	8,271	7,061	7,306	53,329	45,807	+16.4
Federal.....	4,071	3,453	3,621	26,001	23,941	+8.6
State member.....	3,777	3,290	3,254	24,807	19,255	+28.8
Nonmember.....	423	318	431	2,521	2,611	-3.4
Chicago.....	15,300	14,938	12,204	107,938	74,458	+45.0
Federal.....	6,817	5,840	4,533	44,736	28,490	+57.0
State member.....	7,288	8,065	6,311	54,244	37,888	+45.1
Nonmember.....	1,195	1,033	1,360	8,958	8,580	+4.4
Des Moines.....	9,396	8,187	7,200	59,260	41,173	+43.9
Federal.....	5,247	4,365	3,789	30,501	20,662	+47.6
State member.....	3,304	2,758	2,390	21,224	14,529	+46.1
Nonmember.....	845	1,064	1,021	7,535	5,982	+26.0
Little Rock.....	6,049	6,144	5,700	51,473	38,240	+34.6
Federal.....	2,768	2,884	2,493	21,345	16,052	+33.0
State member.....	3,199	3,192	3,112	29,552	21,561	+37.1
Nonmember.....	82	68	95	576	627	-8.1
Topeka.....	6,927	6,287	5,405	46,355	37,053	+25.1
Federal.....	3,732	3,164	2,894	24,135	21,039	+14.7
State member.....	1,997	1,926	1,695	13,003	10,879	+19.5
Nonmember.....	1,198	1,197	816	9,217	5,135	+79.5
Portland.....	4,528	4,220	4,906	30,690	29,006	+5.8
Federal.....	2,855	2,796	2,834	20,349	18,215	+11.7
State member.....	1,550	1,264	1,902	9,126	9,652	-5.4
Nonmember.....	123	160	170	1,215	1,139	+6.7
Los Angeles.....	12,270	11,369	10,977	97,921	71,081	+37.8
Federal.....	6,359	6,353	5,945	55,917	35,390	+58.0
State member.....	5,757	4,950	4,934	41,283	35,147	+17.5
Nonmember.....	154	66	98	721	544	+32.5

**Table 8.—RECORDINGS—Estimated nonfarm mortgage recordings, \$20,000 and under**

AUGUST 1944

[Thousands of dollars]

Federal Home Loan Bank District and State	Savings and loan associations	Insurance companies	Banks and trust companies	Mutual savings banks	Individuals	Other mortgagees	Total
UNITED STATES.....	\$149,835	\$22,646	\$83,094	\$15,920	\$104,215	\$55,066	\$430,776
Boston.....	13,313	433	5,039	7,876	6,515	2,771	35,947
Connecticut.....	1,934	261	2,790	1,340	2,092	858	9,275
Maine.....	745	33	252	806	533	19	2,478
Massachusetts.....	8,739	139	1,301	4,178	2,687	1,590	18,634
New Hampshire.....	432	---	119	676	346	14	1,587
Rhode Island.....	1,203	---	506	380	649	281	3,019
Vermont.....	260	---	71	406	208	9	954
New York.....	11,082	1,550	5,474	5,945	14,016	6,150	44,217
New Jersey.....	2,999	579	2,525	595	3,455	2,013	12,166
New York.....	8,083	971	2,949	5,350	10,561	4,137	32,051
Pittsburgh.....	10,287	1,664	6,534	395	5,638	3,366	27,884
Delaware.....	175	116	160	35	250	95	831
Pennsylvania.....	9,193	1,290	5,159	360	4,830	3,071	23,903
West Virginia.....	919	258	1,215	---	558	200	3,150
Winston-Salem.....	15,504	2,774	4,987	134	13,365	3,896	40,660
Alabama.....	432	365	325	---	712	233	2,067
District of Columbia.....	3,170	192	473	---	1,721	535	6,091
Florida.....	1,545	1,210	620	---	4,468	808	8,741
Georgia.....	1,581	123	943	---	1,178	462	4,287
Maryland.....	3,742	98	832	134	1,651	404	6,861
North Carolina.....	2,286	536	491	---	1,093	530	4,936
South Carolina.....	364	177	384	---	609	266	1,800
Virginia.....	2,384	73	919	---	1,933	568	5,877
Cincinnati.....	30,717	2,248	10,550	1,062	6,544	4,450	55,571
Kentucky.....	2,930	357	753	---	335	129	4,504
Ohio.....	27,130	1,099	8,978	1,062	5,695	1,716	45,680
Tennessee.....	657	792	819	---	514	2,605	5,387
Indianapolis.....	8,473	3,220	8,419	2	3,457	3,067	26,638
Indiana.....	5,868	735	3,084	2	1,201	753	11,643
Michigan.....	2,605	2,485	5,335	---	2,256	2,314	14,995
Chicago.....	18,021	1,315	6,673	1	7,349	9,175	42,534
Illinois.....	13,582	771	4,360	---	4,489	7,833	31,035
Wisconsin.....	4,439	544	2,313	1	2,800	1,342	11,499
Des Moines.....	10,089	2,260	6,403	121	5,724	4,244	28,841
Iowa.....	2,588	237	1,518	---	903	406	5,652
Minnesota.....	3,715	673	1,301	121	1,604	782	8,176
Missouri.....	3,270	1,263	3,292	---	2,853	3,032	13,710
North Dakota.....	340	67	86	---	190	27	710
South Dakota.....	176	20	206	---	174	17	593
Little Rock.....	7,937	3,033	1,933	---	6,776	2,480	22,159
Arkansas.....	526	46	311	---	394	37	1,314
Louisiana.....	2,087	247	174	---	1,411	866	4,785
Mississippi.....	322	138	214	---	371	91	1,136
New Mexico.....	215	14	133	---	326	8	696
Texas.....	4,787	2,588	1,101	---	4,274	1,478	14,228
Topeka.....	7,661	896	2,054	---	5,083	1,730	17,424
Colorado.....	1,053	100	423	---	2,649	680	4,905
Kansas.....	2,401	185	512	---	494	202	3,794
Nebraska.....	1,285	315	293	---	542	180	2,615
Oklahoma.....	2,922	296	826	---	1,398	668	6,110
Portland.....	4,517	361	3,501	384	3,299	2,891	14,953
Idaho.....	376	43	141	---	194	94	848
Montana.....	339	---	214	---	285	9	847
Oregon.....	1,155	157	264	10	1,548	308	3,442
Utah.....	581	98	677	---	300	100	1,756
Washington.....	1,955	63	2,062	374	813	2,368	7,635
Wyoming.....	111	---	143	---	159	12	425
Los Angeles.....	12,234	2,892	21,527	---	26,449	10,846	73,948
Arizona.....	118	38	158	---	928	46	1,288
California.....	12,056	2,845	21,330	---	25,294	10,789	72,314
Nevada.....	60	9	39	---	227	11	346

**Table 9.—MORTGAGE RECORDINGS—Estimated volume of nonfarm mortgages recorded**

[Dollar amounts are shown in thousands]

Period	Savings and loan associations		Insurance companies		Banks and trust companies		Mutual savings banks		Individuals		Other mortgagees		All mortgagees	
	Total	Percent	Total	Percent	Total	Percent	Total	Percent	Total	Percent	Total	Percent	Total	Percent
1943: January-August	\$775,093	32.2	\$185,426	7.7	\$473,637	19.7	\$94,646	3.9	\$528,192	21.9	\$352,633	14.6	\$2,409,627	100.0
August	119,385	33.6	24,072	6.8	68,043	19.1	15,061	4.2	78,455	22.1	50,416	14.2	355,432	100.0
September	126,586	33.2	23,996	6.3	72,140	19.0	15,332	4.0	83,320	21.9	59,435	15.6	380,809	100.0
October	122,832	31.8	25,141	6.5	74,875	19.4	15,023	3.9	87,430	22.6	61,002	15.8	386,303	100.0
November	111,818	31.6	23,115	6.5	64,877	18.3	15,141	4.3	82,307	23.3	56,415	16.0	353,673	100.0
December	101,176	30.6	22,188	6.7	66,699	20.1	12,227	3.7	76,432	23.1	52,267	15.8	330,989	100.0
1944: January-August	1,014,469	33.6	173,031	5.7	588,022	19.5	104,217	3.5	720,727	23.9	417,273	13.8	3,017,739	100.0
January	89,887	29.8	20,585	6.8	62,180	20.6	9,731	3.2	72,600	24.0	46,966	15.6	301,949	100.0
February	101,705	32.8	18,753	6.1	80,346	19.5	9,294	3.0	72,246	23.3	47,300	15.3	309,644	100.0
March	121,210	32.9	22,660	6.1	70,570	19.2	11,255	3.1	89,136	24.2	53,409	14.5	368,240	100.0
April	127,429	34.5	19,671	5.3	72,438	19.6	12,338	3.4	89,466	24.2	47,926	13.0	369,268	100.0
May	139,748	34.5	21,794	5.4	79,083	19.5	14,882	3.7	95,730	23.6	53,858	13.3	405,095	100.0
June	145,893	34.6	22,215	5.3	79,453	18.8	15,536	3.7	99,140	23.5	59,394	14.1	421,631	100.0
July	138,762	33.7	24,707	6.0	80,858	19.7	15,261	3.7	98,194	23.9	53,354	13.0	411,163	100.0
August	149,835	34.8	22,646	5.2	83,094	19.3	15,920	3.7	104,215	24.2	55,066	12.8	430,776	100.0

**Table 10.—SAVINGS—Sales of war bonds <sup>1</sup>**

[Thousands of dollars]

Period	Series E	Series F	Series G	Total	Redemptions
1941 <sup>2</sup>	\$1,622,496	\$207,681	\$1,184,868	\$3,015,045	\$13,601
1942	5,988,849	652,044	2,516,065	9,156,958	245,547
1943	10,344,369	745,123	2,639,908	13,729,402	1,506,894
August	661,200	28,095	112,434	801,729	144,966
September	1,400,159	138,984	387,412	1,926,555	148,498
October	1,340,148	93,124	274,877	1,708,150	137,496
November	665,293	23,449	109,404	798,146	164,412
December	727,558	24,081	101,378	853,017	200,840
1944					
January	1,084,637	126,825	486,942	1,698,404	180,965
February	2,102,345	157,422	521,702	2,781,469	177,980
March	575,714	22,933	110,347	709,054	261,549
April	605,709	19,306	113,528	738,543	230,614
May	624,253	15,287	111,088	750,628	271,597
June	1,349,794	115,119	377,284	1,842,197	241,278
July	1,086,509	101,082	337,459	1,525,050	220,145
August	499,357	17,807	85,272	602,436	272,125

<sup>1</sup> U. S. Treasury War Savings Staff. Actual deposits made to the credit of the U. S. Treasury.  
<sup>2</sup> Prior to May 1941: "Baby Bonds."

**Table 11.—FHA—Home mortgages insured <sup>1</sup>**

[Premium paying; thousands of dollars]

Period	Title II		Title VI	Total insured at end of period <sup>2</sup>
	New	Existing		
1943: August	\$1,563	\$18,519	\$49,518	\$5,160,367
September	1,479	18,737	46,365	5,226,948
October	818	18,856	48,371	5,293,193
November	833	20,499	48,421	5,364,046
December	747	17,401	42,979	5,426,073
1944: January	592	18,397	49,003	5,494,065
February	249	13,795	40,616	5,548,725
March	250	12,729	41,620	5,603,324
April	130	13,200	36,793	5,653,447
May	81	18,319	37,739	5,709,586
June	81	17,768	34,238	5,761,673
July	82	18,322	42,322	5,822,399
August	90	20,256	48,166	5,890,911

<sup>1</sup> Figures represent gross insurance written during the period and do not take account of principal repayments on previously insured loans.

<sup>2</sup> Includes Title I, Class 3, amounts that were shown prior to January 1943.

\* Revised.

**Table 12.—FHL BANKS—Lending operations and principal assets and liabilities**

[Thousands of dollars]

Federal Home Loan Bank	Lending operations August 1944		Principal assets August 31, 1944			Capital and principal liabilities August 31, 1944			Total assets <sup>1</sup> August 31, 1944
	Advances	Repayments	Advances outstanding	Cash <sup>1</sup>	Government securities	Capital <sup>2</sup>	Debentures	Member deposits	
Boston	\$126	\$6,330	\$6,699	\$6,502	\$9,912	\$19,837	\$2,000	\$1,397	\$23,238
New York	715	3,364	17,855	1,051	19,572	27,386	7,000	4,301	38,722
Pittsburgh	616	967	11,690	2,324	9,073	16,737	6,000	450	23,206
Winston-Salem	262	1,407	7,946	2,000	8,003	17,713	0	331	18,044
Cincinnati	409	1,946	7,455	2,154	22,983	25,562	2,500	3,730	32,804
Indianapolis	238	1,395	9,831	1,223	11,367	14,340	5,000	3,214	22,567
Chicago	884	4,240	15,071	4,580	11,292	22,719	4,000	4,357	31,089
Des Moines	291	1,192	8,344	1,002	9,742	12,785	5,000	1,406	19,201
Little Rock	127	360	4,903	825	8,668	12,463	2,000	25	14,492
Topeka	81	373	5,235	1,045	7,565	10,649	1,000	789	13,941
Portland	35	1,086	2,685	347	7,483	8,489	1,000	1,083	10,575
Los Angeles	288	3,656	15,960	2,921	7,031	15,844	8,500	1,661	26,024
August 1944 (Combined total)	4,072	26,516	113,674	25,974	132,691	204,524	44,000	22,744	273,903
July 1944	28,481	20,641	136,118	18,654	126,055	204,019	58,000	18,948	282,080
August 1943	3,672	13,847	81,366	28,702	156,199	197,079	35,000	32,440	267,701

<sup>1</sup> Includes interbank deposits.

<sup>2</sup> Capital stock, surplus, and undivided profits.

**Table 13.—INSURED ASSOCIATIONS—**  
**Progress of institutions insured by the FSLIC <sup>1</sup>**

[Dollar amounts are shown in thousands]

Period and class of association	Number of associations	Total assets	Operations			
			New mortgage loans	New private investments	Private repurchases	Re-purchase ratio
<b>ALL INSURED</b>						
1943: Aug.....	2,433	\$3,920,852	\$83,068	\$94,229	\$50,250	53.3
Sept.....	2,440	4,037,926	87,878	83,970	60,019	71.5
Oct.....	2,439	4,081,472	81,929	87,682	45,104	51.4
Nov.....	2,442	4,127,212	72,936	90,023	43,137	47.9
Dec.....	2,447	4,182,728	70,973	118,496	37,885	32.0
1944: Jan.....	2,451	4,218,521	59,704	153,276	104,839	68.4
Feb.....	2,453	4,287,788	73,164	94,831	59,890	63.2
March.....	2,452	4,327,868	87,163	104,494	56,693	54.3
Apr.....	2,453	4,374,338	91,344	103,713	48,392	46.7
May.....	2,459	4,442,608	97,454	109,049	44,403	40.7
June.....	2,461	4,583,568	105,245	127,945	46,560	36.4
July.....	2,463	4,619,867	93,305	155,218	120,349	77.5
August.....	2,461	4,667,060	104,008	126,641	64,619	51.0
<b>FEDERAL</b>						
1943: Aug.....	1,466	2,438,803	51,172	61,351	31,253	50.9
Sept.....	1,471	2,523,737	54,100	53,138	37,274	70.1
Oct.....	1,468	2,550,973	50,576	56,490	26,825	47.5
Nov.....	1,467	2,580,481	44,804	57,915	24,373	42.1
Dec.....	1,466	2,617,431	43,647	76,677	21,569	28.1
1944: Jan.....	1,467	2,637,410	37,076	100,496	68,509	68.2
Feb.....	1,467	2,685,310	44,144	61,545	37,548	61.0
March.....	1,466	2,709,897	53,883	68,276	36,182	53.0
April.....	1,466	2,737,017	57,045	68,549	30,279	44.2
May.....	1,466	2,775,665	59,229	72,413	27,676	38.2
June.....	1,465	2,881,276	64,474	83,856	25,969	31.0
July.....	1,466	2,907,974	57,164	101,500	79,735	78.6
August.....	1,465	2,934,647	64,400	82,105	40,825	49.7
<b>STATE</b>						
1943: Aug.....	967	1,482,049	31,896	32,878	18,997	57.8
Sept.....	969	1,514,189	33,778	30,832	22,745	73.8
Oct.....	971	1,530,499	31,353	31,202	18,279	58.6
Nov.....	975	1,546,731	28,132	32,108	18,764	58.4
Dec.....	981	1,565,297	27,326	41,819	16,316	39.0
1944: Jan.....	984	1,581,111	22,628	52,780	36,330	68.8
Feb.....	986	1,602,478	29,020	33,286	22,342	67.1
March.....	986	1,617,971	33,280	36,218	20,511	56.6
April.....	987	1,637,321	34,299	35,164	18,113	51.5
May.....	993	1,666,943	38,225	36,636	16,727	45.7
June.....	996	1,617,971	33,280	36,218	20,511	56.6
July.....	997	1,711,893	36,141	53,718	40,614	75.6
August.....	996	1,732,413	39,608	44,536	23,794	53.4

<sup>1</sup> Balance sheet items, formerly shown each month, now appear only in the February, May, August, and November issues of the REVIEW.

## Survey of Income Payments

■ TRENDS in the expansion of national income payments during 1943 showed definite similarity to those of the previous year, according to a study published in the August *Survey of Current Business*.<sup>1</sup> As a result of the 1942-1943 economic mobilization for war, a definite pattern has been imposed upon its geographic distribution. In general, this has tended to accentuate long range trends evident since 1929.

<sup>1</sup> "State Income Payments in 1943", *Survey of Current Business*, August 1944, page 12.

October 1944

During 1943, the rate of expansion was greatest in the Far West and Southwest—up about 30 percent in comparison with the national average of a 20-percent increase, while New England and the Middle East showed the smallest rise—15 percent. Sixteen of the 18 states which in 1942 had recorded less-than-average gains in income payments, continued to receive a declining share in 1943. Also, of the 31 states that made a better-than-average showing in 1942, last year 21 again recorded advances in excess of the over-all average for the country.

Over the two-year period (1942-1943), the national average of income advance was 50 percent. A breakdown by states shows 20 exceeding that figure, 13 of these recording advances of more than 70 percent. Nineteen states and the District of Columbia registered gains ranging from 23 to 50 percent. The largest shifts in income from 1941 through 1943 were from the New England and Middle East to areas in the South and West.

On a longer term basis, New England and the Middle East which had registered greater-than-average declines in income between 1929 and 1939 showed smaller-than-average increases between 1939 and 1943. A steadily rising share of the country's income payments has accrued to the Far West and the Southeast since 1929, while the trend in the Central States was a composite of varying state patterns. Only the Northwest showed a complete reversal—the more-than-average increases recorded after 1939 being in direct contrast to the previous relatively unfavorable position of this area.

### Per Capita Income

Per capita income increases, analyzed on a state and regional basis in the Commerce Department survey, showed a tendency to fall within a smaller range than the advances in total income. This fact results from the fairly direct correlation between income and population changes from 1941 through 1943.

Per capita income rose at a much slower rate than total income in the Far West, Arizona, Florida, and the District of Columbia. On the other hand, per capita income gained more sharply than total income in several Central and Northwestern agricultural areas which lost population in 1942-1943. Differentials in average income per person have been noted among states since 1929; however, wartime developments have brought about a narrowing of the difference. (See FHLB REVIEW, May 1944, page 229, "Wartime Population Movements").

## Housing Needs and Programs in British Dominions

■ THE Canberra, Australia, correspondent of the London *Times* reports an estimate that Australia will be faced with a shortage of 300,000 houses by 1945.

In order to alleviate this lack of housing, the Government has proposed a program. Fifty thousand dwelling units are to be built during the first year after the war at a cost of £A60,000,000. The annual building rate is to be increased to 80,000 as soon as the necessary materials and labor are available. Financing will be handled jointly by the government and the states. Additional assistance will be given by the government to private business enterprises.

The first stages of this program are designed to fill the needs of ex-servicemen and of low-wage earners with large families. It is proposed that 400,000 homes will be constructed in 10 years, the costs to be recovered largely from home purchasers over a period of 25 years. The program assumes that private enterprise will supply the remaining needs, estimated by some authorities as probably reaching 800,000 in the first ten years after the war. Of course, the rate of building will be set by the availability of materials and manpower.

There is growing unrest at the acuteness of the housing shortage, and public demand for relief is rising. Twelve hundred houses quarterly have been authorized to fill the needs, but even this amount is hampered by lack of resources. The government feels that, owing to the demands of the services for buildings, no extensive home construction is feasible in wartime.

### Northern Ireland

The Northern Ireland Ministry of Home Affairs states that from the point of view of building materials, something like 10,000 houses can be provided during the first two or three post-war years in Northern Ireland. It seems that Belfast would be allocated about 4,000 homes.

The Ministry announces that it would be prepared to sanction loans to cover this construction program, and, if necessary, to aid the Belfast Corporation in the use of its powers of compulsory acquisition.

The proposed financial assistance must be related to the indefinite amount still to be set for Great Britain. "It is not unreasonable to suppose that it would not vary much from the wartime subsidy of £390 given for 750 houses in Belfast."

## Canada

Important strides toward meeting the housing problem in over-all planning for the post-war period have recently been taken in Canada. Following a study by a Parliamentary Committee, in August, new legislation—the National Housing Act of 1944—was passed by the Canadian Parliament. It is planned to discuss this in some detail in an early issue of the REVIEW.

### Changes in Tables

Wartime economies are, from time to time, making necessary certain changes in REVIEW tables. Commencing with this issue the data on "Savings Held by Institutions," heretofore published monthly as Table 11, will be carried quarterly; the information on home mortgages insured by the FHA, which has been appearing as Table 14, will become Table 11.

Inasmuch as only the figures on postal savings are now available monthly, it is felt that adequate coverage can be obtained by carrying the "Savings" table only in the February, May, August and November issues at the time that figures on private repurchaseable capital in insured savings and loan associations are obtainable.

Streamlined reporting methods will also necessitate a change in the information carried on savings in insured commercial banks. Reports of the Federal Deposit Insurance Corporation, from which these REVIEW data are taken, no longer show private savings as evidenced by passbooks, the present breakdown being "time deposits of individuals, partnerships and corporations." While it is still safe to assume that individual savings make up the greater portion of the more inclusive classification, it is no longer possible to get an accurate picture of the relationship of these two items. Therefore, it is considered advisable to discontinue showing the former on an estimated basis. When this table is published in the future, these data will be revised to a basis of "time deposits of individuals, partnerships and corporations," instead of the current basis of individual savings as evidenced by passbooks.

# Honor Roll of War Bond Sales

(Continued from p. 15)

Mutual Building and Loan Association, Martinsville, Va.  
 Palatka Federal Savings and Loan Association, Palatka, Fla.  
 Perpetual Building and Loan Association, Anderson, S. C.  
 Seneca Building and Loan Association, Seneca, S. C.  
 Stephens Federal Savings and Loan Association, Toceca, Ga.  
 Tifton Federal Savings and Loan Association, Tifton, Ga.  
 Union Federal Savings and Loan Association, Baltimore, Md.  
 Virginia Beach Federal Savings and Loan Association, Virginia Beach, Va.

## NO. 5—CINCINNATI

Buckeye Loan and Building Company, Cincinnati, Ohio  
 Citizens Federal Savings and Loan Association, Cincinnati, Ohio  
 Fidelity Building Association, Dayton, Ohio  
 First Federal Savings and Loan Association, Dickson, Tenn.  
 First Federal Savings and Loan Association, Greeneville, Tenn.  
 Fulton Building and Loan Association, Fulton, Ky.  
 Highland Federal Savings and Loan Association, Cincinnati, Ohio  
 Home Builders Loan and Savings Company, Cincinnati, Ohio  
 McKinley Federal Savings and Loan Association, Niles, Ohio  
 Oakley Building and Loan Company, Cincinnati, Ohio

## NO. 6—INDIANAPOLIS

Industrial Savings and Loan Association, East Chicago, Ind.  
 Logansport Building and Loan Association, Logansport, Ind.  
 Monon Building, Loan and Savings Association, Monon, Ind.  
 Peoples Federal Savings and Loan Association, East Chicago, Ind.  
 Peoples Federal Savings and Loan Association, Monroe, Mich.  
 Peoples Savings and Loan Association, Huntington, Ind.  
 Union Federal Savings and Loan Association, Evansville, Ind.

## NO. 7—CHICAGO

Amery Federal Savings and Loan Association, Amery, Wis.  
 Auburn Building and Loan Association, Auburn, Ill.  
 Central Federal Savings and Loan Association, Milwaukee, Wis.  
 Clintonville Federal Savings and Loan Association, Clintonville, Wis.  
 Community Building and Loan Association, Milwaukee, Wis.  
 Continental Savings and Loan Association, Chicago, Ill.  
 Eureka Building Association, La Salle, Ill.  
 Fairbury Federal Savings and Loan Association, Fairbury, Ill.  
 First Federal Savings and Loan Association, Chicago, Ill.  
 First Federal Savings and Loan Association, Lansing, Ill.  
 Gage Park Savings and Loan Association, Chicago, Ill.  
 General Sowsinski Building and Loan Association, Cicero, Ill.  
 Hemlock Savings and Loan Association, Chicago, Ill.  
 Homewood Building and Loan Association, Homewood, Ill.  
 Lawndale Savings and Loan Association, Chicago, Ill.  
 Lombard Building and Loan Association of Du Page County, Lombard, Ill.  
 Merrill Federal Savings and Loan Association, Merrill, Wis.  
 Mt. Vernon Loan and Building Association, Mt. Vernon, Ill.  
 Naperville Building and Loan Association, Naperville, Ill.  
 Narodni Savings and Loan Association, Chicago, Ill.  
 New London Savings and Loan Association, New London, Wis.  
 Peoples Federal Savings and Loan Association, Peoria, Ill.  
 Peoples Savings and Loan Association, Milwaukee, Wis.  
 Prairie State Savings and Loan Association, Chicago, Ill.  
 Sacramento Avenue Building and Loan Association, Chicago, Ill.  
 Security Federal Savings and Loan Association, Chicago, Ill.  
 Springfield Building and Loan Association, Springfield, Ill.  
 Springfield City Building and Loan Association, Springfield, Ill.  
 Uptown Federal Savings and Loan Association, Chicago, Ill.

## NO. 8—DES MOINES

Dickinson Building and Loan Association, Dickinson, N. Dak.  
 Fidelity Building and Loan Association, Winona, Minn.  
 First Federal Savings and Loan Association, Jamestown, N. Dak.  
 First Federal Savings and Loan Association, Moberly, Miss.  
 Geo. D. Clayton Building and Loan Association, Hannibal, Mo.  
 Home Building and Loan Association, Joplin, Mo.  
 Public Service Company's Savings and Loan Association, Kansas City, Mo.

## NO. 9—LITTLE ROCK

Amory Federal Savings and Loan Association, Amory, Miss.  
 Atlanta Federal Savings and Loan Association, Atlanta, Tex.  
 Batesville Federal Savings and Loan Association, Batesville, Ark.  
 Citizens Federal Savings and Loan Association, Jonesboro, Ark.

### To the Members of the Bank System:

The membership of the Federal Home Loan Bank System cannot obtain proper credit for its efforts in the Government bond drive unless you report your sales and purchases regularly each month.

Please forward your monthly report of sales and purchases of Government bonds and war stamps to your District Bank promptly.

# Purchases and holdings of U. S. Government obligations, by reporting member institutions

[Dollar amounts are shown in thousands]

Date	Number reporting	Purchases during month	Holdings at end of month
1943			
January	2, 775	\$39, 996	\$365, 105
February	2, 721	22, 083	376, 390
March	2, 732	29, 234	388, 170
April	2, 744	177, 536	537, 849
May	2, 642	17, 739	548, 552
June	2, 447	13, 432	530, 657
July	2, 431	32, 131	553, 533
August	2, 452	21, 534	537, 254
September	3, 035	327, 950	973, 026
October	2, 460	18, 881	772, 309
November	2, 387	13, 883	724, 538
December	2, 287	12, 083	713, 992
1944			
January	2, 594	166, 322	914, 683
February	2, 597	98, 408	995, 425
March	2, 564	25, 312	1, 043, 581
April	2, 567	16, 404	1, 041, 714
May	2, 499	11, 040	1, 027, 055
June and July	2, 735	380, 957	1, 378, 660
August	2, 356	14, 705	1, 136, 231

Continental Building and Loan Association, New Orleans, La.  
 Electra Federal Savings and Loan Association, Electra, Tex.  
 El Paso Federal Savings and Loan Association, El Paso, Tex.  
 Fayetteville Building and Loan Association, Fayetteville, Ark.  
 First Federal Savings and Loan Association, Belzoni, Miss.  
 First Federal Savings and Loan Association, Canton, Miss.  
 First Federal Savings and Loan Association, Corpus Christi, Tex.  
 First Federal Savings and Loan Association, Helena, Ark.  
 First Federal Savings and Loan Association, Little Rock, Ark.  
 First Federal Savings and Loan Association, McComb, Miss.  
 First Federal Savings and Loan Association, Texarkana, Tex.  
 First Homestead and Savings Association, New Orleans, La.  
 Greater New Orleans Homestead Association, New Orleans, La.  
 Guaranty Savings and Homestead Association, New Orleans, La.  
 Ideal Savings and Homestead Association, New Orleans, La.  
 Inter-City Federal Savings and Loan Association, Louisville, Miss.  
 Mount Pleasant Building and Loan Association, Mount Pleasant, Tex.  
 Mutual Building and Loan Association, Greenville, Tex.  
 Nashville Federal Savings and Loan Association, Nashville, Ark.  
 Natchez Building and Loan Association, Natchez, Miss.  
 Piggett Federal Savings and Loan Association, Piggett, Ark.  
 Pochontas Federal Savings and Loan Association, Pochontas, Ark.  
 Ponchatoula Homestead Association, Ponchatoula, La.  
 Quannah Federal Savings and Loan Association, Quannah, Tex.  
 Rapides Building and Loan Association, Alexandria, La.  
 Riceland Federal Savings and Loan Association, Stuttgart, Ark.  
 Slidell Savings and Homestead Association, Slidell, La.  
 Third District Homestead Association, New Orleans, La.  
 Waxahachie Federal Savings and Loan Association, Waxahachie, Tex.

## NO. 10—TOPEKA

American Building and Loan Association, Oklahoma City, Okla.  
 Bonner Springs Building and Loan Association, Bonner Springs, Kans.  
 Broken Arrow Federal Savings and Loan Association, Broken Arrow, Okla.  
 First Federal Savings and Loan Association of Sumner County, Wellington, Kans.  
 Hays Building and Loan Association, Hays, Kans.  
 Home Federal Savings and Loan Association, Ada, Okla.  
 Mutual Building and Loan Association, Emporia, Kans.  
 Reserve Building and Loan Association, Oberlin, Kans.  
 Sapulpa Federal Savings and Loan Association, Sapulpa, Okla.  
 Schuyler Federal Savings and Loan Association, Schuyler, Nebr.

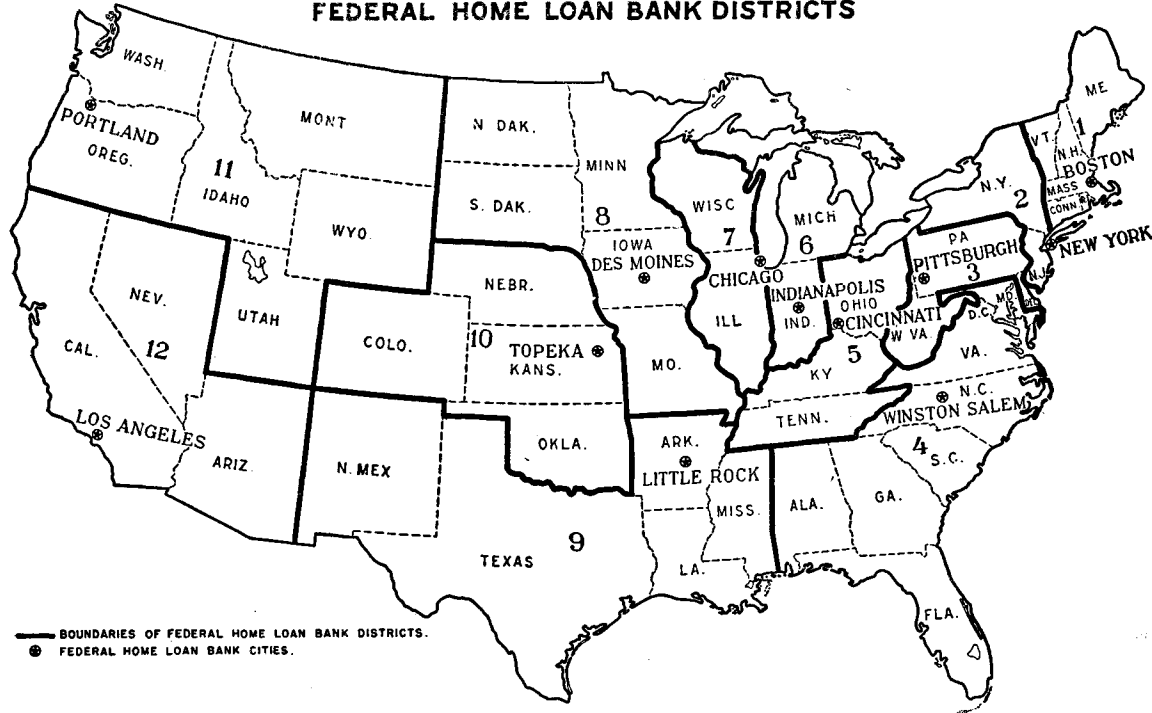
## NO. 11—PORTLAND

First Federal Savings and Loan Association, Sheridan, Wyo.  
 Washington Federal Savings and Loan Association, Bothell, Wash.

## NO. 12—LOS ANGELES

California Savings and Loan Company, San Francisco, Calif.  
 Central Federal Savings and Loan Association, San Diego, Calif.  
 First Federal Savings and Loan Association, Huntington Park, Calif.

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