Vol. 7

No. 8

FEDERAL HOME LOAN BANK REVIEW

MAY
1941

ISSUED BY
FEDERAL HOME LOAN BANK BOARD
WASHINGTON D.C.

CONTENTS FOR MAY 1941

FEDERAL HOME LOAN BANK REVIEW

Published Monthly by the

FEDERAL HOME LOAN BANK BOARD

ARTICLES

MONTHLY SURVEY

STATISTICAL TABLES

REPORTS

SUBSCRIPTION PRICE OF REVIEW. The FEDERAL HOME LOAN BANK REVIEW is the Board's medium of communication with member institutions of the Federal Home Loan Bank System and is the only official organ or periodical publication of the Board. The REVIEW will be sent to all member institutions without charge. To others the annual subscription price, which covers the cost of paper and printing, is $1. *Single copies will be sold* at 10 cents. Outside of the United States, Canada, Mexico, and the insular possessions, subscription price is $1.60; single copies, 15 cents. Subscriptions should be sent to and copies ordered from Superintendent of Documents, Government Printing Office, Washington, D. C. APPROVED BY THE BUREAU OF THE BUDGET.

312101—41——1

BUSINESS PROMOTION EXPENDITURES OF SAVINGS AND LOAN ASSOCIATIONS DURING 1940

The fourth annual survey of savings and loan business promotion expenditures, now in the process of tabulation, indicates that advertising disbursements increased again during 1940. Analysis by size of association and size of community provides yardsticks of comparison for the management and directors of individual associations.

■ THE bill for the 1940 advertising and other business promotion efforts of savings and loan members of the Federal Home Loan Bank System amounted to almost six million dollars. This estimate, based upon the results of the fourth annual survey of savings and loan business promotion expenditures conducted by the Department of Public Relations, represents a 10-percent increase over the 1939 disbursements of these institutions and leaves little doubt that managers and boards of directors are placing added emphasis on this phase of their association operations. In fact, the 1941 allocations of the reporting associations indicate a further rise this year of 10 percent over the expenditures for the past year.

With larger and larger amounts being spent for advertising and business development purposes, extended research becomes all the more profitable and essential if maximum productiveness and minimum waste are to be assured. The accomplishment of these aims involves primarily a careful appraisal of the policies and programs of each individual association; it is the object, of course, of each manager and his board of directors.

Four years ago, the Federal Home Loan Bank Board through its Department of Public Relations set out to provide association executives with pertinent information on the business promotion activities of savings and loan associations as a guide to these policy-making decisions. The subsequent annual surveys have been designed to ascertain how much money is spent by associations; the relationship between the size of association and the size of community upon promotional programs; the media and methods used for carrying out the plans; and to some extent the effectiveness of the various programs and the results obtained. They have never attempted to recommend or endorse specific amounts of money to be spent or media to be used; but have simply tried to present convenient yardsticks against which the programs of individual institutions can be measured.

Substantial Increase in Participating Associations

The first inquiry based on 1937 business promotion expense, called the "Hunt for Facts" survey, brought usable reports from 271 of the associations contacted. The latest polling of Bank members resulted in approximately five times this number of responses, with usable schedules from 1,284 individual institutions, or slightly more than one out of every three savings and loan members of the Bank System. On the basis of asset volume, the sample is even more complete as almost half (48 percent) of the total association membership assets are held by the institutions included in the current study.

***Table 1.*—Distribution of responses**

Federal Home Loan Bank District and class of association	Total number of Bank members	Associations reporting	Percent of total Bank members
United States	3, 824	1, 284	33. 6
Bank Districts:			
Boston	212	55	25. 9
New York	401	99	24. 7
Pittsburgh	513	114	22. 2
Winston-Salem	400	128	32. 0
Cincinnati	585	189	32. 3
Indianapolis	215	91	42. 3
Chicago	457	134	29. 3
Des Moines	242	103	42. 6
Little Rock	273	96	35. 2
Topeka	224	106	47. 3
Portland	133	66	49. 6
Los Angeles	169	103	61. 0
Class of association:			
Federal	1, 437	740	49. 9
Insured State-chartered	836	348	39. 8
Uninsured State-chartered	1, 551	196	12. 3

The distribution of responses, as shown in Table 1 on the opposite page, indicates that more than half of all Federals returned their questionnaires, two out of five insured State members, and about one in eight uninsured members. From the viewpoint of Bank Districts, it is evident that the most complete coverage was again obtained in the Los Angeles region although the greatest gain over 1939 in reporting institutions was found in the numerical increase in the Cincinnati area, and the percentage increase in the Topeka District.

Recognizing that not all elements of the total population are potential prospects for savings and loan services, nevertheless some indication of the contact possibilities open to these institutions is apparent from their geographic distribution. The reporting associations are located in 838 cities and towns in 655 counties or other political divisions throughout the continental United States, and in Alaska and Hawaii. These associations are located in cities and towns having a combined population of 49,000,000.

Size of Business Promotion Expenditures

The aggregate expenditure of the 1,284 associations for all kinds of business promotion activity during 1940 was $2,812,000, or $2,190 for each institution reporting money spent for this purpose. The average reporting association had assets of $1,600,000 at the end of 1940 and a gross operating income for the calendar year of $81,900. On this basis, the ratio of business promotion expense to gross operating income is 2.7 percent and is equal to one-eighth of 1 percent (0.133 percent) of the total assets at the end of 1940.

These averages are somewhat misleading, however, as to the actual amounts disbursed by the associations. Table 2 shows the distribution of the institutions according to the range of their money outlays. From this it is clear that only one association out of 25 had a program involving $10,000 or more for the year. At the other end of the scale, almost 60 percent of the entire group spent less than $1,000 and 40 percent of the institutions spent less than $500 during the 12-month period. Although the changes are slight from the 1939 distribution, there does appear to be a definite movement toward larger expenditures expecially in the range from $500 to $2,500.

With a rough idea of *how much* associations spent last year for promoting their business, the next logical step is to block in the details of *how* this money was spent. What media did they use and what proportions of the total advertising appropriations were alloted to each medium?

***Table 2.*—Analysis of reporting associations on the basis of amount of business promotion expenditure**

Business promotion expenditure group	Percent of reporting associations	
	1940	1939
Over $10,000	4.1	8.9
$5,000–$9,999	5.8	
$2,500–$4,999	10.7	10.9
$1,000–$2,499	20.9	19.4
$500–$999	19.0	15.3
$100–$499	27.3	30.6
Under $100	12.2	14.9
Total	100.0	100.0

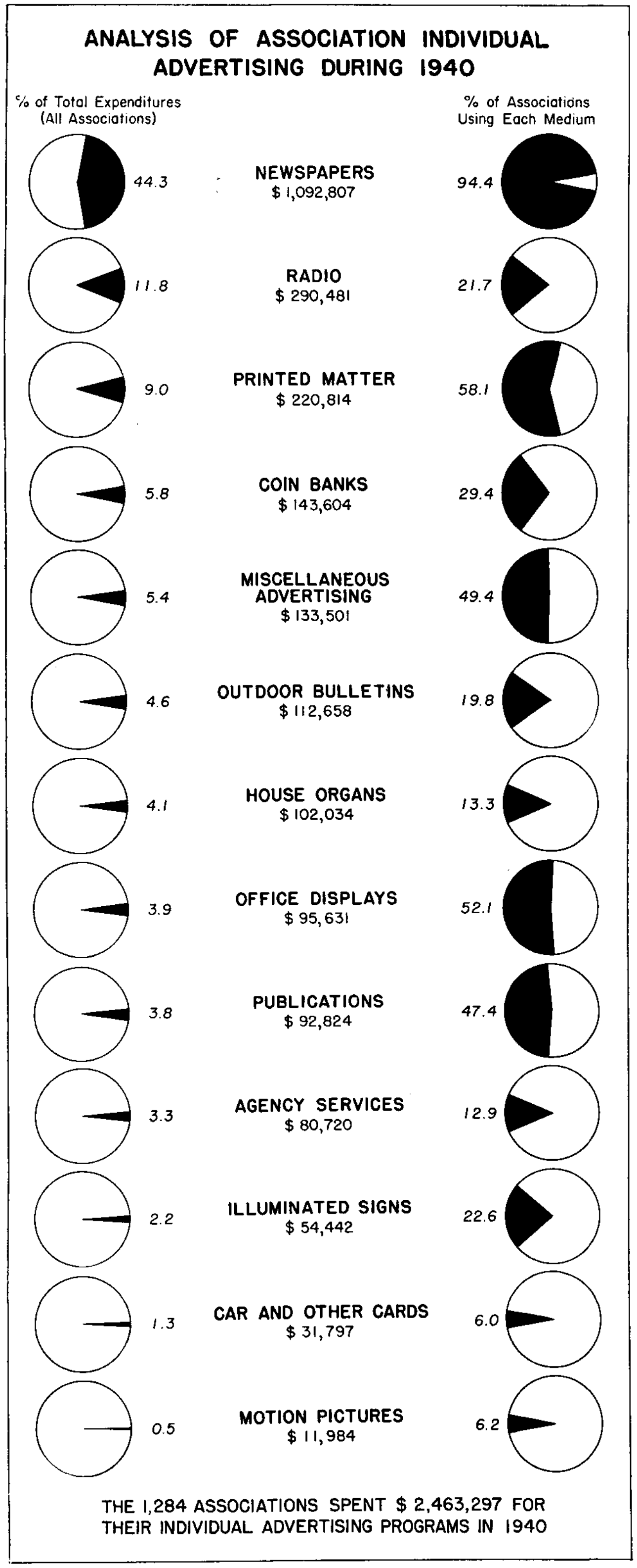
The great bulk of funds, of course, was employed by the associations for their own individual advertising without regard for cooperative programs, solicitor expense, or miscellaneous disbursements. The breakdown of the aggregate business promotion expenditures is included in the following table:

Individual association advertising	$2,463,297
Group advertising	59,440
Total advertising expenditure	$2,522,737
Solicitor expense	245,698
Miscellaneous expense	43,662
Total business promotion expenditure	$2,812,097

Distribution of the Advertising Dollar

Prime interest of savings and loan executives is in the 88 cents out of every business promotion dollar which goes for individual association advertising, and the detailed analysis of advertising media used (shown in the chart on page 244) is based entirely upon this expense classification. A summary tabulation presented in Table 3 shows the number of associations using each of the various media as well as the amount of money spent.

From this it is again evident that newspapers are still the favorite means of contacting the present and prospective members of associations. Better than nine out of every 10 reporting institutions indicated the use of newspapers in their programs, although it is significant that there has been a gradual decline during the past three years in the proportion of total funds devoted to this medium.



The importance of newspapers in individual association advertising programs is shown in this chart which indicates the proportion of total expenditures devoted to each medium and the frequency with which it was used.

***Table 3.*—Distribution of association individual advertising expenditures for 1940, according to advertising medium**

Medium	Associations using medium		Advertising expenditure	Percent of total advertising expenditure
	Number	Percent of total number of associations		
Newspapers	1, 209	94. 4	$1, 092, 807	44. 3
Radio	278	21. 7	290, 481	11. 8
Printed matter	744	58. 1	220, 814	9. 0
Coin banks	376	29. 4	143, 604	5. 8
Miscellaneous	633	49. 4	133, 501	5. 4
Outdoor advertising	254	19. 8	112, 658	4. 6
House organs	170	13. 3	102, 034	4. 1
Office interior displays	668	52. 1	95, 631	3. 9
Publications	607	47. 4	92, 824	3. 8
Agency services	165	12. 9	80, 720	3. 3
Illuminated signs	290	22. 6	54, 442	2. 2
Car and other cards	77	6. 0	31, 797	1. 3
Motion pictures	80	6. 2	11, 984	0. 5
Total			2, 463, 297	100. 0

In 1940, approximately 44 cents out of every dollar of individual association advertising was spent for newspaper space as compared with 47 cents during the previous year—the largest proportional drop for any medium. Fractional declines in relation to total expenditures were registered in the amounts devoted to coin banks, outdoor bulletins, and office displays.

The largest gain, on the other hand, was established through the increased use of radio. By the end of 1940 almost 12 cents out of every dollar was being used to buy air-time, whereas in 1938 this proportion was only equal to 8 cents of the total dollar. In view of the fact that the proportion of members using radio has not increased materially (20.2 percent in 1939 to 21.7 percent in 1940), it would seem that there has been a greater concentration by radio advertisers on the use of this medium. The associations reporting disbursements for radio increased their average annual expenditure for air programs from $880 in 1939 to more than $1,040 in the past year. Small increases were also noted in the proportion of funds devoted to house organs, publications, illuminated signs, car and bus cards, and motion picture advertising, while the expenditure for printed material remained unchanged in relation to the total.

The Effect of Association and Community Size on Advertising Programs

To make it easier for the management of an individual association to compare its program with that of other associations, the schedules submitted in the survey have been summarized in two different ways: (1) by net operating income groups; and (2) by the size of the community in which the institutions were located.

Analyzing the sample on the basis of the size of associations enables a manager to study the typical advertising program of associations which are directly comparable with his organization from the standpoint of size, for it is difficult to imagine placing the business promotion activities of an institution with $250,000 in assets along side those of associations with assets running well into the millions. Table 4, then, provides a picture of the distribution of advertising expenditures by media for each of nine different operating income size groups.

Variations in the emphasis placed on the different media are particularly evident in the case of newspaper and radio advertising. From the chart on the following page, which shows the percentage of advertising expenditures devoted to selected media in each of the association and community size groups, one can see that the smaller the association the larger the proportion of their funds devoted to newspaper advertising. The opposite situation prevails in the use of radio for business promotion work. In this instance, the larger the association the greater the proportion of funds put into air-time.

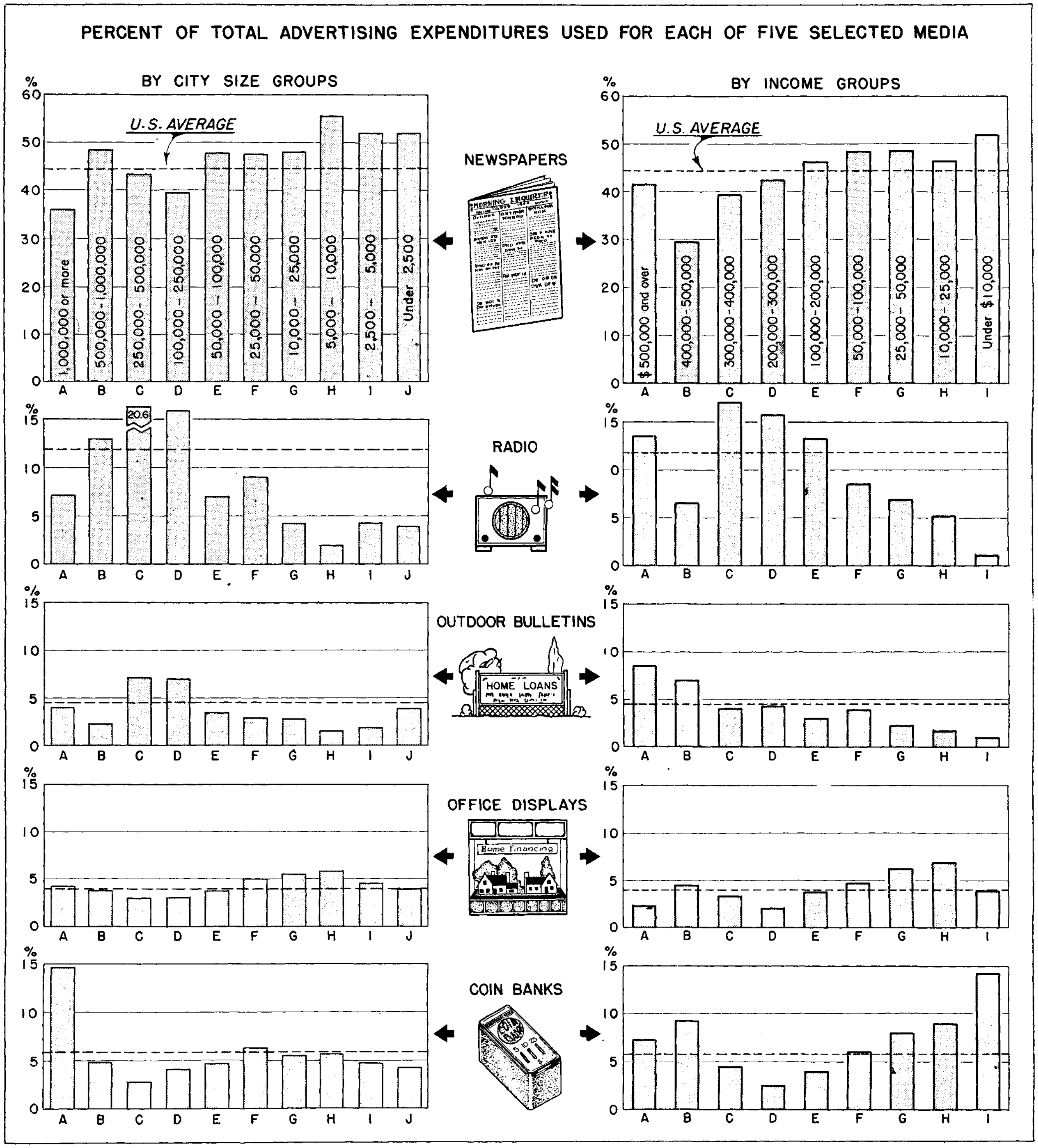
Studying the effect of community size on advertising expenditures is an innovation in these business promotion surveys and, although the size of association may be the prime determining factor, the influence of the degree of urbanization of its home territory is felt in many phases of association's business promotion techniques. Table 5 presents the distribution of aggregate individual advertising expenditures among the various media in each of 10 different city size groups and for the United States.

The small charts on the left-hand side of the illustration on the following page show the influence of community size on advertising expenditures for the same selected media. Again, newspaper and radio advertising provide good examples for observation. Although the trend is not conclusively smooth, there is a definite tendency for the importance of newspaper advertising to increase as the size of community, in which the association is located, decreases.

Radio advertising on the other hand seems to follow the pattern of an inverted U-shaped curve with the largest proportion being spent for radio in the middle-size cities of 250,000–500,000. A full explanation of the reasons behind such a curve cannot be made from the data now available, but it would seem logical that the higher cost of air-time in the metropolitan areas and the comparative dearth of broadcasting stations in the smaller communities are certainly contributing factors.

Table 4.—Percentage distribution of the advertising dollar, by income size group

Medium	United States	Over $500,000	$400,000–500,000	$300,000–400,000	$200,000–300,000	$100,000–200,000	$50,000–100,000	$25,000–50,000	$10,000–25,000	Under $10,000
Newspapers	44.3	41.5	29.4	39.3	42.4	46.3	48.5	48.8	46.4	52.1
Publications	3.8	4.1	2.7	2.9	4.1	3.9	3.2	4.6	4.8	2.1
Printed matter	9.0	8.8	18.2	8.0	10.0	7.3	8.9	8.9	11.5	10.7
Radio	11.8	13.6	6.5	17.1	15.7	13.3	8.6	6.9	5.2	1.2
Outdoor advertising	4.6	8.6	7.0	4.1	4.3	3.0	3.9	2.2	1.7	1.1
Illuminated signs	2.2	0.9	3.5	3.2	0.7	2.7	2.1	3.1	4.3	4.3
House organ	4.1	4.9	1.7	6.6	4.9	4.0	3.5	3.7	2.4	0.5
Office interior displays	3.9	2.3	4.5	3.3	2.0	3.8	4.8	6.3	7.0	3.9
Car, bus, or ferry cards	1.3	1.4	2.1	1.1	2.5	1.1	1.4	0.5	0.2	0.0
Motion picture theaters	0.5	0.0	0.0	0.2	0.3	0.4	0.5	1.2	1.8	2.2
Coin banks	5.8	7.3	9.3	4.5	2.6	3.9	6.1	8.0	9.0	14.2
Advertising agency service	3.3	3.2	6.2	4.4	5.0	3.7	2.7	0.7	0.7	1.3
Miscellaneous	5.4	3.4	8.9	5.3	5.5	6.6	5.8	5.1	5.0	6.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0



This illustration emphasizes the variations in individual advertising programs as they are affected by the size of association and by the degree of urbanization of the community in which the associations are located. The bars are all drawn from the figures for these media which appear in Tables 4 and 5.

Perhaps the most consistent pattern shown by these five media is that of newspapers and, since this medium accounts for such a large proportion of the total money spent, its trends assume added significance. (Note: the scale for newspapers is double that for the other media.) It is apparent that the smaller institutions and those associations located in the smaller communities tend to rely to a greater extent upon this means of contacting the general public. In some respects the opposite situation prevails in the case of radio, that is, the smaller the association the smaller the proportion of total funds devoted to this medium. On the basis of community size, however, the greatest use of radio was in the middle-size cities of 250,000–500,000 population.

The important role played by coin banks in the cities of 1,000,000 or more population is also one of the significant relationships uncovered by this new analysis of the basic data brought together by this survey.

The Cost of Obtaining New Business

Of final importance in the analysis of the 1940 business promotion expenditures of savings and loan associations is the establishment of some relationship between the amount of new business obtained and the money which was spent to get it. This is difficult to ascertain, however, because it is virtually impossible to distinguish from the over-all records the new business which results from advertising and business promotion efforts and that which comes about through the improvement in general economic conditions and other factors beyond the control of association management. Recognizing these deficiencies, it is nevertheless possible to establish a ratio which may be used simply as a benchmark for comparisons.

Analysis of the record of 1,152 associations for which complete information on new business is available reveals that they received a total of $371,900,000 in new private share capital and made $466,000,000 in new mortgage loans—an average of $323,000 in share capital and $404,500 in loans for each association. Relating this to the $2,670,000 which these institutions spent for business promotion during 1940, the ratio is .0031. In other words, the net cost of obtaining a dollar of new business was *less than one-third of a cent.*

In view of this, it could scarcely be charged that savings and loan associations are spending *too much* for advertising and business promotion for, in comparison with similar expenses in other fields, the amount appears relatively low. Whether they are spending more than is necessary to obtain this volume of new business, or whether with the same amount of money it would be possible to obtain a greater volume of new mortgage loans and private share capital, depends upon the extent to which associations are making a careful analysis of their market, their media, and their promotional techniques before spending their funds. The continued increase in studies of this type indicates the growing interest on the part of managers and directors in the scientific approach to advertising and promotion problems.

* * *

The analysis of schedules returned in the fourth annual survey of savings and loan business promotion expenditures is still in process and this article has only touched upon some of the highlights revealed thus far. Abundant material will be forthcoming in the near future for additional articles on this subject and the Editor of the Review and the Department of Public Relations would appreciate receiving suggestions from readers as to those phases of promotion programs in which they are most interested.

***Table 5.*—Percentage distribution of the advertising dollar, by community size group**

Medium	Total	1,000,000 or more	500,000 to 1,000,000	250,000 to 500,000	100,000 to 250,000	50,000 to 100,000	25,000 to 50,000	10,000 to 25,000	5,000 to 10,000	2,500 to 5,000	Under 2,500
Newspapers	44.3	36.0	48.3	43.3	39.6	47.8	47.6	47.9	55.6	52.0	52.0
Publications	3.8	5.1	4.1	2.6	3.4	5.0	3.1	4.4	3.7	3.0	5.8
Printed matter	9.0	16.6	7.6	4.2	6.5	8.9	11.0	10.5	11.7	11.7	12.6
Radio	11.8	7.1	13.0	20.6	16.0	7.0	9.0	4.2	1.9	4.3	3.9
Outdoor advertising	4.6	4.0	2.2	7.1	7.0	3.4	2.9	2.7	1.5	1.8	3.8
Illuminated signs	2.2	1.7	1.7	2.1	2.3	3.4	1.8	2.4	2.2	3.7	2.4
House organ	4.1	2.7	3.5	4.1	5.6	4.5	2.4	6.5	5.0	1.4	4.9
Office interior displays	3.9	4.2	3.7	2.9	3.1	3.7	5.0	5.4	5.7	4.6	3.9
Car and other cards	1.3	1.5	1.6	1.7	1.6	1.2	1.0	0.2	0.6	0.9	0.0
Motion pictures	0.5	0.1	------	0.1	0.9	0.4	0.6	1.2	0.8	3.6	0.7
Coin banks	5.8	14.7	4.8	2.7	4.1	4.7	6.2	5.6	5.7	4.7	4.3
Advertising agency service	3.3	1.2	2.8	4.9	3.9	3.1	3.9	2.2	1.7	2.6	0.6
Miscellaneous	5.4	5.1	6.7	3.7	6.0	6.9	5.5	6.9	3.9	5.7	5.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

PROPERTY INSURANCE AGAINST WAR RISKS

On March 26, the British War Damage Bill was enacted providing for compulsory insurance of real property against war risks. The principles and procedures applied in this measure afford an opportunity to review the new problems affecting property owners and mortgage lenders under modern war conditions. The bill outlines the methods by which Great Britain is trying to solve these problems.

■ THE recent passage of the British War Damage Bill brings to our mind the profound change in the position of real estate in modern warfare. The complex economic consequences of this change are still beyond our grasp, but they deserve close study by all private and public institutions operating in the fields of real estate and mortgage finance.

In previous wars, real property in some cities and areas close to the military front suffered from bombardment, fire, and other forms of devastation. However, these remained more or less isolated cases, so much so that land and buildings were commonly regarded as among the safest investments during the turmoil of war. Compensation for property loss was mostly taken care of by governments in one way or another. Modern warfare has extended the fronts of action over such wide areas that the possessions along with the lives of *all* the people in belligerent nations are subjected to hazards undreamed of in the past. War damage to property in our times has become a mass phenomenon. Financial compensation for property loss and physical reconstruction have, therefore, created problems of tremendous scope and import. The British bill admittedly is but a first attempt to cope with these problems in a planned and organized fashion.

History of the British War Damage Bill

The history of the bill in itself illustrates the complexity of the issues involved. With increasing international tension, the British building societies and organizations of property owners as early as 1937 urged the adoption of an insurance scheme against property damage resulting from war actions. In 1938, the demand for insurance protection became more general and more intensive, supported by reports that the absence of any assurance was having adverse effects on building, real estate activity, and mortgage lending. This was all the more serious as responsible insurance companies, in view of the new element of mass bombardment from the air, refused to undertake the protection of war damage risks.

In January 1939, the Chancellor of the Exchequer made a long-expected statement in the House of Commons which acknowledged the principle that the community as a whole should share the burden of property damage through compensation payments from public funds to those immediately affected. However, the scheme announced at that time was vague in its mechanism and as to the extent of government participation, and implied that final compensation would be deferred until after the emergency. "The Government . . . cannot contemplate a scheme which would commit the community to so vague and indeterminate a liability. That does not mean in the least that individual properties which suffer ought to be left to bear the loss unaided, but that the compensation should be on the highest scale compatible with the circumstances of the country after and not before a conflict."

Is War Damage an Insurable Risk?

In the meantime, there was a considerable growth in private activities purporting to provide bombardment insurance, and various voluntary insurance pools were staged or proposed by the Federation of Property Owners and other organizations. In the summer of 1939, still before the outbreak of the war, a bill was passed for compulsory war risk insurance of cargoes, commodities, and ships, which brought fresh demands for the inclusion of fixed property in such a scheme. The Government delayed any action until in August a committee was appointed to make a thorough study of property insurance against war damage. The report of the committee, published after the start of hostilities, confirmed by and large the position which the Government had taken, denied the practicability of a mutual insurance plan, and suggested compensation after the war. Like the Government, the committee felt that the extent to which compensation can be given can only be determined after the end of the war, when the total extent of the damage is known, and in the light of the financial circumstances of the country at that time. The committee also recommended that private insurance schemes be prohibited because of the inadequate protection afforded by them, and this recommendation was followed by enactment of the Restrictions on Advertisements (War Risk Insurance) Act, 1939.

At the beginning of the war, emergency measures were taken for "first-aid" repairs of damaged property and Government contributions to them, and for the filing of compensation claims as well as the assessment of damage. However, throughout the first year of the war the Government failed to act on the broad question of war risk protection for fixed property. In the meantime, Great Britain came to know the full potentialities of the Blitzkrieg in the extensive air-raids during the late summer of 1940. In September of that year, the Government reversed its position and the new Prime Minister, Winston Churchill, announced that he had directed the reconsideration of a compulsory, mutual and retroactive insurance scheme to be supported by the community at large. In December, the War Damage Bill was introduced. In the discussion before the House of Commons, not less than 450 amendments were proposed, of which 150 were submitted by the Government itself. On February 28, 1941, the bill was passed by the House of Commons and finally, after deliberation by the House of Lords, it was enacted about one month later.

Framework of the Bill

The scheme adopted in Britain includes compulsory insurance of all immovable property (with a few exceptions) and of movable assets of business undertakings such as machinery and fixtures. In addition, the bill provides compensation for loss of personal belongings within certain limits and for voluntary insurance beyond these limits. The "risk period" begins with the outbreak of the war and ends on August 31, 1941, with review and possibly new legislation after that date.

Contributions by property owners and other private interests under the bill are scheduled for a period of five years beginning July 1, 1941; in other words, the contributions collected during *five* years will be accumulated in a fund which represents the first shock absorber for the damage caused in the first *two* years of the war. If the amount necessary for compensation exceeds this fund (plus interest earned), the remainder will be made up by public money up to a maximum equalling the total private contributions. If this is insufficient, private contributions may be increased.

Unofficial estimates place aggregate premium collections over the 5-year period at £200,000,000 or approximately $800,000,000. With an equal contribution by the Government, therefore, the maximum compensation available under the present system will be in the neighborhood of £400,000,000, or $1,600,000,000. As the pre-war value of the property covered by the bill has been estimated at £10–12 billion ($40–48 billion), this means that the insurance scheme would take care of complete compensation for about 3 to 4 percent of all real estate and industrial movable assets at pre-war values. While the actuarial estimates underlying the War Damage Bill have, of course, remained a closely guarded secret, these figures give at least some insight into the orders of magnitude involved in this scheme.

The British Government has held steadfastly to the view that final compensation be deferred until after the end of hostilities, with the exception of funds needed for immediate repairs. For one reason, the total insurance risk cannot be gauged with any degree of accuracy before the emergency is over. In addition, the payment of substantial compensation during the war would increase the purchasing power of civilians and accentuate inflationary tendencies. On the other hand, premium collections during the war without a corresponding outgo represent a form of forced savings, and payment of compensation afterwards, when the economy will have to undergo the difficult adjustment to peace conditions, is expected to be of considerable assistance to business. In fact, the re-building of England is being regarded as a prime factor in any attempt at economic stabilization after the war.

Contributions: the Mortgagee's Share

For all property other than farms, sport grounds, and a few exempted categories, the insurance premium has been fixed at 10 percent of what is called the "annual value" of the property, that is, the annual income as assessed for income tax purposes. For farms and recreational properties below £5,000 ($20,000), the annual contribution is only 2½ percent of the assessed income value. Admittedly, this method has serious defects. Assessment practices vary from district to district; and assessments cover both the land and the building, which means

312101—41——2

that where the value of land is high, the premium will be high although it is only the buildings which are subject to war damage. However, no other practicable method could be designed at the present time.

One of the most vexing problems in drawing up the insurance scheme has been the apportionment of contributions among the various parties which have a vested interest in fixed property—under the British setup most commonly the owner, the ground-landlord, and the mortgagee. As far as the ground-landlord is concerned, his share of the contribution has been fixed on a sliding scale varying with the unexpired portion of the lease and the proportion of his interest to the total value. For the mortgagee, a similar system has been designed. If the mortgage debt represents less than one-third of the value, the mortgagee is not called upon to make any contribution. If the loan outstanding is one-third or more of the property value, the following sliding scale applies:

Debt-value ratio	*Mortgagee's share in total contribution*
From one-third to one-half	One-sixth.
From one-half to two-thirds	One-third.
From two-thirds to three-fourths	One-half.
Over three-fourths	Two-thirds.

For the purposes of apportionment, the value is set as equal to the acquisition price for all property purchased after January 1932. For properties acquired before, the value of March 1939 has been stipulated as a basis to take the depreciation factor into account.

Much opposition was aroused by a provision which limits the payment of contributions by mortgagees to the smaller properties. The Government draft restricted the participation of mortgagees in the scheme to nonfarm residential properties having an annual income value of not more than £100 (equivalent to $400). In the final Act, this limit is raised to £150 or $600; that is to say, if the annual income value of a nonfarm property is above this limit, the mortgagee is not called upon to make any contribution at all.

Apparently the guiding principle behind this provision was the desire to cut down the small owners' contribution by making the mortgagee liable for a considerable portion of the total amount required. In practice, this will work a hardship on the building societies which have the bulk of their mortgages on smaller homes and have been making high percentage loans.

The financial responsibilities of the building societies under the new Act are expected to be heavy. Total contributions by the societies over the 5-year period are estimated at £11,500,000 or $46,000,000. If this is compared with the societies' aggregate management expenses of less than $16,000,000, the weight of this new burden becomes obvious, and British executives fear that the payment of insurance contributions in many cases will require inroads into surplus and reserves. According to the Act, contributions are in the nature of a capital liability and are not deductible for income tax purposes.

Basis of Compensation

The Act provides for two methods of compensation: Where a building can be repaired, the compensation is designed to cover the cost of repairs at the time the work is done. Where a property is totally destroyed, or where the cost of repair would exceed the value of the property, the compensation will be equal to the loss sustained in terms of prices obtaining on March 31, 1939.

This is another provision which has been severely criticized. It has been argued that building costs are likely to be substantially higher after the war than they were in March 1939. In that case, the owner of a building which is repairable will have his property restored in full at current costs. The owner of a building which is a total loss, however, will receive a compensation that may be entirely inadequate to provide him with an equivalent building. The Government held that to compensate an owner of a totally destroyed property by building a brand-new house would be to replace more than he had lost. As a compromise, an amendment has been included in the bill providing, in substance, that if there is a rise in building costs, compensation payments for total war losses may be increased as the Government sees fit.

The timing of compensation payments remains undetermined except for immediate outlays to cover the cost of temporary repairs necessary to safeguard damaged homes, to the maximum of $3,200 in any single case. Final payments for repair work will be made as and when the repairs are carried out. "Value" payments will be made "at such times as may be directed." The official exposition of the bill points out that generally the time of payment will be determined according to the national interest, and will depend primarily on the supply and availability of labor and materials.

(*Continued on p. 264*)

SHARE CAPITAL TURNOVER

A study of share capital turnover of insured savings and loan associations, recently completed by the Division of Research and Statistics, for the first time uncovers basic information for institutions in the different asset and community size groups. The results of this study testify to the prevalence of long-term investments in savings and loan associations, despite the existence of substantial differentials among the various groups studied.

■ THE United States has now been in a period of generally rising wages and employment for more than five years. Although a considerable proportion of the resulting rise in national income has gone toward increasing the standards of living from the low levels of the early 1930's, a large share has been invested in the various savings reservoirs throughout the country.

This rapid accumulation of savings funds has created a series of problems. One of these is the difficulty of placing money in sound and profitable investments; another is the degree of stability of savings funds.

The significance of the latter problem was forcibly brought out during the early Thirties when many financial institutions which had attracted large volumes of unstable capital and had loaned it out in long-term investments faced an acute withdrawal situation. The fact that mortgage investments of savings and loan associations were written on an amortized basis then, as they are now, eased the impact of the financial crisis to some extent, insofar as this group of institutions was concerned. However, the demands of investors who had never intended to leave their money with the associations over reasonably long periods often precipitated serious difficulties which otherwise might have been avoided.

In the present spiral of rising incomes, savings and loan managers throughout the country are taking stock of their positions in order to avoid the pitfalls of the past. Several "false alarms" have already been sounded; withdrawals were accentuated somewhat at the opening of the present European conflict in the autumn of 1939, and to a more pronounced extent in the summer of last year. These developments, while short-lived, served at least to focus attention on the strategic importance of the character of capital accounts in savings and loan associations and on statistical methods of measuring fluctuations in share capital.

Principal Results of Capital Turnover Study

In order to develop a series of standards for the use of savings and loan managers, the Division of Research and Statistics has recently completed a study of the rates of share capital turnover of insured associations. This survey, while substantiating the fact that share investments continue to be essentially long-term in nature, at the same time reveals drastic differences in turnover rates among the various segments of the industry. Briefly, the results of this analysis—the first comprehensive study of this type—may be summarized as follows:

1. The average dollar invested in insured institutions remains with the association for a period of about five years.
2. Associations in larger communities generally show a higher average rate of turnover than those in smaller communities.
3. For the United States as a whole, shareholders in associations with $250,000 or less in assets maintain their investments over a longer period of time than do shareholders in the larger associations.
4. There is a wide variety of turnover rates among the different Federal Home Loan Bank Districts and States. These geographic variations are at least as marked as variations by size of community or size of association.

Use of Turnover Data

Before proceeding to a more detailed description of the findings of this study, it may not be amiss to point out briefly the uses to which turnover data can be put by association managements.

The turnover rate indicates the approximate time during which funds invested in the association stay there. If this rate is unusually high compared with that of similar associations, an investigation of the causes may lead to important changes in operating policies. Vigorous steps may be taken to discourage short-term and to encourage long-term investments. In this connection, one of the Federal Home Loan Banks recently reported that associations which had low rates of capital turnover ascribed this primarily to two factors:

1. Each prospective investor in the association is questioned as to the length of time the investment is likely to remain in the association. Unless it seems probable that the account is to be left invested in the association for a long or indefinite period, the investment account is discouraged or refused.

2. A definite and sound policy for the payment of withdrawals has been established by these associations, which policy is explained to the prospective investor at the time the first contact is made with the association.

Another important consideration for operating purposes is the effect of rates of share capital turnover on the liquidity position. The quicker the turnover, the larger are the cash balances and similar liquid assets required to maintain a reasonable degree of liquidity. Associations with a low capital turnover might find a cash position equal to 5 percent of their share capital adequate to meet proper requests for repurchase, while institutions with a very rapid rate of turnover might discover that a cash position of 10 percent or more of their share capital is insufficient to meet their needs. The rate of share capital turnover is, therefore, a significant guide in the planning of liquidity policies.

Share Capital Turnover—Variations by Asset and by Community Size Groups

For the purposes of this study, the rate of capital turnover has been defined as the ratio of private share repurchases during the year to average private repurchasable capital outstanding.[1] To provide managements with more pertinent material for comparative purposes the data were classified not only by asset size groups but also by community size groups. The results thus obtained are summarized in Table 1.

In 1940, the average rate of turnover for all associations was 20.1 percent, indicating an average "life" for the invested dollar of five years. The table shows some tendency for the rate of turnover to accelerate in the larger communities. For the United States as a whole, however, the variations are none too large, ranging from 18.5 percent for associations in communities of 10,000 population or less to 21.5 percent for institutions in cities of 250,000 population or over.

[1] Investments by the U. S. Treasury and the Home Owners' Loan Corporation are excluded from the data presented in this article.

Table 1.—Rates of capital turnover for all reporting insured savings and loan associations, classified by asset and community size groups, calendar year 1940

Note.—The turnover rate represents private share repurchases as a percent of average private share capital

Community size group	Asset size group				
	Total	Less than $250,000	$250,000 to $500,000	$500,000 to $2,500,000	$2,500,000 and over
	Percent	*Percent*	*Percent*	*Percent*	*Percent*
All communities	20.1	17.0	19.0	20.4	20.2
Under 10,000	18.5	14.4	16.8	18.6	23.1
10,000–50,000	19.0	15.9	17.0	19.6	18.4
50,000–250,000	19.9	27.3	22.0	19.9	19.8
250,000 and over	21.5	28.7	24.9	23.0	20.6

Reading Table 1 across, we find a tendency for the larger associations to have a slightly faster turnover than the smaller associations. The average dollar invested in associations with less than $250,000 in assets remains with the institution for a period of approximately six years. The life of the average dollar entrusted to medium-sized and larger institutions is in the neighborhood of five years.

A closer study of the two-way analysis reveals a large variety of average turnover rates. The lowest turnover rates are found in the associations of small or medium size—below $500,000 in assets—located in the smaller communities of 50,000 population or less. Associations in the same size group but located in the larger communities show turnover rates considerably above the United States average. For example, the average life of the dollar invested in the smallest associations in communities below 10,000 population is seven years, or twice as long as that of the dollar invested in the smallest associations located in cities of 250,000 population or over.

Annual Repurchases Compared With Annual New Investments

To supplement these data on capital turnover, another set of figures has been developed on the relationship between *annual* repurchases and *annual new* investments. Statistics on this latter ratio have been included in this study because the rate of capital turnover in itself does not reveal the whole story of what happens to an association's share capital. Nor does the repurchase ratio in itself cast sufficient light on operations affecting share capital. Only a combination of the two permits more definite conclusions useful for operating purposes.

For example, two associations with $500,000 in average share capital and $100,000 repurchases during a given year would show a rate of capital turnover of 20 percent. However, this could go together with a high or a low repurchase ratio. If the one institution received $120,000 in new share investments during the period, its repurchase ratio would be 83.3 percent, and its net growth would be slow. If the other association obtained $200,000 in new share capital, its repurchase ratio would be only 50 percent, reflecting a substantial net growth.

Likewise, a given repurchase ratio may go together with different rates of capital turnover.

In fact, more detailed results of the study, which are presented on the following pages, reveal that various combinations of turnover rates and repurchase ratios are not only a possibility but a reality.

In itself, the ratio of repurchases to new investments is a significant standard figure for operating purposes. Particularly at the present time, current observation of this relationship provides a clue to investors' attitudes. In addition, annual ratios of repurchases to new investments are important in the preparation of budgets and in the planning of lending operations. For example, if an institution's experience shows that over a number of years 55 to 60 percent of its new investments had been absorbed by repurchases, and if the management is planning a net increase in private share capital of $100,000, it must obtain new gross investments in the amount of $222,000 to $250,000 to reach its goal, and any adjustment of this figure may be made to meet special temporary conditions.

Repurchase Ratios Classified by Asset and by Community Size Groups

The ratio of private share repurchases in 1940 to *new* private share investments during the same period has also been analyzed by asset and by community size groups. Again this two-way classification shows a large variety of results. Repurchase ratios in the different groups of associations range from 36 to 75 percent, with an over-all average of 57 percent for all institutions. However, there is some "order in the chaos."

Reading Table 2 across, it is evident that the larger the association the greater is the percentage of new investments absorbed by repurchases. In the smallest size group (below $250,000 in assets) only two-fifths of the new money goes to pay off withdrawing shareholders; in the largest size group (above $2,500,000 in assets) almost two-thirds of the new investments is used for this purpose. We find the same tendency, more or less pronounced, in each community size group. One explanation for this is the fact that the smaller associations, particularly newly organized Federals, are growing at a faster rate than are the larger institutions.

Table 2.—Repurchase ratios for all reporting insured savings and loan associations, classified by asset and community size groups, calendar year 1940

Note.—The repurchase ratio represents private share repurchases as a percent of new share investments during the year

Community size group	Asset size group				
	Total	Less than $250,000	$250,000 to $500,000	$500,000 to $2,500,000	$2,500,000 and over
	Percent	*Percent*	*Percent*	*Percent*	*Percent*
All communities	57.2	39.5	45.2	53.7	63.4
Under 10,000	50.8	36.8	43.5	55.1	59.5
10,000-50,000	58.4	35.8	41.5	54.8	75.4
50,000-250,000	61.7	50.7	49.2	52.9	67.8
250,000 and over	56.4	49.4	49.7	52.4	59.1

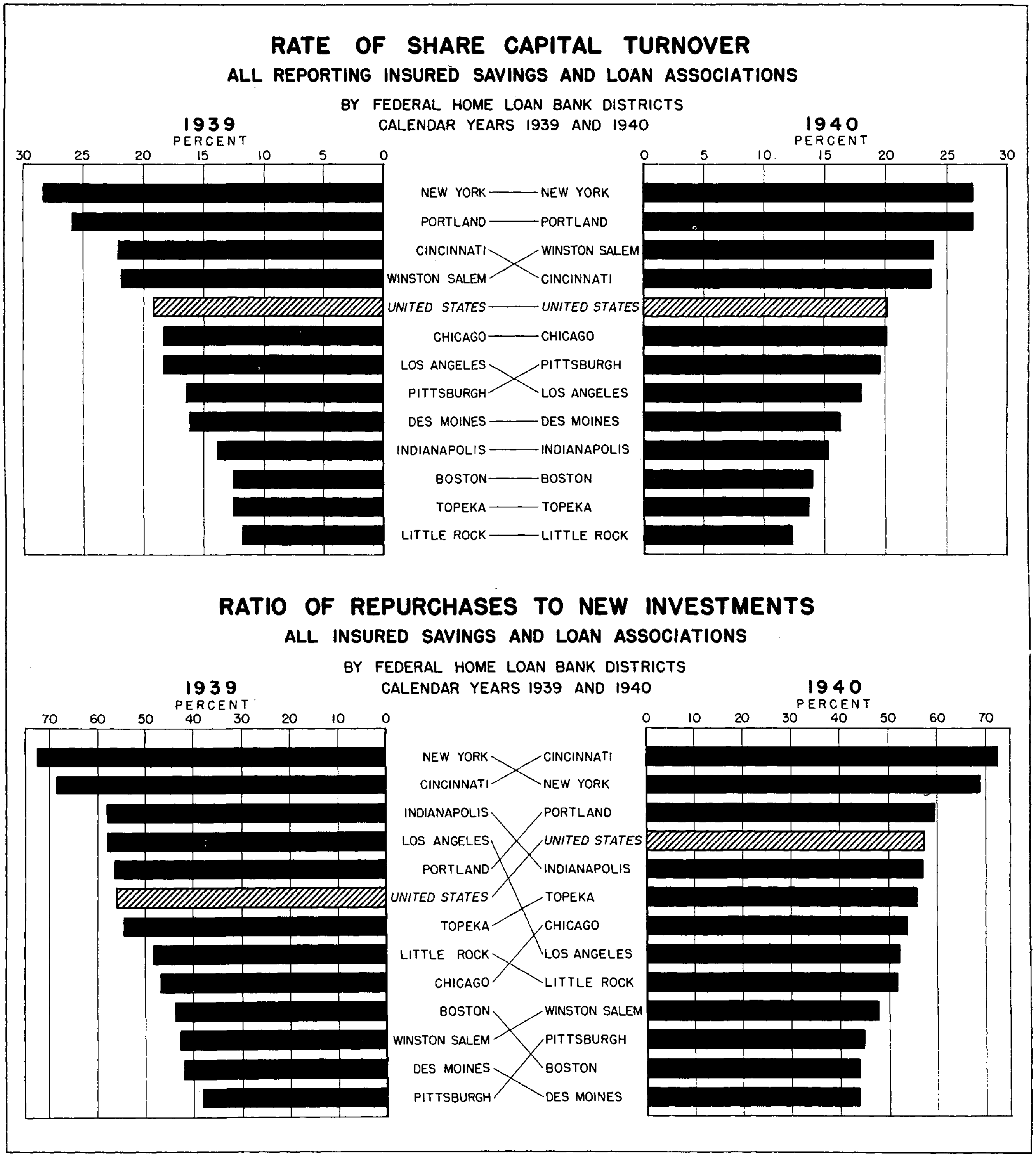
Reading Table 2 vertically, the repurchase ratios show a tendency to rise with increasing size of community, with the exception of the largest city size group.

Again the lowest ratios are found in the smaller associations in small communities. The highest repurchase ratios are concentrated in the largest associations ($2,500,000 in assets or over) irrespective of community size.

Geographic Variations

The considerable regional differences in turnover rates as well as in repurchase ratios are illustrated in the chart on page 254, which shows each of these items, by Federal Home Loan Bank Districts, for the years 1939 and 1940. Turnover rates in the 12 Districts range roughly from 12 percent, representing a "life" of over eight years for the average dollar invested, to 28 percent, or less than four years. Repurchase ratios vary approximately between 38 percent and 72 percent.

There was surprisingly little difference in either turnover or repurchase ratios as between 1939 and 1940. For the United States as a whole, the turnover rate increased slightly from 19.1 percent in 1939 to 20.1 percent in 1940, and the repurchase ratio moved up from 55.9 percent in 1939 to 57.2 percent in 1940. Likewise, none of the individual Bank Districts showed any changes of great magnitude from 1939 to 1940. Those Districts which had high rates of turnover and high repurchase ratios in 1939



The above chart "ranks" the Federal Home Loan Bank Districts by their respective rates of share capital turnover and by their repurchase ratios for insured savings and loan associations. For capital turnover rates, which express private repurchases during the year as a percent of the average private repurchasable capital on the books of insured associations, the position of the various Bank Districts was about the same in 1939 as in 1940. For repurchase ratios, which measure private repurchases during the annual period as a percent of new private investments in the same period, the shifts from 1939 to 1940 were somewhat more pronounced. Even so, however, there was a high degree of consistency in the results obtained for the 2-year period.

ranked also high, in these respects, in 1940, and the same is true for Districts showing low ratios.

As to turnover, the lowest rates were found to exist in the Little Rock, Topeka, and Boston Districts, and the highest rates were revealed in the New York, Portland, Cincinnati, and Winston-Salem Districts.

For repurchases in relation to new investments, the lowest ratios are noticed in the Des Moines, Pittsburgh, Boston, and Winston-Salem Districts, and the highest ratios in the New York and Cincinnati Districts.

Several Districts rank consistently low or high in regard to both turnover and repurchase ratios (high—New York, Cincinnati, and Portland; low—Boston and Des Moines). However, this is not true for other regions. The Winston-Salem District, for example, shows a high turnover rate hand-in-hand with a low repurchase ratio, while in the Indianapolis District a low turnover rate is accompanied by a high repurchase ratio. Different rates of growth of associations in the various regions may possibly explain this phenomenon.

Complete data classified by Federal Home Loan Bank Districts and States are presented in Table 3.

Further Studies Needed

The foregoing paragraphs attempt no more than to present a bare outline of an initial study with the view to stimulate further research on a Nation-wide and local basis. Some of the results may be colored by the conditions prevailing through the past two years. However, the persistence of wide divergencies between District and State figures over the 2-year period seems to indicate that the local variations must be due, in part at least, to deep-rooted factors such as the degree of economic stability, types of savers investing in savings and loan associations, thrift habits, the types of savings plans developed by the institutions, and other institutional policies.

On the other hand, no clear geographic pattern can be found that would point to any fundamental differences as between the various parts of the country, such as the Eastern Sea Coast, the West Coast, the Middle West, and the South. The one observation that emerges from the mass of data is simply that distinct local characteristics of share capital turnover do exist. Local studies will, therefore, be of particular importance in the further development of standard figures of turnover and repurchase ratios.

Table 3.—Rates of capital turnover and repurchase ratios, by Bank District and by State

Federal Home Loan Bank District and State	Rate of turnover		Repurchase ratio	
	1940	1939	1940	1939
United States	20.1	19.1	57.2	55.9
No. 1—Boston	14.0	12.6	43.8	43.8
Connecticut	20.7	22.0	40.0	39.9
Maine	16.5	16.2	31.7	30.3
Massachusetts	12.7	11.4	45.5	47.5
New Hampshire [1]	13.7	11.3	44.9	31.7
Rhode Island [1]	26.2	23.7	34.0	22.5
Vermont [1]	12.3	9.3	40.2	27.0
No. 2—New York	27.0	28.3	68.7	72.4
New Jersey	26.3	36.6	87.7	155.3
New York	27.1	26.6	65.0	62.9
No. 3—Pittsburgh	19.6	16.4	44.7	38.3
Delaware [1]	16.5	3.5	49.5	4.6
Pennsylvania	20.8	17.7	45.7	40.2
West Virginia	12.5	10.1	36.6	27.7
No. 4—Winston-Salem	23.9	21.8	47.8	42.8
Alabama	14.6	14.7	33.2	36.9
District of Columbia	22.3	20.7	48.7	48.9
Florida	40.8	35.6	54.8	45.2
Georgia	19.9	19.2	42.8	38.7
Maryland	20.2	19.8	49.1	46.2
North Carolina	20.8	16.8	43.0	32.8
South Carolina	20.5	21.9	50.1	53.9
Virginia	14.2	12.6	36.6	29.5
No. 5—Cincinnati	23.7	22.1	72.5	68.5
Kentucky	11.7	9.2	65.3	44.6
Ohio	25.7	24.1	74.6	72.7
Tennessee	19.3	16.8	45.2	33.6
No. 6—Indianapolis	15.3	13.9	57.0	57.9
Indiana	14.4	13.1	59.5	59.5
Michigan	17.0	17.4	53.8	55.5
No. 7—Chicago	20.1	18.3	53.4	46.9
Illinois	20.8	18.0	48.5	42.0
Wisconsin	18.1	19.3	79.1	72.7
No. 8—Des Moines	16.3	16.1	43.7	41.9
Iowa	14.5	14.5	31.6	27.7
Minnesota	21.3	22.0	39.8	37.4
Missouri	13.6	13.7	55.6	52.8
North Dakota	13.0	13.0	34.0	42.0
South Dakota	22.0	18.0	66.0	53.7
No. 9—Little Rock	12.3	11.8	51.6	48.6
Arkansas	10.9	9.7	39.5	28.2
Louisiana	11.7	11.0	68.7	62.3
Mississippi	11.1	11.1	31.7	34.7
New Mexico	12.4	13.8	41.1	46.0
Texas	13.1	12.9	45.8	44.1
No. 10—Topeka	13.7	12.6	55.6	54.5
Colorado	16.8	14.4	55.9	51.3
Kansas	15.1	14.1	65.6	68.0
Nebraska	13.6	15.3	46.0	48.4
Oklahoma	11.3	10.4	50.2	48.0
No. 11—Portland	27.0	25.9	59.6	56.5
Idaho	26.9	27.0	56.2	61.8
Montana	19.8	16.9	76.1	63.9
Oregon	26.0	25.1	50.5	46.0
Utah	24.3	24.0	60.0	69.6
Washington	29.1	28.4	61.9	57.3
Wyoming	21.2	15.6	36.1	23.0
No. 12—Los Angeles	18.0	18.3	52.0	57.9
Arizona [1]	33.5	31.3	49.3	38.2
California	17.8	18.1	52.4	58.3
Nevada [1]	12.7	-------	31.1	-------

[1] Less than five insured associations are located in these States.

« « « FROM THE MONTH'S NEWS » » »

PLYWOOD: "Nobody knows who invented the remarkable three-decker sandwich of wood and glue called plywood, but whoever it was started something. . . . Within the building industry, plywood is challenging conventional materials on so many fronts that it is increasingly difficult simply to keep track of them."

The Architectural Forum, March 1941.

OVERBUILDING: ". . . Nothing can prove more distressing to the home-financing business than an overbuilt condition with its attendant evils of high vacancy percentages, low rentals, lost equities, and slumped values. The best way to deal with ghost towns or subdivisions is to prevent them."

Eighth Annual Report, Federal Home Loan Bank of Chicago.

PRICE SPIRAL: "Responsible leaders of building labor are just as aware as are contractors, material producers, and government officials of the dangers of a rising spiral of prices and may throw the weight of their influence on the side of stable wage rates, so long as the cost of living remains stable. . . . Consequently, there seems to be a fair chance that building costs may not advance much further."

Thomas S. Holden, *The Constructor,* March 1941.

INSURANCE: "So far as I know, there is no substitute for the insurance of accounts, both as to security provided for the customers themselves and for the freedom of mind of the managing officials. . . . Catastrophes may happen which may seriously affect conditions even beyond the control of the most capable managers. I believe that freedom of mind of the managing officials is an important essential in everyday operation."

Fred H. Zuck, *Fifth District Quarterly,* April 1941.

FACING FACTS: "The depression is the reason given for the real estate which financial institutions in general have acquired, but not all the fault stems from economic conditions. To face the facts frankly, a goodly portion of such fault lies with the boards of directors and the operating officers . . . in their anxiety to grow and maintain their earning power at false levels."

M. K. Murphy, *Building and Loan Guide and Bulletin,* March 1941.

Perils of a boom . . . . .

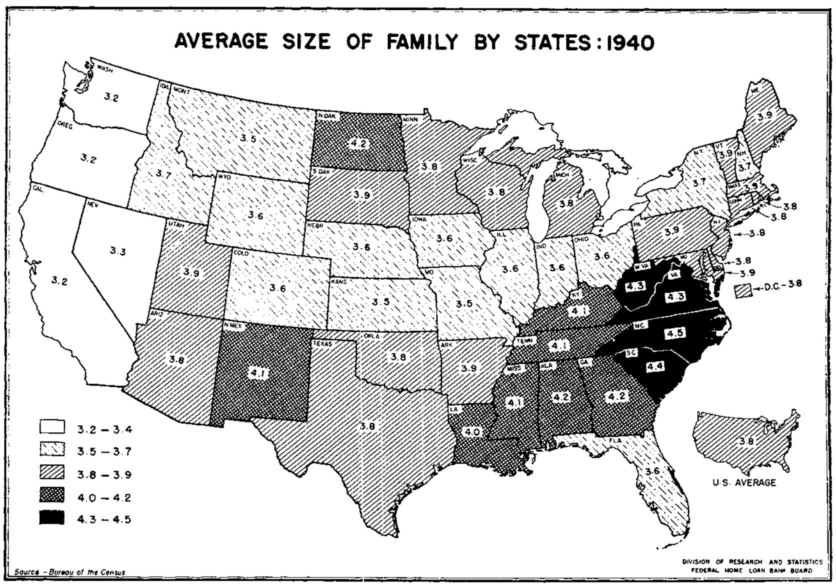
"Particularly under present conditions we should not forget that extreme boom periods in home and building construction are inevitably followed by depressed conditions and that changes in the real estate cycle are usually much more severe than in general business. In the years immediately ahead of us, we must keep in mind what happened in this country from 1922 to 1929, when we experienced a period of speculation in homes without precedent in our history . . ."

John H. Fahey, Chairman, Federal Home Loan Bank Board. Annual meeting, Federal Home Loan Bank of Cincinnati.

No substitute for housing . . . . .

"The remedy for a shortage of housing lies in the provision of an adequate supply of housing through the construction of either permanent or temporary dwellings. Regulations of the rent of existing dwellings is no substitute for an adequate supply, for it cannot reduce the ill-effects of overcrowding, the use of unsuitable dwellings, and other conditions growing out of a housing shortage. Such regulation may, however, be necessary as a purely interim measure to protect consumers by maintaining fair rent levels until sufficient new houses can be built."

Bulletin No. 10. Consumer Division, National Defense Advisory Commission, Mar. 15, 1941.



The number and size of families in the United States are of considerable importance as an indication of prospective or potential demand to the construction and building material industries and to financial institutions interested in home financing.

The chart above presents the average size of family in each of the 48 States as of the census date in 1940. It reveals significant geographic variations with the largest average families concentrated in the South Atlantic States, while the smallest households are found on the West Coast. That the average size of families is decreasing presages important problems in future operations in the residential construction and home-financing fields.

Release of the Census Bureau, U. S Department of Commerce, Mar. 22, 1941.

LIFE INSURANCE COMPANIES: THEIR INVESTMENT POLICIES DURING 1940

The annual study of life insurance company investment policies compiled by the Division of Research and Statistics coincides this year with the publication of the Temporary National Economic Committee's report on legal reserve life insurance companies. These institutions now hold more than $30,000,000,000 in assets and are a controlling factor in our economic society.

■ "AT the present time life insurance companies control more assets, receive more premiums, and have more policies in force than at any time in the history of this country. . . . (Their) investment policies and practices admittedly influence practically every phase of this country's economic life."

These poignant sentences from the report of the Temporary National Economic Committee, which has recently completed an exhaustive study of practically all life insurance company operations, set the stage for reviewing the investment policies and practices of these institutions during 1940, as revealed by the annual survey of the Division of Research and Statistics.

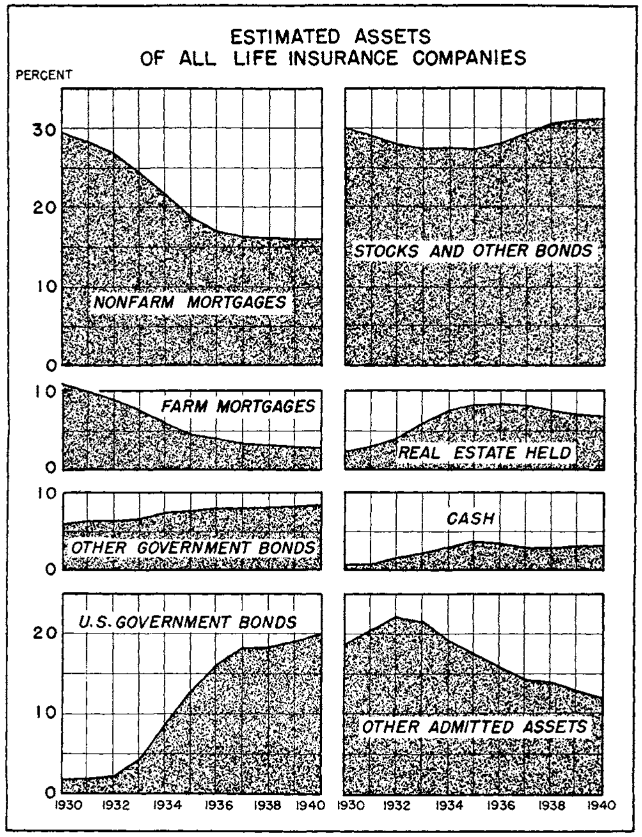
Assets of the legal reserve life insurance companies are now well over $30,000,000,000 and continue to increase at the rate of more than a billion dollars each year. In the period from 1930–1940, their total resources exhibited a growth of almost 12 billion dollars in spite of relatively slow progress during the early years of the decade.

The most pronounced shift in the composition of the assets of these institutions in recent years has been the decline in mortgage investments from a peak of 42 percent of total resources in 1929 to an estimated 19 percent at the end of 1940. This decline has been offset by the sharp rise in the portion of their funds invested in U. S. Government securities—from approximately 2 percent of aggregate assets at the beginning of the Thirties to almost 20 percent at the close of last year. Total holdings of Government bonds passed the $6,000,000,000 mark during 1940 and for the first time exceeded the total amount invested by these companies in real estate mortgages.

The proportions of cash funds, and investments in other stocks and bonds have also shown significant increases. Other changes in the make-up of life insurance accounts are revealed in the accompanying chart which shows the distribution of their assets by years from 1930 through 1940.

The 1940 Investment Program

New investments of life insurance companies last year were 11 percent larger than in 1939 and exceeded $4,000,000,000. The increase was reflected in each of the various investment classifications with mort-

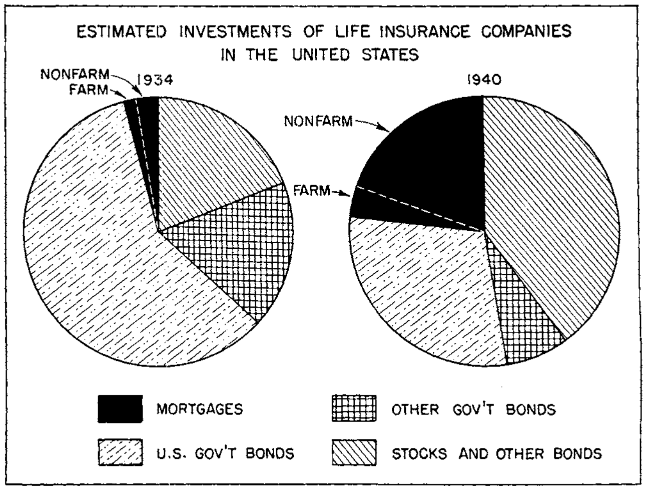


The above chart shows graphically the trends in the proportion of life insurance company resources invested in each of eight different asset classifications. From this, the decline of mortgage investments and the sharp rise in U. S. Government bond holdings in relation to total assets are clearly evident. The proportion of real estate held has dropped gradually since 1936.

gage loans showing the greatest percentage increase (+16.7 percent) and stocks and "other" bonds the highest dollar gain (+$218,000,000).

New mortgage investments on nonfarm properties totaled more than $800,000,000, or 16 percent greater than in 1939. This was equal to about two-thirds of the new loans made by all savings and loan associations last year, although it must be remembered that insurance company activity includes a considerable portion of multifamily, large-scale housing developments which are outside the scope of normal savings and loan lending. It is significant to note that although the annual amount of all new investments made by life insurance companies has now doubled the 1934 volume, nonfarm mortgage investments by these institutions have increased fifteenfold. Not all of these mortgages were originated by life insurance companies. On the basis of an investigation covering 1939 operations, it is likely that about one-fourth of the new mortgage loans were written through correspondents or purchased from other mortgagees, while the remainder were originally made in the name of the company holding the instrument.

Last year was the first time since the depression that the amount of farm mortgage advances made exceeded the previous year's volume of loans on these properties. The 1940 farm loans, however, totaled only $146,000,000, but the gain over 1939 was the largest percentage increase (+20 percent) registered by any type of investment.



These pie charts indicate the distribution of the estimated *new* investments made by all life insurance companies during 1934 and 1940. Almost two-fifths of the $2,000,000,000 invested during 1934 was used for the purchase of U. S. Government bonds. Last year's new investments of these companies totaled more than $4,150,000,000, with purchases of stocks and "other" bonds accounting for the largest single portion.

Purchases of stocks and "other" bonds were almost a quarter of a billion dollars greater in 1940 than in the previous year. The total of $1,661,000,000 invested in these securities was the largest single outlet for funds during the year, absorbing $40 out of every $100 of new investments.

An important phase of the 1940 policies includes the continued de-emphasizing of investments in Government securities which for the most part are now returning extremely low yields. Purchases of U. S.

Estimated investments of life insurance companies in the United States

[Source: The Association of Life Insurance Presidents, *Wall Street Journal*, and returns to the Division of Research and Statistics from a special questionnaire to life insurance companies]

[Amounts are shown in thousands of dollars]

Type of investment	Estimated total investments held as of Dec. 31, 1940		Estimated *new* investments					
	Amount	Ratio to total	Amount			Ratio to total		
			1940	1939	1934	1940	1939	1934
		Percent				*Percent*	*Percent*	*Percent*
Nonfarm mortgages	$4, 948, 000	20. 6	$819, 517	$705, 337	$55, 217	19. 7	18. 9	2. 6
Farm mortgages	873, 000	3. 6	145, 601	121, 479	32, 574	3. 5	3. 3	1. 6
Total mortgages	5, 821, 000	24. 2	965, 118	826, 816	87, 791	23. 2	22. 2	4. 2
U. S. Government bonds	6, 095, 000	25. 3	1, 211, 396	1, 151, 040	1, 222, 952	29. 2	30. 8	58. 9
Other government bonds	2, 566, 000	10. 7	314, 447	309, 573	369, 357	7. 6	8. 3	17. 8
Stocks and other bonds	9, 556, 000	39. 8	1, 661, 788	1, 444, 040	396, 844	40. 0	38. 7	19. 1
Total investments	24, 038, 000	100. 0	4, 152, 749	3, 731, 469	2, 076, 944	100. 0	100. 0	100. 0

Government bonds amounted to more than $1,200,000,000, but showed a gain of only 5 percent over 1939 as contrasted with the 11-percent over-all increase. In spite of the slowing down, however, this medium absorbed almost three-tenths of life insurance company new investments. (See table at bottom of the opposite page.)

The Problem of Investment Outlets

Life insurance companies, as we have seen, invested an average of $13,500,000 during every working day last year, and finding satisfactory outlets for such an amount of money has become one of the major problems which these institutions face. With the fall of interest rates which has taken place in recent years, life insurance companies, as well as all types of investment and trust funds, are encountering increasing difficulties in earning enough interest. The acuteness of this problem is emphasized by the report of the Temporary National Economic Committee which points to the low returns received on almost one-third of the assets of the 26 largest legal reserve companies which are tied up in cash, Government bonds, delinquent farm and city mortgages, and some defaulted bonds.

The extensive refunding of corporate debt during the past six years has eliminated from the insurance company portfolios the high interest rate bonds which they formerly held. And, of course, the substantial reduction in the interest which may be earned on mortgage investments has also played an important part in complicating the situation. In 1932, for example, the range of average rates on new urban mortgages made by these 26 companies was from 5.30 percent to 6.34 percent. By 1938, this range had decreased to a level of from 3.96 to 5.25 percent. The experience with farm mortgages has also followed this pattern.

The Accumulation of Savings in Life Insurance Companies

The substantial growth of life insurance company assets represents in large part an accumulation of long-term savings. In fact, the Committee's report goes so far as to intimate that they are becoming the principal savings institutions of the country. As evidence, the report cites the recent trends of life insurance company assets as compared with the growth of other savings reservoirs. During the period from 1929–1938, money invested in all savings media showed a net increase of more than $11,000,000,000.

Increase in selected life insurance savings funds

[Source: Monograph No. 28, "Study of Legal Reserve Life Insurance Companies," Temporary National Economic Committee, Washington, D. C.]

[Amounts are shown in thousands of dollars]

Type of fund	1929	1938	Percent increase
Annuity reserves	$400, 641	$2, 665, 052	565
Supplementary contracts	241, 115	1, 182, 416	390
Dividends left with the companies	196, 775	372, 533	89
Premiums and rents in advance	45, 378	130, 150	187
Total	883, 909	4, 350, 151	-------

Of this amount, 95 percent was accounted for by the gain in assets of life insurance companies and life insurance fraternal associations.

"Under the operations of the level premium plan," the report states, "reserves for life policies are principally accumulated savings established by the policy-holders for the purpose of preventing their premium from rising as they grow older. Endowment and other plans of insurance are actually savings plans combined with insurance, and a large part of the reserves set up for these policies are in the nature of a savings deposit. Thus life reserves clearly involve the savings element.

"Other assets of the life companies are even more in the nature of savings. Annuity reserves and liabilities for supplementary contracts not involving life contingencies as well as the increase in the amount of dividends left with the companies and the amount of premiums and rents paid in advance are all indicative of the extent to which the savings element is essential in insurance company operations.

"In fact, if the growth of the life insurance companies is examined in this regard, it will be seen that these aspects of the business are primarily accountable for the great increase in size which has taken place since 1929."

Appropriation for Defense Housing

■ ON April 29, an amendment to the Lanham Act was signed by the President increasing the appropriation for public defense housing projects from $150,000,000 to $300,000,000. The amendment also raises the cost ceiling per family unit from $3,000 to $3,500 and restricts installment of movable equipment.

THE ROOFS OVER AMERICAN HOMES

Technological studies on building materials have an important part in the improvement of construction standards in which mortgage lenders have a direct stake. This summary of surveys on roofing materials[1] made by the Bureau of Standards, and condensed from its reports, is therefore of interest to savings and loan executives.

■ IMPROVEMENT of building standards and reduction of construction costs—both keys to the progress of the building industries and to the solution of our housing problems—depend to a large extent on technological research. This type of research, which includes fact-finding and laboratory work on the physical qualities of building materials now in use, or in the stage of development, is important to mortgage lenders as the value and stability of their mortgage security are directly related to the standards of construction. For this reason, the FEDERAL HOME LOAN BANK REVIEW has from time to time published the results of technological studies on building materials undertaken by the National Bureau of Standards.

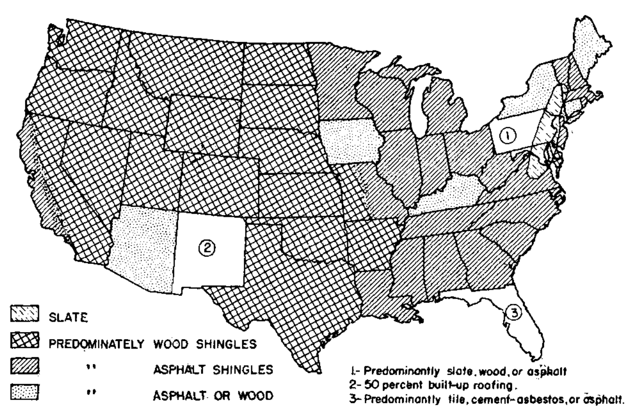
In keeping with this policy, the following article presents the findings of comprehensive surveys of the weathering qualities and extent of use of the various roofing materials—surveys which form a part of the general research program of the National Bureau of Standards relative to building materials and structures.

Although these surveys are still in process, results to date include: (1) a general picture of roofing practices and conditions throughout the Nation, based on questionnaires sent to field representatives of the Home Owners' Loan Corporation and the Federal Housing Administration who were thoroughly familiar with local roofing practices; and (2), regional field surveys for two sections of the country—the Southeast covering nine States, and the Northeast including 11 States.

QUESTIONNAIRE SURVEY OF ROOFING PRACTICES IN THE U. S.

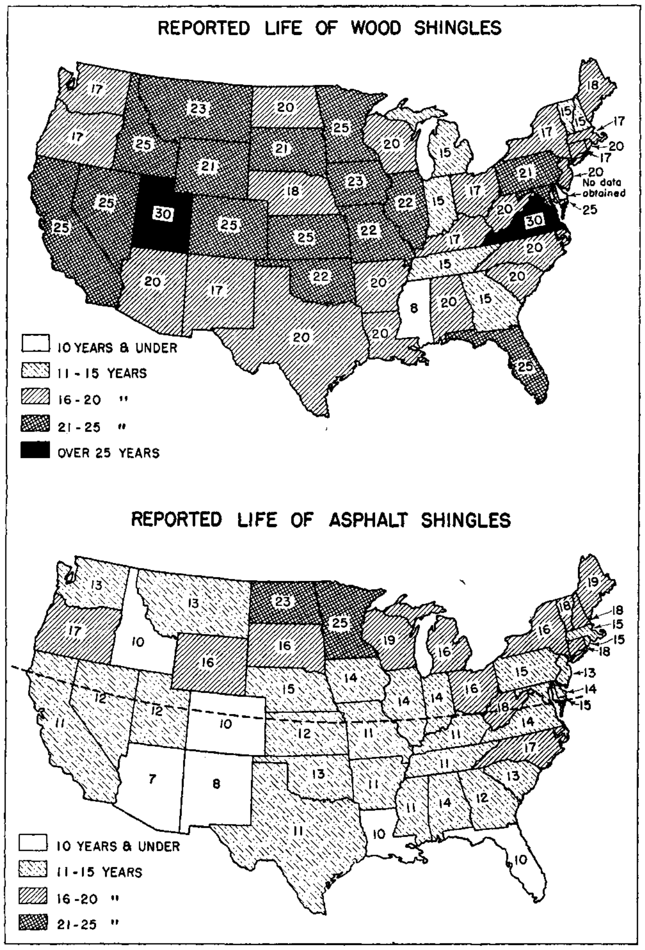
As to the distribution of roofing materials, the Mississippi River divides the country roughly into two sections, with wood shingles predominating in the western half and asphalt shingles in the eastern. The reports indicate that although other materials such as metal, tile, roll roofing, cement-asbestos shingles, and built-up roofing are used widely in some sections, apparently their use is not sufficiently large to make them the principal material in any one State. The accompanying map shows the principal roofing materials on both urban and suburban dwellings in each State.

DISTRIBUTION OF PRINCIPAL ROOFING MATERIALS



Reports on the durability of the various roofing materials show wide variations, determined not only by the material itself but by other conditions as well. For asphalt shingles, geographic location appears to be a controlling factor since the average number of years of service reported for the northern section of the country exceeds by far the average durability reported for the southern section. The maps on the facing page, based on data furnished by the questionnaire survey, reveal the average service life of asphalt shingles and that of wood shingles in each State. The lower map shows that the service life of asphalt shingles in States above the dotted line varies from 13 to 25 years, with an average of 16 years; while reports for the States below this line

[1] These surveys are being made by Hubert R. Snoke and Leo J. Waldron of the National Bureau of Standards. For more detailed information on the results of the surveys included in this article, see National Bureau of Standards publications, BMS-6, BMS-29, and BMS-57 which may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C.



indicate a service life varying from 8 to 17 years, or an average of 12 years. On the other hand, although variations in the life of wood shingles range from 8 to 30 years with an average of over 20 years, little effect from geographic location is indicated.

Prevailing climatic conditions, such as strong winds, hail, extremes of temperature, heat, fog, salt air, and industrial atmospheres, preclude the suitability of any single roofing material for use in all sections of the country. Materials reported as *unsuited* under each of these conditions were:

> *Strong winds:* Slate, tile, asphalt-prepared roll roofings and shingles, and metal roofings.
>
> *Hail:* Slate, tile, asphalt-prepared roll roofings and shingles, and cement-asbestos shingles.
>
> *Extremes of temperature:* Tile, metal roofings, and asphalt shingles.
>
> *Heat:* Asphalt-prepared roll roofings and shingles, wood shingles, and built-up roofing.
>
> *Fog, salt air, or industrial atmospheres:* Metal roofing.

Other interesting findings based on the results of the questionnaire survey for the country as a whole are:

1. Many States restrict the use of wood shingles within the fire districts of urban areas.
2. Prohibitive freight rates limit the use of heavy rigid roofing materials in locations somewhat distant from the source of supply.
3. Principal materials used for valley construction are copper, galvanized-metal, terne, and asphalt-prepared roll roofing.
4. Copper or galvanized nails are generally used with most types of roofing.
5. Although no single factor can be considered as prominently responsible for premature roof failures, more than 50 percent of such failures are the result of poor construction and severe weather conditions. Faulty design, failure of material, and failure of flashings are other causes.
6. New materials—such as metal shingles, copper tiles, or cement shingles—which have appeared for roofing purposes within recent years have, as yet, but slight use.

Two Regional Surveys

For the regional surveys the Bureau of Standards is obtaining much of the information on roofing conditions in the *urban* centers with the help of field representatives of the Home Owners' Loan Corporation, through actual inspections of roofs in different locations. In order to determine the extent to which different roofing materials are used on dwellings in the *rural* districts and small towns, field trips are made which afford an actual count of all roofs along the highways traveled. In the two surveys of the Southeastern and Northeastern sections, more than 20,000 dwellings along 4,000 miles of highway are included.

Generally, initial and maintenance costs, availability, fire resistance, and appearance largely govern the choice of roofing materials. Because of the fire insurance rates in urban centers, this factor is given more consideration than in rural sections. According to the surveys, the only places where appearance was found to have little influence seem to be the rural districts of the South.

Approximately 76 percent of the rural dwellings along the routes traveled in the two surveys were roofed with asphalt shingles, wood shingles, or sheet metal (galvanized). Sheet metal predominated for low-cost rural roofs in the Southeastern States, while asphalt shingles were used most frequently on roofs of the same class in the Northeastern States. The villages and small towns in the North show a greater variation in the kinds of roofing materials that are used than those in the South.

Weathering Qualities of Roofing Materials

According to the Bureau of Standards, no positive statement can be made concerning the probable service a given general type of roofing material will render in a particular locality, for no two conditions of exposure are identical. Some of the materials, however, show different weathering characteristics in different localities. The following paragraphs, condensed from the Bureau's reports, briefly outline these characteristics.

Asphalt shingles, although developed chiefly within the past 30 years, are nevertheless the most widely used roofing material on urban dwellings in the Southeastern States. These shingles weather more rapidly, however, the farther south they are exposed. In the Northeastern States, where roofs are steeply pitched because of the snow hazard, normal weathering is much less rapid than in the southern area, and asphalt shingle roofs may be expected to render from 50 to 100 percent longer service in the Northeastern States than in the Southeastern region.

Northeastern Region

Southeastern Region

Blisters in the top coating were frequently found. They were not confined to particular types of shingles or granules or to any particular locality, but were more often noted on shingles surfaced with buff granules or blends of other granules with buff. Loss of granules very often is caused by water falling from the main section of the roof to the porch roof, although even the pitch of the roof itself may be responsible. It is believed that the most satisfactory asphalt shingle roofs are of individual shingles laid by the American method—for when laid properly, these shingles afford triple coverage over practically the whole area of the roof. Observations showed also that the greater the weight of asphalt shingles per unit area of roof, the better the service.

The same types of weathering were found on *mineral-surfaced asphalt-prepared roll roofing* as on asphalt shingles; the former, however, appears to be more susceptible to blistering and less durable because it affords but single coverage. *Smooth-surfaced roll roofing* weathers even more rapidly than mineral-surfaced roofing because the asphalt coating is exposed directly to sunlight and moisture. Neither of these two types of roofing is used to a great extent in the North.

Only a few new *wood shingle* roofs were noted in urban centers of both the North and South for nearly every city either prohibits them entirely or limits their use to certain areas. First-grade shingles of the weather-resistant woods, applied properly on roofs of sufficient pitch, usually give good service.

Cement-asbestos shingles give very satisfactory service and in general have been used less in the Northeastern than in the Southeastern States. Like other rigid roofing materials, they are subject to damage by the shrinkage of wet or unseasoned lumber in the roof structure, by falling limbs of trees, or by walking directly on them. The most noticeable effects of weathering are color changes—found most frequently in the green shingles. Geographic location apparently has little effect on their weathering qualities.

Slate, another rigid roofing material, is subject to the same damage as cement-asbestos shingles. It gives excellent service in all localities and fading can be attributed to the type of slate used, for slates from some quarries fade while others do not. Slate is used to a far greater extent in the North than in the South because of the proximity of quarries.

Tile roofing gives very satisfactory service in both sections of the country and damage by actual weathering is very slight. However, very little of this type of material is used in the North, compared to the amount used in the South. The porous type of tile is unsuitable for use in areas where extremes in temperature prevail.

Sheet metal and *metal shingles* are not in wide use on dwellings in the Northeastern States. Climatic conditions in the South are very favorable to metal roofing and roofs of this type are used most frequently on low-cost rural dwellings in this area. When properly protected by paint at all times, the report of the Bureau states, metal roofs give many years of service.

Directory of Member Institutions

I. INSTITUTIONS ADMITTED TO MEMBERSHIP IN THE FEDERAL HOME LOAN BANK SYSTEM BETWEEN MARCH 16 AND APRIL 15, 1941

DISTRICT NO. 2

NEW JERSEY:
- Kearny:
  - Equity Savings & Loan Association, 577 Kearny Avenue.
- Paterson:
  - Columbiad Building & Loan Association, Market Street.
- Union City:
  - Union City Savings & Loan Association, 3906 Bergenline Avenue.

DISTRICT NO. 4

ALABAMA:
- Ensley:
  - People's Savings & Loan Association of Ensley, Alabama, 1915 Avenue E.
- Mobile:
  - Security Federal Savings & Loan Association of Mobile, 214 St. Francis Street.

DISTRICT OF COLUMBIA:
- Washington:
  - Enterprise Building Association, Seventh Street & Indiana Avenue, Northwest.

MARYLAND:
- Baltimore:
  - The Riverside Permanent Building & Savings Association of Baltimore No. 2, 132 East Fort Avenue.

DISTRICT NO. 9

TEXAS:
- Gilmer:
  - Gilmer Building & Loan Association, 216 Buffalo Street.

DISTRICT NO. 12

CALIFORNIA:
- San Luis Obispo:
  - San Luis Building & Loan Association, 1135 Chorro Street.

WITHDRAWALS FROM THE FEDERAL HOME LOAN BANK SYSTEM BETWEEN MARCH 16 AND APRIL 15, 1941

ALABAMA:
- Mobile:
  - Mutual Building & Loan Association of Mobile, 214 St. Francis Street (segregation, sale of assets, and transfer of 100 shares of Bank stock to Security Federal Savings & Loan Association of Mobile, Mobile, Alabama).

ILLINOIS:
- Chicago:
  - Vltava Building Loan & Homestead Association, 4758 South Ada Street (liquidation).

MISSOURI:
- Kansas City:
  - American Savings & Loan Association No. 1, of Kansas City, Mo., 1005 Grand Avenue (merger with, and transfer of 75 shares of Bank stock to, Jackson County Savings & Loan Association, Kansas City, Missouri).

NEW JERSEY:
- Egg Harbor City:
  - Egg Harbor Building & Loan Association, 246 Cincinnati Avenue (voluntary liquidation).
- Harrison:
  - International Building & Loan Association of Harrison, New Jersey, 312 Harrison Avenue (voluntary withdrawal).
- Paterson:
  - Textile Home Building & Loan Association, of Paterson, N. J., 49 Hamilton Street (consolidation with, and transfer of 90 shares of Bank stock to, Alexander Hamilton Savings & Loan Association, Paterson, New Jersey).

OHIO:
- Mount Sterling:
  - The Security Building & Loan Company, 23 North London Street (liquidation).

OREGON:
- Albany:
  - The Valley Building & Loan Association, Valley Building (voluntary withdrawal).

PENNSYLVANIA:
- Philadelphia:
  - Keystone Mutual Building & Loan Association, 1608 Walnut Street (voluntary withdrawal).
- Pittsburgh:
  - Josephine Building & Loan Association Number 3 of Pittsburgh, Pa., 131 South Seventeenth Street (voluntary liquidation).
  - The Pattison Building & Loan Association, 119 South Twelfth Street (voluntary liquidation).

WISCONSIN:
- Milwaukee:
  - Homestead Savings & Loan Association, 308 West North Avenue.
  - Slovak Building & Loan Association, 3428 West Villard Avenue (merger with, and transfer of 60 shares of Bank stock to, Acme Building & Loan Association, Milwaukee, Wisconsin).

II. FEDERAL SAVINGS AND LOAN ASSOCIATIONS CHARTERED BETWEEN MARCH 16 AND APRIL 15, 1941

DISTRICT NO. 3

PENNSYLVANIA:
- Bellevue:
  - First Federal Savings & Loan Association of Bellevue, 577 Lincoln Avenue (converted from The Commercial Building & Loan Association, Pittsburgh, Pennsylvania).

DISTRICT NO. 7

ILLINOIS:
- Bloomington:
  - Bloomington Federal Savings & Loan Association, 113 North Center Street (new association).

WISCONSIN:
Milwaukee:
Concordia Federal Savings & Loan Association, 1100 West National Avenue (converted from Concordia Building & Loan Association).

CANCELATION OF FEDERAL SAVINGS AND LOAN ASSOCIATION CHARTER BETWEEN MARCH 16 AND APRIL 15, 1941

PENNSYLVANIA:
Bristol:
Townsite Federal Savings & Loan Association (merger with First Federal Savings & Loan Association of Bucks County, Bristol, Pennsylvania).

III. INSTITUTIONS INSURED BY THE FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION BETWEEN MARCH 16 AND APRIL 15, 1941

DISTRICT NO. 2

NEW JERSEY:
Paterson:
Alexander Hamilton Savings & Loan Association of Paterson, New Jersey, 138 Washington Street.

DISTRICT NO. 4

ALABAMA:
Ensley:
People's Savings & Loan Association of Ensley, Alabama, 1915 Avenue E.
Mobile:
Security Federal Savings & Loan Association of Mobile, 214 St. Francis Street.
Tuskegee Institute:
Tuskegee Savings & Loan Association, 115½ South Court Street.
SOUTH CAROLINA:
Easley:
Home Building & Loan Association, Easley Bank Building.

DISTRICT NO. 7

ILLINOIS:
Freeport:
Union Loan & Savings Association, 223-25 West Stephenson Street.

War Risk Insurance

(*Continued from p. 250*)

ADMINISTRATION OF THE WAR DAMAGE BILL

The administration of the bill has been placed in a War Damage Commission appointed by the Treasury, which will give directions to the Commission to make certain that it exercises its functions in conformity with the national interest in such matters as town planning, housing, and the supply of labor and materials. Contributions under the Act will be collected by the Collector of Inland Revenue, and in the receipt and assessment of claims to compensation, the Commission will be assisted by the Valuation Office of the Inland Revenue Department.

The powers conferred upon the Commission are broad and far-reaching. For example, the Commission is authorized to determine property values for compensation subject to appeals to the courts; it can impose conditions on the payment of compensation in regard to the use of the amounts paid out; and it may enforce the construction of new buildings after a reasonable period of time. In fact, it appears from the provisions of the Act that the insurance scheme itself and the Commission in charge of it will be powerful instruments in the execution of present plans to make the best of the terrific war destruction by building a better Britain than before.

Resolutions of the Board

AMENDMENT TO RULES AND REGULATIONS FOR FEDERAL SAVINGS AND LOAN SYSTEM, RELATIVE TO PUBLISHING OR MAILING OF STATEMENTS OF CONDITION: Adopted April 3, 1941; effective April 7, 1941.

The December 1940 issue of the REVIEW carried a proposed amendment to Federal Regulation 203.5, relative to the posting and publishing or mailing of statements of conditions of Federal associations. In the amendment as formally adopted by the Federal Home Loan Bank Board on April 3, 1941, reference to "posting or displaying" has been eliminated and the requirement now covers "mailing or publishing." Section 203.5 is now amended by inserting immediately after the last sentence the following:

Within the month of January of each year, a copy of the statement of condition of each Federal association, as of December 31, immediately preceding, in form prescribed by the Board shall either be mailed to each of the association's members at his last address appearing on the association's books, or published in a newspaper printed in the English language and of general circulation in the county in which the association's home office is located; provided, however, that said statement may be in greater detail and may omit such items as are inapplicable. Within five days after the statement has been so mailed or published a statement signed by an executive officer of the association, certifying that the statement has been so mailed or published, together with a copy of the statement of condition, shall be transmitted to the Governor of the Federal Home Loan Bank System, Washington, D. C., and to the President of the Federal Home Loan Bank of which the association is a member.

* * *

The Board on April 3, 1941 also approved a new form of statement of condition which outlines the minimum requirements for compliance with the above resolution. This form is illustrated below.

Statement of Condition as of ________

ASSETS		LIABILITIES	
First Mortgage Loans	$______	Members' Share Accounts	$______
Loans on Passbooks and Certificates	______	Shares Pledged on Mortgage Accounts	______
Other Loans	______	Advances from Federal Home Loan Bank	______
Properties Sold on Contract	______	Borrowed Money	______
Real Estate Owned and in Judgment	______	Loans in Process	______
Investments and Securities	______	Other Liabilities	______
Cash on Hand and in Banks	______	Specific Reserves	______
Office Building and Equipment, less depreciation	______	General Reserves	______
Deferred Charges and other Assets	______	Undivided Profits	______
	$______		$______

Amendment to rules and regulations for the federal home loan bank system, relative to interbank deposits: Adopted April 9, 1941; effective April 14, 1941.

In accordance with regulations of the Federal Home Loan Bank Board, a proposed amendment to Bank System Regulation 4.1 (e), to eliminate existing restrictions in connection with interbank borrowing which unnecessarily hamper the flow of funds between the Banks, was listed in the March 1941 issue of the Review on page 187. This resolution has now been formally adopted by the Board and paragraph (e) now reads:

(e) *Transfer of funds between Banks.* Interbank borrowing shall be through the medium of unsecured deposits. Unless otherwise directed by the Governor such deposits shall be payable on demand. Arrangements for such deposits and the repayment thereof shall be made through the Board's Comptroller. Such deposits shall bear interest at rates established by the Board.

Proposed Amendment

Proposed amendment to rules and regulations for insurance of accounts, relative to brokerage business and sale of loans

Section 301.18 of the Rules and Regulations for Insurance of Accounts stipulates that no insured association shall engage in the mortgage brokerage business. In a resolution adopted April 14, 1941, the Board of Trustees of the Federal Savings and Loan Insurance Corporation proposes to lift this prohibition on the sale of mortgages, for the duration of the emergency, as far as the financing by these institutions of permanent-use housing in defense areas is concerned.

The proposed amendment is designed to enable insured savings and loan associations to cooperate more fully in the financing of needed additional housing facilities in areas in which the concentration of defense activities is creating a serious housing shortage.

The Board of Trustees will not formally approve the proposed revision until at least 30 days after the mailing date (April 17, 1941) to the Advisory Council. If it is formally approved at the end of this period, Section 301.18 will be amended by substituting a comma for the period at the end of the first sentence and adding the following qualifying clause:

provided, however, that mortgages made in the financing of permanent-use housing in defense areas may be sold without regard to this prohibition.

Designation of Member Institutions as Issuing Agents for Defense Savings Bonds

FOLLOWING the announcement of Treasury plans for the issue of three new types of defense savings bonds (see April issue of the Review, page 218), the U. S. Treasury has now designated the issuing agents for the sale and issue of the new bonds.

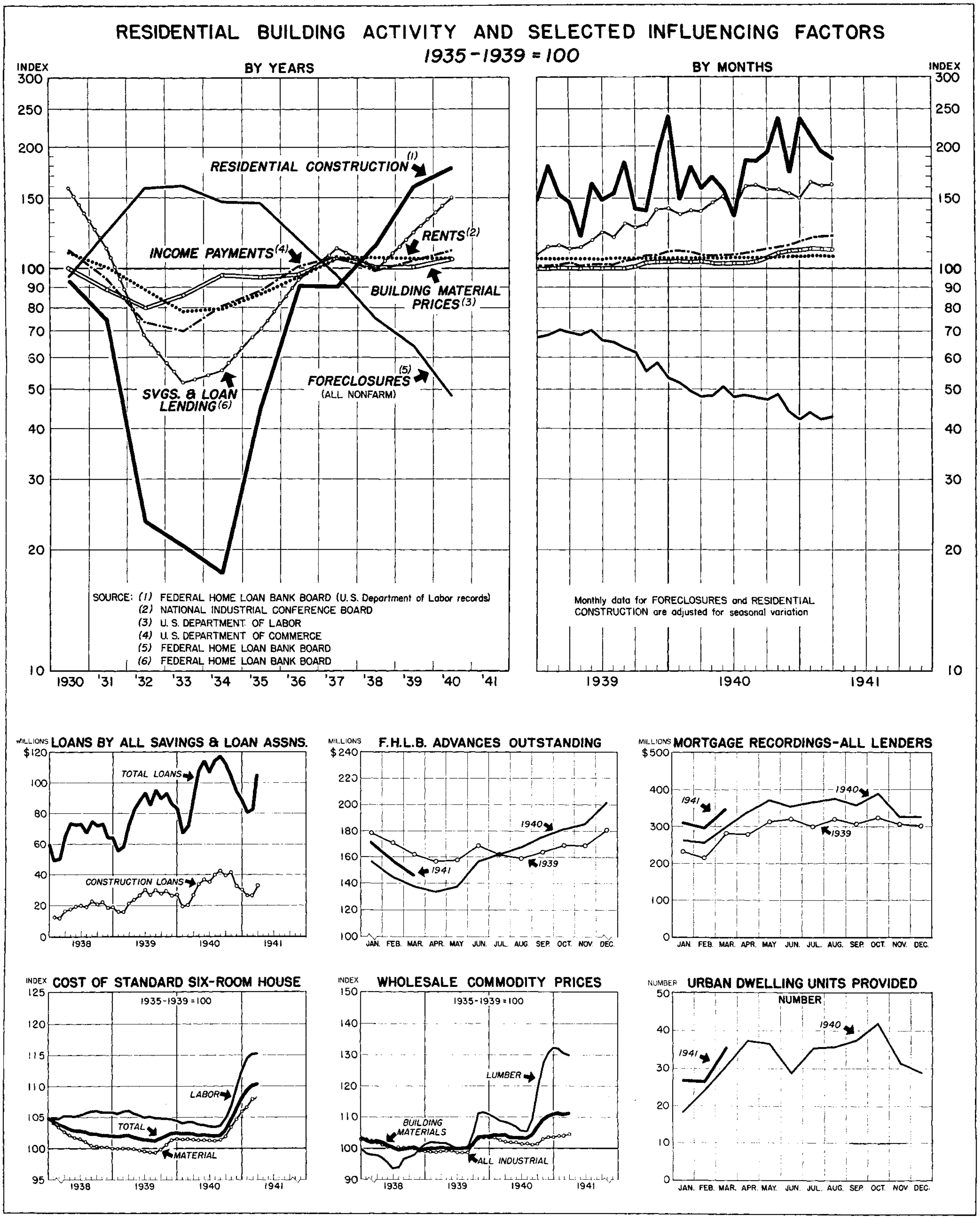
"All Federal Savings and Loan Associations and all other members of the Federal Home Loan Bank System" are included in the list of institutions which may qualify as issuing agents for Defense Savings Bonds—Series E. A State-chartered member institution is required to submit to the Federal Reserve Bank of the district in which it operates, certification by the Federal Home Loan Bank that it possesses proper authority by virtue of the State laws and the charter to act as issuing agent.

Collateral is required for hypothecation with the Federal Reserve Bank to the extent of 75 percent of the maturity value of the bonds. Eligible collateral consists of United States obligations, direct or unconditionally guaranteed, in negotiable form, and United States savings bonds of any issue registered in the name of the issuing agent notwithstanding provisions restricting the pledge of these securities.

Members of the Federal Home Loan Bank System upon proper qualification are permitted to carry the Series E bonds in blank form for delivery to purchasers immediately upon payment therefor. The bonds cannot be purchased by a member of the System, banks, or corporations and are issuable only in the names of natural persons. The bonds may be held by individuals at any one time to the extent of $5,000 issued in any one year.

The Federal Reserve Banks have been designated as issuing agents for the sale of the Series F and G bonds. These bonds are not issuable to any financial institution accepting deposits but may be purchased by savings and loan associations. While the bonds are not transferable, they are eligible securities to be pledged by member institutions with the Federal Reserve Bank as collateral for the issuance of the Series E bonds upon the execution of a power of attorney to the bank. Series F and G bonds may be held at any one time up to $50,000, of either series or in combination, issued in any one year.

Member institutions may purchase defense postal savings stamps from any of the 16,000 distributing post offices to carry in stock for resale.


RESIDENTIAL BUILDING ACTIVITY AND SELECTED INFLUENCING FACTORS
1935-1939 = 100
BY YEARS
BY MONTHS
INDEX
RESIDENTIAL CONSTRUCTION (1)
RENTS (2)
INCOME PAYMENTS (4)
BUILDING MATERIAL PRICES (3)
SVGS. & LOAN LENDING (6)
FORECLOSURES (5) (ALL NONFARM)
SOURCE: (1) FEDERAL HOME LOAN BANK BOARD (U.S. Department of Labor records)
(2) NATIONAL INDUSTRIAL CONFERENCE BOARD
(3) U.S. DEPARTMENT OF LABOR
(4) U.S. DEPARTMENT OF COMMERCE
(5) FEDERAL HOME LOAN BANK BOARD
(6) FEDERAL HOME LOAN BANK BOARD
Monthly data for FORECLOSURES and RESIDENTIAL CONSTRUCTION are adjusted for seasonal variation
1930 '31 '32 '33 '34 '35 '36 '37 '38 '39 '40 '41
1939 1940 1941
LOANS BY ALL SAVINGS & LOAN ASSNS.
MILLIONS
TOTAL LOANS
CONSTRUCTION LOANS
F.H.L.B. ADVANCES OUTSTANDING
MORTGAGE RECORDINGS-ALL LENDERS
COST OF STANDARD SIX-ROOM HOUSE
1935-1939 = 100
LABOR
TOTAL
MATERIAL
WHOLESALE COMMODITY PRICES
LUMBER
BUILDING MATERIALS
ALL INDUSTRIAL
URBAN DWELLING UNITS PROVIDED
NUMBER
JAN. FEB. MAR. APR. MAY JUN. JUL. AUG. SEP. OCT. NOV. DEC.

« « « MONTHLY SURVEY » » »

Highlights

I. The index of the cost of constructing the standard 6-room house showed the smallest increase during March for any month since last August.

A. Although the over-all index is now 8 percent above a year ago, the fractional rise in March may be indicative of at least a temporary maintenance of building costs around their present levels.

B. Wholesale prices of building materials as reported by the Department of Labor were slightly higher in contrast to a small decline during February.

II. Permits for nearly 90,000 residential dwelling units were issued during the first quarter of this year in all urban areas throughout the country—a 22-percent increase over the same 1940 period.

A. Construction of privately financed residential dwellings increased 48 percent from February to March in contrast to a 16-percent decline in public construction of this type.

III. A seasonally adjusted index of savings and loan mortgage-lending activity is now available for the first time and covers the period 1936–1941, by months.

A. On this new basis, the March lending of savings and loan associations was only slightly below the post-depression peak established in January of this year.

IV. Mortgage-financing activity in the United States during the first quarter of 1941 rose to a new post-depression peak.

A. The total volume of recordings for nonfarm mortgages under $20,000 in the first quarter amounted to more than $953,000,000—16 percent over the corresponding period of 1940.

B. Savings and loan associations loaned $105,000,000 in March, an increase of 28 percent over February—a normal seasonal gain.

V. General business conditions: The continuing impetus to industry by the defense program was accompanied by industrial disturbances and a rise in prices with a resulting extension of Government price control and a slackening in industrial expansion.

Summary

■ RESIDENTIAL construction activity, on a seasonally adjusted basis, has displayed a weakening tendency in the past few months, in contrast to the rise in general business volume to new high levels. However, even after three months of continued declines, the March index of new residential building stood 18 percent above the corresponding month of 1940.

In analyzing the drop in the residential construction index from February to March, it must be noted that in terms of actual units built there was a rise of 33 percent. Since this is less than the 39-percent increase usually expected at this time of the year, the index reflects this movement as unfavorable. A letdown in the volume of Government financed projects placed under construction was responsible for the failure of the rise to meet expectations.

The fractional rise of building costs during March was in sharp contrast to the preceding six months of drastic increase. Both labor and material have shared in the upswing in costs, although construction labor rates have shown the greater increment. Lumber was the principal contributor to the rise in building material costs through December, but in the first three months of this year has declined.

Mortgage-financing activity was accelerated in March among all types of lenders, due largely to usual seasonal influences. Savings and loan associations which registered the only gain from January to February again showed the most favorable record in March. Sharp improvements in the volume of home-purchase and reconditioning loans were instrumental in the expansion shown by these institutions.

Most of the increase in lending activity from February was primarily seasonal in nature as evidenced by the seasonally adjusted index which is being introduced in this issue (see page 269). After correction was made for the normal seasonal change during March, the index for new loans of savings and loan associations reveals an improvement of less than 1 percent over the preceding month.

[1935–1939=100]

Type of index	Mar. 1941	Feb. 1941	Percent change	Mar. 1940	Percent change
Residential construction [1]	186.8	193.9	−3.7	157.9	+18.3
Foreclosures (nonfarm) [1]	42.8	42.1	+1.7	48.0	−10.8
Rental index (NICB)	107.5	107.5	0.0	106.1	+1.3
Building material prices	111.1	110.9	+0.2	104.2	+6.6
Savings and loan lending [1]	161.4	160.8	+0.4	138.8	+16.3
Industrial production [1]	p 143.0	141.0	+1.4	112.0	+27.7
Manufacturing employment [1]	p 122.8	r 121.1	+1.4	106.9	+14.9
Manufacturing pay rolls [1]	p 150.0	147.5	+1.7	114.3	+31.2
Income payments [1]	p 119.9	r 119.3	+0.5	108.4	+10.6

p=preliminary. r=revised.
[1] Adjusted for normal seasonal variation.

General Business Conditions

■ THE effects of the defense program, including ever-increasing expenditures, intensified Government control of prices, and serious industrial disturbances continued to be reflected in all phases of business activity. No development during March contained more far-reaching implications for business than the passage of the Lend-Lease Act. With the addition of other bills pending and existing British orders, the defense program now anticipated through the fiscal year 1942 was announced to total more than $40,000,000,000.

The continued rise in prices of durable goods as a result of the defense stimulus and in the face of impending shortages brought action from the newly organized Office of Price Administration and Civilian Supply. Steel and soft coal prices were frozen at their 1941 first quarter levels and maximum price control went into effect on scrap steel and secondary zinc and aluminum.

During March the seasonally adjusted index of the Federal Reserve Board rose from 141 to 143 (average 1935–1939=100) as the heavy goods industries combined use of new capacity with more intensive utilization of the old. Steel production in March was the largest in history and the operating rate of the steel industry rose to a peak of 99.8 percent, the highest since May 1929. Labor strikes in the soft coal and automobile industries affected activity in those fields and were reflected in a slackening in the rate of industrial expansion and in freight carloadings in the early part of April.

Sales volume in the retail trades was exceedingly favorable in spite of the payment of $2,293,000,000 in income taxes during March which tended to hold consumer buying to its usual seasonal gains. Tax returns from 1940 available from corporations in all industries indicate that earnings rose about 22 percent over those of 1939 to the highest total since 1929.

The price index of all wholesale commodities, recorded by the Department of Labor, continued its steady rise in March and reached 103.0 percent of the 1935–1939 average by the middle of April. Although prices of domestic foodstuffs increased substantially and industrial fats and oils reached a point 65 percent higher than they were at the beginning of the year, the Commerce Department reported that prices of all commodities other than farm products and foods were only 4 percent higher by the end of March 1941 than in mid-August 1940. The upswing in many cases was attributed to the quick-delivery periods specified on Government orders rather than to basic cost increases.

The average yield on long-term Government bonds declined to 1.91 for the week ending April 26. This is the lowest yield earned since the upswing in the prices of Treasury obligations following the first 10 weeks of the year, but it is not down to the previous low of 1.87 reported for the week ending December 14, 1940.

Foreclosures

[*Table 10*]

■ NONFARM real estate foreclosures during the first quarter of this year were 14 percent below the corresponding period of 1940. Although this is a substantial reduction, it is not as great as that shown between the first three months of 1940 and 1939. The narrowing of the margin of improvement is partially caused by the increase of foreclosure activity in 15 of the 48 States. Of these 15 States, 10 were located east of the Mississippi River. All of the Federal Home Loan Bank Districts except Chicago and Topeka showed a smaller volume of foreclosures than last year.

Foreclosure activity for the month of March was 15 percent above the level of February. This increase is slightly higher than the normal seasonal gain (+12 percent) for the period. Relating March of this year to the corresponding 1940 month, the current volume was 11 percent lower.

The seasonally adjusted nonfarm real estate foreclosure index rose 2 percent from 42.1 for February to 42.8 for March. Since last November, this index has hovered near the 1926 annual average—further indication of a leveling off following the steady declines during the past six years.

Residential Construction

[*Tables 1 and 2*]

■ DURING the first quarter of 1941, nearly 90,000 residential dwelling units were placed under construction in urban areas of the United States, as compared with 73,000 in the corresponding period of last year. This rise of 22 percent was the result of a 53-percent increase in publicly financed building activity and a 17-percent gain in the number of permits for privately financed dwellings.

Due to the sharp increase in public construction which has occurred as a result of the defense housing program, the number of units built by Government agencies accounted for approximately one-sixth of the total constructed in the first three months of this year; privately financed homes of the 1- and 2-family types comprised two-thirds of the total.

Activity among builders of privately financed homes in urban areas increased 48 percent from February to March; this is favorable in comparison with the usual seasonal rise of 39 percent experienced in this period. All types of privately financed dwellings shared in the February-to-March increase. Public construction in urban areas declined 16 percent from February.

The seasonally adjusted index of residential construction in cities of 10,000 and over, as compiled by the Federal Home Loan Bank Board from reports of the U. S. Department of Labor, decreased nearly 4 percent from February but was 18 percent above March of last year. This decline is attributable primarily to the drop in the number of publicly financed projects, rather than to a slackening of private construction activity.

Building Costs

[Tables 3, 4, and 5]

■ COSTS involved in the construction of a standard 6-room house rose fractionally in March. The 0.2 of 1 percent increase during the month was the smallest month-to-month rise since August of last year. These cost figures are based upon material prices and prevailing wage scales paid to labor. Both material and labor costs have been rising in response to defense housing needs, but since the first of the year the pace has slackened somewhat.

Among the 26 cities reporting cost estimates for a standard 6-room frame house in April, 10 indicated declines during the preceding quarter, two of which were more than $100. Six cities reported increases of $100 or more during the past quarter.

Wholesale building material prices showed a fractional gain in March, according to the index compiled by the U. S. Department of Labor. Lumber prices, which were mainly responsible for the sharp upturn in the building material index during the autumn and early winter of 1940, have now declined for three consecutive months.

The U. S. Department of Labor reports that the weakening prices for several types of yellow pine accounted for the decline in lumber prices; maple and oak flooring materials, however, were higher in cost.

Construction costs for the standard house

[Average month of 1935–1939=100]

Element of cost	Mar. 1941	Feb. 1941	Percent change	Mar. 1940	Percent change
Material	108. 0	107. 8	+0. 2	101. 4	+6. 5
Labor	115. 3	115. 1	+0. 2	104. 1	+10. 8
Total	110. 4	110. 2	+0. 2	102. 3	+7. 9

New Mortgage-Lending Activity of Savings and Loan Associations

[Tables 6 and 7]

■ DURING March, savings and loan associations loaned more than $105,000,000, an increase of $23,000,000 or 28 percent over the February total. This gain, however, was almost entirely seasonal in character. Construction and home-purchase loans accounted for more than 71 percent of the total monthly lending activity.

Savings and loan associations in each of the 12 Federal Home Loan Bank Districts contributed to the February-March increase; the greatest relative gain, 49 percent, occurred in the Portland Bank District while the smallest increase, 3 percent, was evident in the Indianapolis District.

New mortgage loans distributed by purpose

[Amounts are shown in thousands of dollars]

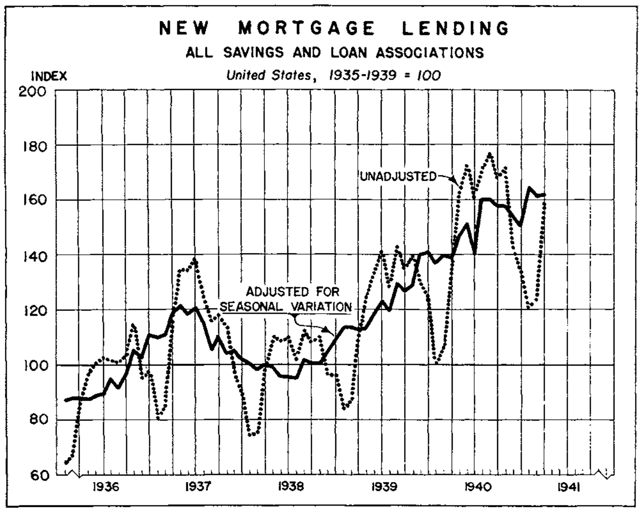
Purpose	Mar. 1941	Feb. 1941	Percent change	Mar. 1940	Percent change
Construction	$33, 250	$26, 483	+25. 6	$26, 711	+24. 5
Home purchase	41, 784	30, 283	+38. 0	32, 168	+29. 9
Refinancing	16, 903	14, 204	+19. 0	16, 769	+0. 8
Reconditioning	4, 765	3, 573	+33. 4	4, 657	+2. 3
Other purposes	8, 460	7, 787	+8. 6	10, 063	−15. 9
Total	105, 162	82, 330	+27. 7	90, 368	+16. 4

New Index of Lending Activity

Strong seasonal tendencies continue to play an important role in the operations of a savings and loan association. The bulk of new mortgage-lending activity is consistently concentrated in about seven months of the year, while lending operations during the remaining months are relatively slow. The existence of these variables requires careful planning on the part of institution managers to assure proper liquidity and to use available capital to maximum advantage.

Aside from complicating the management problems of an association, the variations which occur with some degree of regularity from month to month tend to obscure pertinent trends in the lending series. An adjustment for these factors is desirable for a more accurate interpretation of current fluctuations in the volume of new loans made.

With five complete years of monthly observations on new mortgage-lending activity of savings and loan associations now available, the Division of Research and Statistics has been able to compute a reliable gauge of the seasonal fluctuations in the volume of loans made, and to adjust the monthly estimates for this factor. The resulting seasonally corrected series



eliminates the ever-recurring pattern otherwise evident each year, and highlights significant movements in savings and loan mortgage-lending operations.

The above chart and the following table serve to introduce the newly computed index to the savings and loan industry and to students in the field of home-mortgage finance. In conformance with the policy recommended by the Central Statistical Board of computing all indexes on a standard 1935–1939 base, the REVIEW is presenting the seasonally adjusted indicator of lending activity in this form. This series indicates essential trends in the participation of savings and loan associations in the home-mortgage market, and it has been incorporated as a part of the chart "Residential Building Activity and Selected Influencing Factors" at the opening of the Monthly Survey section (page 266).

Index of new mortgage-lending activity of savings and loan associations

[Adjusted for seasonal variation]

[1935-1939=100]

Month	1936	1937	1938	1939	1940	1941
January	87.3	109.9	100.3	113.5	136.6	164.2
February	88.5	110.8	97.8	113.9	139.7	160.8
March	88.8	118.5	100.1	112.7	138.8	161.4
April	87.2	121.5	99.5	113.1	146.5	
May	88.7	118.2	95.6	117.9	151.5	
June	89.3	120.5	95.5	123.0	139.8	
July	95.1	115.2	94.8	119.3	160.1	
August	91.6	104.9	101.8	129.5	160.2	
September	97.0	110.2	100.8	126.3	157.3	
October	105.6	104.1	100.6	128.7	157.9	
November	103.0	105.0	104.2	140.0	153.9	
December	111.1	101.8	108.4	140.9	150.1	
Annual average	94.4	112.1	99.7	123.3	149.9	

Although the actual amount advanced on new mortgage security has declined from the peak reached in August 1940, the drop through January 1941 was much less than normal, and the latter month's index of 164 represents the post-depression peak of savings and loan lending activity after consideration has been given to the effects of the seasons.

Mortgage Recordings

[Tables 8 and 9]

■ ACCELERATION of the mortgage-financing activity of all lenders in the United States during March carried the total for the first quarter of 1941 to what appears to be the highest level in the past decade.

Institutional lenders and individuals recorded approximately 341,000 mortgages on nonfarm real estate amounting to more than $953,000,000 during

Mortgage recordings by type of mortgagee

[Amounts are shown in thousands of dollars]

Type of lender	Percent change from Feb. 1941	Percent of Mar. 1941 amount	Cumulative recordings (3 months) 1941	Percent of total recordings
Savings and loan associations	+24.6	32.6	$294,752	30.9
Insurance companies	+17.4	8.0	79,249	8.3
Banks, trust companies	+15.6	24.7	239,681	25.1
Mutual savings banks	+20.2	4.0	38,609	4.1
Individuals	+13.7	17.1	165,979	17.4
Others	+9.9	13.6	135,113	14.2
Total	+17.5	100.0	953,383	100.0

the first three months of this year; this represents a gain over the same period of last year of 16 percent in amount. Comparison with the first quarter of 1939 reveals that over the 2-year interim the total number of recordings rose 26 percent, while increasing 31 percent in amount, reflecting the larger average size of mortgage currently being recorded.

Federal Savings and Loan Insurance Corporation

[*Table 12*]

■ ASSETS of all insured savings and loan associations are rapidly approaching the three billion dollar mark and totaled $2,992,000,000 at the end of March. Benefits of share insurance have now been extended to nearly 2,900,000 investors having accounts in 2,292 savings and loan associations. During the first three months of 1941, a net increase of 124,000 investors was reported by all insured associations, as compared with the 142,000 rise shown during the first quarter of last year.

The average size of share accounts invested in insured associations has been expanding continuously. An average of $802 was invested in these accounts in March, after rising from $763 in the same month of last year.

Federal Savings and Loan Associations

[*Table 12*]

■ AT the end of March, 1,444 associations with assets of $1,916,000,000 were operating under Federal charters. These institutions loaned over $45,000,000 during March, which is an increase of 19 percent over the same month of last year.

Progress in number and assets of Federals

[Amounts are shown in thousands of dollars]

Class of association	Number		Approximate assets	
	Mar. 31, 1941	Feb. 28, 1941	Mar. 31, 1941	Feb. 28, 1941
New	636	636	$584, 516	$574, 781
Converted	808	807	1, 331, 667	1, 316, 848
Total	1, 444	1, 443	1, 916, 183	1, 891, 629

This high lending activity has been instrumental in rapidly increasing the balance of mortgages outstanding of Federal savings and loan associations over the past year. Since the end of March 1940 the volume of net first mortgages held by these institutions increased from $1,320,000,000 to $1,600,000,000. A similar rise of $280,000,000 occurred during the 12-month period in the private repurchasable capital invested in Federal associations.

Federal Home Loan Bank System

[*Table 13*]

■ DURING March the advances outstanding of the Federal Home Loan Banks declined $10,940,000 from the previous month to $145,959,000, a figure $8,317,000 above the same period in 1940.

Advances made by the Banks during the month amounted to $4,201,000, representing a one million dollar increase over the February volume. Repayments for the same period declined $1,991,000 to $15,141,000. Portland, with a net increase of $516,000, was the only Bank reporting advances over repayments in March and represented the first District to show a net rise since December 1940.

Cash on hand in the 12 Federal Home Loan Banks reached an all-time high on March 31 of $103,600,000.

The total membership of the Federal Home Loan Bank System on March 31 was 3,847 as a result of the admission of six State-chartered associations and the withdrawal of one Federal and 11 State-chartered associations during the month. As in previous months, the majority of withdrawals was occasioned by mergers and consolidations. Estimated member assets on March 31 totaled $5,144,569,000.

Debenture Retirement

The Board recently announced the retirement, by cash payment, of Series F ½-percent Federal Home Loan Banks consolidated debentures which matured on April 15, 1941. These debentures totaling $15,000,000 originally were issued on November 15, 1940 and their retirement has reduced the debentures outstanding to $75,500,000.

At the present time, there are only two issues of consolidated debentures outstanding—Series G ¾-percent debentures totaling $52,000,000 which will mature April 15, 1942; and Series D 2-percent debentures in the amount of $23,500,000 which will be repaid April 1, 1943.

Table 1.—Estimated number and valuation of new family dwelling units provided in all urban areas of the United States, March 1941

[Source: U. S. Department of Labor]

[Amounts are shown in thousands of dollars]

Type of construction	Number of family dwelling units					Permit valuation				
	Monthly totals			Jan.–Mar. totals		Monthly totals			Jan.-Mar. totals	
	Mar. 1941	Feb. 1941	Mar. 1940	1941	1940	Mar. 1941	Feb. 1941	Mar. 1940	1941	1940
Private construction	30, 318	20, 539	27, 570	74, 280	63, 277	$113, 411	$75, 051	$96, 538	$272, 907	$225, 049
1-family dwellings	23, 395	15, 345	21, 032	54, 857	45, 447	93, 838	60, 394	78, 419	217, 454	170, 278
2-family dwellings [1]	2, 185	1, 471	1, 525	4, 969	3, 744	5, 668	3, 639	3, 629	12, 444	8, 728
3-and more-family dwellings [2]	4, 738	3, 723	5, 013	14, 454	14, 086	13, 905	11, 018	14, 490	43, 009	46, 043
Public construction	5, 294	[r] 6, 275	3, 059	15, 145	9, 911	16, 276	[r] 19, 611	10, 060	47, 110	29, 929
Total urban construction	35, 612	[r] 26,814	30, 629	89, 425	73, 188	129, 687	[r] 94, 662	106, 598	320, 017	254, 978

[r] = revised.
[1] Includes 1- and 2-family dwellings combined with stores.
[2] Includes multifamily dwellings combined with stores.

Table 2.—Estimated number and valuation of new family dwelling units provided in all urban areas, in March 1941, by Federal Home Loan Bank District and by State

[Source: U. S. Department of Labor]

[Amounts are shown in thousands of dollars]

Federal Home Loan Bank District and State	All residential dwellings				All private 1- and 2-family dwellings			
	Number of family dwelling units		Permit valuation		Number of family dwelling units		Permit valuation	
	March 1941	March 1940	March 1941	March 1940	March 1941	March 1940	March 1941	March 1940
UNITED STATES	35, 612	30, 629	$129, 687	$106, 598	25, 580	22, 557	$99, 506	$82, 048
No. 1—Boston	2, 209	1, 070	8, 692	4, 613	923	733	4, 350	3, 491
Connecticut	981	498	3, 803	2, 272	309	273	1, 612	1, 424
Maine	161	14	508	41	11	14	39	41
Massachusetts	498	428	2, 196	1, 742	446	316	2, 093	1, 468
New Hampshire	129	8	453	28	29	8	88	27
Rhode Island	422	114	1, 681	504	110	114	467	504
Vermont	18	8	51	26	18	8	51	27
No. 2—New York	3, 766	4, 644	16, 157	18, 276	2, 318	1, 996	10, 417	9, 094
New Jersey	1, 143	792	4, 835	3, 409	1, 000	714	4, 504	3, 131
New York	2, 623	3, 852	11, 322	14, 867	1, 318	1, 282	5, 913	5, 963
No. 3—Pittsburgh	2, 117	1, 370	8, 841	5, 759	1, 747	1, 188	7, 578	5, 301
Delaware	31	6	141	30	31	6	141	30
Pennsylvania	1, 901	1, 195	7, 999	5, 123	1, 539	1, 017	6, 763	4, 670
West Virginia	185	169	701	606	177	165	674	601

Table 2.—Estimated number and valuation of new family dwelling units provided in all urban areas, in March 1941, by Federal Home Loan Bank District and by State—Continued

[Amounts are shown in thousands of dollars]

Federal Home Loan Bank District and State	All residential dwellings				All private 1- and 2-family dwellings			
	Number of family dwelling units		Permit valuation		Number of family dwelling units		Permit valuation	
	March 1941	March 1940	March 1941	March 1940	March 1941	March 1940	March 1941	March 1940
No. 4—Winston-Salem	6, 939	4, 991	$20, 617	$15, 004	3, 460	3, 437	$11, 279	$10, 724
Alabama	367	333	662	674	323	308	584	618
District of Columbia	1, 449	523	4, 500	2, 101	233	232	1, 404	1, 327
Florida	1, 251	993	4, 007	3, 422	738	892	2, 698	3, 235
Georgia	689	879	1, 697	2, 069	435	551	942	1, 225
Maryland	987	1, 081	3, 392	3, 643	620	372	2, 004	1, 385
North Carolina	443	557	1, 182	1, 271	419	484	1, 155	1, 168
South Carolina	1, 079	279	2, 584	626	271	275	639	620
Virginia	674	346	2, 593	1, 198	421	323	1, 853	1, 146
No. 5—Cincinnati	2, 530	1, 799	10, 453	7, 083	1, 714	1, 385	7, 908	5, 918
Kentucky	287	212	811	483	192	176	556	412
Ohio	1, 857	1, 258	8, 579	5, 788	1, 144	901	6, 303	4, 729
Tennessee	386	329	1, 063	812	378	308	1, 049	777
No. 6—Indianapolis	3, 071	2, 264	14, 008	9, 417	3, 028	1, 938	13, 797	8, 302
Indiana	651	694	2, 592	2, 528	608	389	2, 381	1, 466
Michigan	2, 420	1, 570	11, 416	6, 889	2, 420	1, 549	11, 416	6, 836
No. 7—Chicago	1, 865	1, 121	8, 609	5, 488	1, 242	1, 072	6, 802	5, 360
Illinois	1, 538	876	7, 119	4, 452	927	848	5, 347	4, 383
Wisconsin	327	245	1, 490	1, 036	315	224	1, 455	977
No. 8—Des Moines	1, 255	1, 154	4, 819	4, 012	1, 081	1, 034	4, 395	3, 716
Iowa	251	295	991	964	242	256	970	916
Minnesota	477	299	2, 020	1, 243	419	288	1, 876	1, 183
Missouri	468	520	1, 638	1, 700	361	450	1, 379	1, 512
North Dakota	28	20	74	61	28	20	74	61
South Dakota	31	20	96	44	31	20	96	44
No. 9—Little Rock	3, 301	3, 838	8, 960	10, 196	2, 567	2, 995	7, 088	7, 418
Arkansas	165	147	417	316	157	141	401	302
Louisiana	269	1, 137	804	3, 651	269	389	805	1, 008
Mississippi	226	390	339	630	220	386	328	626
New Mexico	101	131	287	320	94	131	276	320
Texas	2, 540	2, 033	7, 113	5, 279	1, 827	1, 948	5, 278	5, 162
No. 10—Topeka	1, 296	1, 332	3, 949	4, 082	1, 194	998	3, 774	3, 105
Colorado	383	270	1, 125	769	292	247	966	740
Kansas	295	247	745	660	291	227	742	633
Nebraska	111	433	398	1, 461	108	142	388	540
Oklahoma	507	382	1, 681	1, 192	503	382	1, 678	1, 192
No. 11—Portland	1, 318	1, 567	4, 527	5, 011	1, 275	1, 237	4, 438	4, 028
Idaho	92	153	291	381	92	149	291	375
Montana	70	326	179	1, 009	70	90	179	219
Oregon	365	342	1, 269	1, 078	349	315	1, 238	1, 022
Utah	197	171	667	568	176	157	619	548
Washington	556	521	1, 961	1, 776	550	475	1, 951	1, 675
Wyoming	38	54	160	199	38	51	160	189
No. 12—Los Angeles	5, 945	5, 479	20, 055	17, 657	5, 031	4, 544	17, 680	15, 591
Arizona	75	120	269	299	75	108	269	280
California	5, 822	5, 311	19, 555	17, 188	4, 908	4, 388	17, 179	15, 139
Nevada	48	48	231	170	48	48	232	172

Table 3.—Cost of building the same standard house in representative cities in specific months [1]

NOTE.—These figures are subject to correction

[Source: Federal Home Loan Bank Board]

Federal Home Loan Bank District and city	Cubic-foot cost		Total cost							
	1941 Apr.	1940 Apr.	1941		1940			1939 Apr.	1938 Apr.	1937 Apr.
			Apr.	Jan.	Oct.	July	Apr.			
No. 2—New York:										
Atlantic City, N. J	$0.299	$0.253	$7,168	$7,051	$6,174	$5,984	$6,084	$5,745	-------	$6,546
Camden, N. J	.268	.248	6,421	6,413	6,255	5,956	5,956	5,676	$5,688	5,873
Newark, N. J	.256	.238	6,140	6,058	5,729	5,713	5,708	5,536	5,427	5,658
Albany, N. Y	.272	.237	6,532	6,177	5,661	5,634	5,682	5,585	-------	5,717
Buffalo, N. Y	.262	.238	6,281	6,150	5,741	5,713	5,703	5,662	5,722	5,836
Utica, N. Y	.267	-------	6,418	6,135	6,014	5,981	-------	5,938	-------	-------
White Plains, N. Y	.265	.233	6,359	6,304	5,597	5,430	5,580	5,501	5,556	5,906
No. 6—Indianapolis:										
Evansville, Ind	.270	.255	6,479	6,513	6,319	6,111	6,110	5,750	5,770	5,816
Indianapolis, Ind	.267	.229	6,407	6,375	5,555	5,491	5,486	5,966	5,812	5,836
South Bend, Ind	.270	.246	6,474	6,504	6,080	5,896	5,898	5,506	5,567	6,040
Detroit, Mich	.258	.243	6,191	6,199	6,013	5,843	5,822	6,118	6,026	6,055
Grand Rapids, Mich	.258	.230	6,203	6,399	5,888	5,658	5,515	5,834	5,911	5,541
No. 8—Des Moines:										
Des Moines, Iowa	.279	.264	6,694	6,694	6,399	6,352	6,342	6,275	6,139	6,399
Duluth, Minn	.261	.258	6,261	6,262	6,157	6,162	6,188	5,995	6,195	5,898
St. Paul, Minn	.275	.271	6,608	6,610	6,508	6,485	6,497	6,569	6,539	6,371
Kansas City, Mo	.271	.250	6,499	6,517	5,797	5,879	5,998	5,959	5,730	5,787
St. Louis, Mo	.241	.232	5,792	5,786	5,604	5,568	5,576	5,514	5,534	6,270
Fargo, N. D	.250	.244	5,997	6,156	5,798	5,752	5,847	5,655	5,868	5,985
Sioux Falls, S. D	.260	.257	6,242	6,091	6,193	6,164	6,168	6,210	6,196	5,995
No. 11—Portland:										
Boise, Idaho	.274	.261	6,575	6,575	6,435	6,270	6,253	6,161	5,848	6,128
Great Falls, Mont	.304	.288	7,308	7,148	6,890	6,888	6,906	7,035	7,137	7,023
Portland, Oreg	.228	.223	5,469	5,402	5,643	5,392	5,351	5,098	5,081	5,829
Salt Lake City, Utah	.267	.251	6,416	6,355	6,087	6,010	6,014	6,026	5,961	5,923
Seattle, Wash	.290	.265	6,956	6,862	6,458	6,342	6,357	6,304	6,428	6,623
Spokane, Wash	.286	.263	6,864	6,893	6,361	6,314	6,310	6,089	6,545	6,543
Casper, Wyo	.266	.261	6,392	6,467	6,024	6,024	6,263	6,532	6,486	6,382

[1] 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 wide-board siding with brick and stucco as features of design. Best quality materials and workmanship are used throughout.

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 wall-paper nor other wall nor ceiling finish on interior plastered surface, lighting fixtures, refrigerators, water heaters, ranges, screens, weather stripping, nor window shades.

Reported costs include, in addition to material and labor costs, compensation insurance, and allowance for contractor's overhead and transportation of materials, plus 10 percent for builder's profit.

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 three months from the same dealers, and current wage rates are obtained from the same reputable contractors and operative builders.

Table 4.—Index of building costs for the standard house

[Average month of 1935–1939=100]

Element of cost	Mar. 1941	Feb. 1941	Jan. 1941	Dec. 1940	Nov. 1940	Oct. 1940	Sept. 1940	Aug. 1940	July 1940	June 1940	May 1940	April 1940	Mar. 1940
Material	108.0	107.8	106.6	105.9	104.6	103.4	101.9	101.4	101.2	101.3	101.3	101.2	101.4
Labor	115.3	115.1	114.5	112.5	109.8	106.9	104.8	103.6	103.4	103.5	103.7	103.8	104.1
Total cost	110.4	110.2	109.3	108.1	106.4	104.6	102.9	102.1	102.0	102.1	102.2	102.1	102.3

Table 5.—Index of wholesale price of building materials in the United States

[1935-1939=100]

[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
1939: March	100. 3	101. 8	100. 4	101. 8	100. 2	104. 2	103. 5	97. 1
1940: March	104. 2	99. 5	100. 1	108. 5	107. 2	106. 4	103. 5	100. 2
April	103. 3	99. 3	99. 1	107. 7	106. 6	106. 3	103. 5	99. 8
May	103. 3	99. 3	99. 3	106. 9	105. 7	105. 9	103. 5	99. 7
June	103. 2	99. 3	99. 4	105. 6	104. 7	105. 8	103. 5	100. 6
July	103. 5	99. 2	99. 4	105. 6	104. 0	105. 8	103. 5	101. 2
August	104. 4	99. 2	99. 4	109. 6	103. 5	105. 8	103. 5	101. 0
September	105. 6	99. 3	99. 4	119. 3	103. 4	105. 8	103. 5	101. 1
October	109. 2	99. 3	99. 5	127. 4	104. 3	105. 8	103. 5	101. 4
November	110. 4	99. 3	99. 7	130. 8	105. 4	105. 8	103. 5	101. 9
December	110. 9	100. 3	99. 8	132. 3	105. 0	105. 8	103. 5	102. 2
1941: January	111. 2	100. 5	99. 7	131. 9	106. 6	105. 8	103. 5	102. 6
February	110. 9	100. 6	99. 7	130. 5	106. 5	108. 0	103. 5	102. 6
March	111. 1	100. 7	99. 7	130. 0	107. 5	108. 8	103. 5	103. 0
Change:								
Mar. 1941-Feb. 1941	+0. 2%	+0. 1%	0. 0%	-0. 4%	+0. 9%	+0. 7%	0. 0%	+0. 4%
Mar. 1941-Mar. 1940	+6. 6%	+1. 2%	-0. 4%	+19. 8%	+0. 3%	+2. 3%	0. 0%	+2. 8%

Table 6.—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
1939	$301, 039	$339, 629	$182, 025	$59, 463	$104, 227	$986, 383	$400, 337	$396, 041	$190, 005
Jan.-Mar	53, 380	61, 326	39, 171	11, 193	22, 184	187, 254	73, 003	77, 386	36, 865
March	21, 254	24, 705	14, 871	4, 211	8, 337	73, 378	29, 811	30, 124	13, 443
1940	398, 632	426, 151	198, 148	63, 583	113, 065	1, 199, 579	509, 713	483, 499	206, 367
Jan.-Mar	66, 351	79, 596	45, 358	11, 549	25, 980	228, 834	96, 035	91, 162	41, 637
March	26, 711	32, 168	16, 769	4, 657	10, 063	90, 368	38, 241	36, 484	15, 643
April	33, 764	37, 821	20, 859	6, 097	9, 460	108, 001	46, 577	43, 015	18, 409
May	36, 956	42, 049	18, 034	6, 896	10, 607	114, 542	49, 287	45, 803	19, 452
June	35, 523	38, 402	17, 147	5, 691	10, 221	106, 984	47, 435	42, 214	17, 335
July	39, 907	40, 658	17, 649	6, 115	9, 972	114, 301	48, 676	45, 414	20, 211
August	42, 488	40, 567	17, 762	6, 079	10, 726	117, 622	50, 305	46, 807	20, 510
September	39, 417	40, 947	15, 483	6, 283	9, 645	111, 775	46, 480	45, 988	19, 307
October	41, 610	40, 771	16, 840	5, 756	9, 423	114, 400	48, 307	46, 224	19, 869
November	32, 584	33, 875	14, 441	4, 869	8, 798	94, 567	38, 896	40, 143	15, 528
December	30, 032	31, 465	14, 575	4, 248	8, 233	88, 553	37, 715	36, 729	14, 109
1941									
Jan.-Mar	86, 395	99, 876	44, 752	12, 122	24, 787	267, 932	115, 370	113, 195	39, 367
January	26, 662	27, 809	13, 645	3, 784	8, 540	80, 440	34, 360	33, 947	12, 133
February	26, 483	30, 283	14, 204	3, 573	7, 787	82, 330	35, 645	35, 301	11, 384
March	33, 250	41, 784	16, 903	4, 765	8, 460	105, 162	45, 365	43, 947	15, 850

Table 7.—Estimated volume of new home-mortgage loans by all savings and loan associations, by Federal Home Loan Bank District and class of association

[Amounts are shown in thousands of dollars]

Federal Home Loan Bank District and class of association		New loans: March 1941	New loans: February 1941	Percent change, Feb. 1941 to Mar. 1941	New loans, Mar. 1940	Percent change, Mar. 1940 to Mar. 1941	Cumulative new loans (3 months): 1941	Cumulative new loans (3 months): 1940	Cumulative new loans (3 months): Percent change
United States:	Total	$105, 162	$82, 330	+27. 7	$90, 368	+16. 4	$267, 932	$228, 834	+17. 1
	Federal	45, 365	35, 645	+27. 3	38, 241	+18. 6	115, 370	96, 035	+20. 1
	State member	43, 947	35, 301	+24. 5	36, 484	+20. 5	113, 195	91, 162	+24. 2
	Nonmember	15, 850	11, 384	+39. 2	15, 643	+1. 3	39, 367	41, 637	−5. 5
District No. 1:	Total	9, 126	7, 845	+16. 3	6, 063	+50. 5	25, 225	18, 080	+39. 5
	Federal	3, 168	2, 862	+10. 7	2, 062	+53. 6	8, 687	6, 347	+36. 9
	State member	4, 291	3, 992	+7. 5	2, 945	+45. 7	12, 597	8, 430	+49. 4
	Nonmember	1, 667	991	+68. 2	1, 056	+57. 9	3, 941	3, 303	+19. 3
District No. 2:	Total	8, 345	7, 076	+17. 9	6, 491	+28. 6	22, 845	19, 164	+19. 2
	Federal	2, 137	2, 017	+5. 9	1, 859	+15. 0	6, 453	6, 064	+6. 4
	State member	2, 623	2, 203	+19. 1	2, 001	+31. 1	7, 119	5, 341	+33. 3
	Nonmember	3, 585	2, 856	+25. 5	2, 631	+36. 3	9, 273	7, 759	+19. 5
District No. 3:	Total	8, 431	6, 081	+38. 6	7, 231	+16. 6	20, 178	18, 905	+6. 7
	Federal	3, 057	2, 376	+28. 7	2, 916	+4. 8	7, 847	6, 713	+16. 9
	State member	2, 210	1, 671	+32. 3	1, 767	+25. 1	5, 472	4, 457	+22. 8
	Nonmember	3, 164	2, 034	+55. 6	2, 548	+24. 2	6, 859	7, 735	−11. 3
District No. 4:	Total	14, 317	11, 460	+24. 9	13, 643	+4. 9	37, 328	33, 988	+9. 8
	Federal	7, 367	5, 866	+25. 6	6, 374	+15. 6	18, 501	15, 950	+16. 0
	State member	5, 698	4, 739	+20. 2	5, 421	+5. 1	15, 660	13, 402	+16. 8
	Nonmember	1, 252	855	+46. 4	1, 848	−32. 3	3, 167	4, 636	−31. 7
District No. 5:	Total	19, 256	13, 854	+39. 0	15, 627	+23. 2	46, 014	36, 791	+25. 1
	Federal	7, 081	4, 968	+42. 5	5, 647	+25. 4	16, 910	13, 540	+24. 9
	State member	9, 861	7, 260	+35. 8	7, 824	+26. 0	23, 302	17, 858	+30. 5
	Nonmember	2, 314	1, 626	+42. 3	2, 156	+7. 3	5, 802	5, 393	+7. 6
District No. 6:	Total	5, 105	4, 939	+3. 4	4, 227	+20. 8	14, 401	11, 443	+25. 8
	Federal	2, 623	2, 380	+10. 2	1, 836	+42. 9	7, 290	5, 249	+38. 9
	State member	2, 250	2, 352	−4. 3	2, 179	+3. 3	6, 453	5, 450	+18. 4
	Nonmember	232	207	+12. 1	212	+9. 4	658	744	−11. 6
District No. 7:	Total	10, 795	8, 279	+30. 4	10, 096	+6. 9	27, 154	24, 130	+12. 5
	Federal	4, 307	3, 094	+39. 2	3, 695	+16. 6	10, 250	8, 803	+16. 4
	State member	5, 016	4, 057	+23. 6	4, 165	+20. 4	12, 791	10, 385	+23. 2
	Nonmember	1, 472	1, 128	+30. 5	2, 236	−34. 2	4, 113	4, 942	−16. 8
District No. 8:	Total	5, 738	4, 060	+41. 3	5, 232	+9. 7	13, 477	12, 793	+5. 3
	Federal	2, 675	1, 951	+37. 1	2, 444	+9. 5	6, 629	5, 775	+14. 8
	State member	2, 092	1, 361	+53. 7	1, 508	+38. 7	4, 635	3, 899	+18. 9
	Nonmember	971	748	+29. 8	1, 280	−24. 1	2, 213	3, 119	−29. 0
District No. 9:	Total	5, 616	4, 461	+25. 9	5, 300	+6. 0	14, 484	13, 357	+8. 4
	Federal	2, 234	2, 019	+10. 6	2, 276	−1. 8	6, 095	5, 458	+11. 7
	State member	3, 328	2, 374	+40. 2	2, 812	+18. 3	8, 121	7, 313	+11. 0
	Nonmember	54	68	−20. 6	212	−74. 5	268	586	−54. 3
District No. 10:	Total	4, 373	3, 378	+29. 5	4, 526	−3. 4	11, 241	10, 757	+4. 5
	Federal	2, 332	1, 868	+24. 8	2, 505	−6. 9	6, 021	5, 690	+5. 8
	State member	1, 101	884	+24. 5	973	+13. 2	2, 793	2, 452	+13. 9
	Nonmember	940	626	+50. 2	1, 048	−10. 3	2, 427	2, 615	−7. 2
District No. 11:	Total	4, 617	3, 098	+49. 0	3, 604	+28. 1	10, 700	8, 452	+26. 6
	Federal	3, 367	2, 064	+63. 1	2, 234	+50. 7	7, 339	5, 299	+38. 5
	State member	1, 164	932	+24. 9	1, 182	−1. 5	3, 097	2, 827	+9. 6
	Nonmember	86	102	−15. 7	188	−54. 3	264	326	−19. 0
District No. 12:	Total	9, 443	7, 799	+21. 1	8, 328	+13. 4	24, 885	20, 974	+18. 6
	Federal	5, 017	4, 180	+20. 0	4, 393	+14. 2	13, 348	11, 147	+19. 7
	State member	4, 313	3, 476	+24. 1	3, 707	+16. 3	11, 155	9, 348	+19. 3
	Nonmember	113	143	−21. 0	228	−50. 4	382	479	−20. 3

Table 8.—Summary of estimated nonfarm mortgage recordings,[1] $20,000 and under, during March 1941

Federal Home Loan Bank District and State	Savings & Loan associations		Insurance companies		Banks and trust companies		Mutual savings banks		Individuals		Other mortgagees		Total		Amount per capita (nonfarm)
(Amounts shown are in thousands of dollars)	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	
UNITED STATES	42,496	$113,574	5,651	$27,842	26,820	$86,178	3,571	$14,016	30,990	$59,646	14,666	$47,624	124,194	$348,880	$3.78
No. 1--Boston	3,034	9,900	89	475	798	2,867	1,886	6,413	1,938	4,464	491	1,647	8,236	25,766	
Connecticut	244	891	68	379	297	1,212	440	1,636	425	1,086	252	949	1,726	6,153	4.05
Maine	211	501	3	9	133	311	188	433	251	432	29	61	815	1,747	2.79
Massachusetts	2,140	7.301	16	76	194	755	942	3,488	1,016	2,449	121	370	4,429	14,439	3.50
New Hampshire	139	245	------	-------	52	158	134	347	74	143	17	26	416	919	2.28
Rhode Island	215	812	2	11	90	334	100	296	126	266	61	225	594	1,944	2.90
Vermont	85	150	------	-------	32	97	82	213	46	88	11	16	256	564	2.29
No. 2--New York	1,944	6,356	325	1,855	1,637	6,520	1,098	5,540	2,650	6,668	1,189	4,598	8,843	31,537	
New Jersey	680	2,472	165	884	977	3,997	112	779	1,008	2,605	479	1,787	3.421	12,524	3.20
New York	1,264	3,884	160	971	660	2,523	986	4,761	1,642	4,063	710	2,811	5,422	19,013	1.60
No. 3--Pittsburgh	2,934	7,698	384	1,923	2,471	.8,386	182	663	1,956	4,256	939	3,119	8,866	26,045	
Delaware	27	83	42	225	68	331	10	29	43	80	23	73	213	821	4.28
Pennsylvania	2,475	6,677	275	1,345	1,938	6,690	164	625	1,578	3,704	812	2,918	7,242	21,959	2.50
West Virginia	432	938	67	353	465	1,365	8	9	335	472	104	128	1,411	3,265	2.55
No. 4--Winston Salem	6,191	15,607	919	4,457	2,827	7,146	54	167	5,270	8,752	2,238	5,978	17,499	42,107	
Alabama	253	448	90	386	296	705	------	------	518	689	239	630	1,396	2,858	2.19
District of Columbia	476	2,501	134	847	139	1,032	------	------	346	977	188	1,036	1,283	6,393	13.14
Florida	754	1,886	298	1,273	399	820	------	------	1,078	2,271	444	1,201	2,973	7,451	6.27
Georgia	853	1,373	83	367	441	897	------	------	686	880	306	860	2,369	4,327	2.90
Maryland	1,048	2,836	45	274	249	987	54	167	356	803	131	432	1,883	5,409	3.88
North Carolina	1,364	3,287	123	692	443	1,002	------	------	877	783	396	881	3,203	6,645	4.23
South Carolina	504	1,072	77	323	358	461	------	------	635	644	285	374	1,859	2,874	3.50
Virginia	939	2,204	69	295	502	1,382	------	------	774	1,705	249	564	2,533	6,150	4.18
No. 5--Cincinnati	7,662	22,636	657	3,304	3,198	10,354	122	440	2,096	3,513	1,603	4,568	15,338	44,815	
Kentucky	1,216	3,051	125	517	611	1,972	------	------	191	317	115	258	2,258	6,115	4.25
Ohio	6,074	18,800	355	2,080	2,095	7,151	122	440	1,442	2,698	606	2,239	10,694	33,408	5.93
Tennessee	372	785	177	707	492	1,231	------	------	463	498	882	2,071	2,386	5,292	3.78
No. 6--Indianapolis	3,174	6,726	598	2,638	2,834	7,428	23	36	1,248	2,354	822	2,802	8,699	21,984	
Indiana	2,239	4,251	267	1,056	1,034	2,614	23	36	509	784	278	642	4,350	9,383	3.87
Michigan	935	2,475	331	1,582	1,800	4,814	------	------	739	1,570	544	2,160	4,349	12,601	3.10
No. 7--Chicago	3,647	11,011	402	2,204	1,745	6,757	12	18	2,120	4,752	1,621	7,572	9,547	32,314	
Illinois	2,841	8,796	300	1,732	1,164	4,893	------	------	1,256	2,905	1,438	6,968	6,999	25,294	3.81
Wisconsin	806	2,215	102	472	581	1,864	12	18	864	1,847	183	604	2,548	7,020	3.41
No. 8--Des Moines	3,037	6,638	563	2,719	2,394	6,194	36	176	2,581	4,382	1,413	4,100	10,024	24,209	
Iowa	806	1,596	126	673	655	1,588	------	------	458	895	168	491	2,213	5,243	3.51
Minnesota	982	2,240	209	821	569	1,326	36	176	943	1,750	167	546	2,906	6,859	4.11
Missouri	1,079	2,475	189	1,112	1,002	2,939	------	------	1,074	1,528	1,030	2,950	4,374	11,004	4.38
North Dakota	98	232	13	40	69	177	------	------	58	69	24	54	262	572	2.02
South Dakota	72	95	26	73	99	164	------	------	48	140	24	59	269	531	1.75
No. 9--Little Rock	2,618	6,612	727	3,199	804	2,434	------	------	2,302	4,135	1,603	4,803	8,054	21,183	
Arkansas	262	517	53	207	156	227	------	------	288	376	95	183	854	1,510	2.05
Louisiana	744	2,360	113	554	40	121	------	------	416	843	317	795	1,630	4,673	3.68
Mississippi	163	306	45	188	143	295	------	------	256	338	106	258	713	1,385	2.14
New Mexico	61	156	4	13	83	334	------	------	59	162	2	3	209	668	2.52
Texas	1,388	3,273	512	2,237	382	1,457	------	------	1,283	2,416	1,083	3,564	4,648	12,947	3.73
No. 10--Topeka	2,494	5,257	217	916	862	1,936	------	------	1,651	2,529	964	2,740	6,188	13,378	
Colorado	315	810	28	133	126	351	------	------	645	1,028	255	849	1,369	3,171	4.21
Kansas	744	1,426	34	116	329	686	------	------	245	334	214	507	1,566	3,069	2.61
Nebraska	597	1,243	91	366	71	192	------	------	238	419	100	301	1,097	2,521	3.18
Oklahoma	838	1,778	64	301	336	707	------	------	523	748	395	1,083	2,156	4,617	3.37
No. 11--Portland	2,014	4,603	304	1,164	1,325	3,203	158	563	1,409	2,150	769	2,266	5,979	13,949	
Idaho	153	317	14	61	79	308	------	------	157	170	75	184	478	1,040	4.05
Montana	135	365	20	73	46	135	------	------	135	297	12	39	348	909	2.72
Oregon	495	1,206	112	438	150	454	18	62	508	683	205	580	1,488	3,423	4.69
Utah	194	507	23	95	241	701	------	------	115	139	33	54	606	1,496	3.82
Washington	955	2,019	135	497	746	1,428	140	501	413	709	398	1,276	2,787	6,430	5.11
Wyoming	82	189	------	-------	63	177	------	------	81	152	46	133	272	651	4.27
No. 12--Los Angeles	3,747	10,530	466	2,988	5,925	22,953	------	------	5,769	11,691	1,014	3,431	16,921	51,593	
Arizona	85	225	4	5	119	426	------	------	261	622	58	169	527	1,447	4.30
California	3,643	10,255	461	2,982	5,780	22,432	------	------	5,450	10,931	943	3,224	16,277	49,824	9.85
Nevada	19	50	1	1	26	95	------	------	58	138	13	38	117	322	4.32

[1] Based upon county reports submitted through the cooperation of savings and loan associations, the U. S. Savings and Loan League, the Mortgage Bankers Association and the American Title Association.

Table 9.—Estimated volume of nonfarm mortgages recorded, by type of mortgagee

[Amounts are shown in thousands of dollars]

Period	Savings and loan associations		Insurance companies		Banks and trust companies		Mutual savings banks		Individuals		Other mortgagees		All mortgagees	
	Total	Per-cent	Total	Per-cent	Total	Per-cent	Total	Per-cent	Total	Per-cent	Total	Per-cent	Combined total	Per-cent
Number:														
1940: March	38, 734	34. 7	4, 631	4. 2	24, 288	21. 7	2, 823	2. 5	27, 658	24. 7	13, 655	12. 2	111, 789	100. 0
April	44, 188	35. 4	5, 484	4. 4	26, 711	21. 4	3, 465	2. 8	29, 532	23. 7	15, 341	12. 3	124, 721	100. 0
May	49, 166	36. 3	5, 887	4. 3	28, 495	21. 0	4, 111	3. 0	30, 704	22. 7	17, 219	12. 7	135, 582	100. 0
June	45, 564	36. 0	5, 922	4. 7	26, 986	21. 3	4, 237	3. 3	27, 896	22. 0	16, 126	12. 7	126, 731	100. 0
July	46, 667	35. 3	6, 228	4. 7	28, 511	21. 6	4, 328	3. 3	29, 689	22. 4	16, 837	12. 7	132, 260	100. 0
August	46, 706	34. 7	6, 525	4. 8	29, 137	21. 6	4, 298	3. 2	30, 858	22. 9	17, 178	12. 8	134, 702	100. 0
September	45, 595	35. 5	6, 091	4. 7	27, 924	21. 7	4, 257	3. 4	28, 164	21. 9	16, 391	12. 8	128, 422	100. 0
October	48, 145	34. 8	6, 977	5. 0	31, 202	22. 5	4, 548	3. 3	30, 635	22. 1	16, 975	12. 3	138, 482	100. 0
November	39, 180	33. 5	5, 816	5. 0	25, 988	22. 3	4, 024	3. 4	27, 507	23. 6	14, 239	12. 2	116, 754	100. 0
December	37, 984	32. 8	5, 736	4. 9	25, 837	22. 3	3, 847	3. 3	27, 823	24. 0	14, 680	12. 7	115, 907	100. 0
1941: January	34, 459	31. 4	5, 523	5. 0	24, 204	22. 1	3, 392	3. 1	28, 494	26. 0	13, 617	12. 4	109, 689	100. 0
February	34, 909	32. 6	4, 753	4. 4	23, 711	22. 1	2, 985	2. 8	27, 483	25. 7	13, 303	12. 4	107, 144	100. 0
March	42, 496	34. 2	5, 651	4. 5	26, 820	21. 6	3, 571	2. 9	30, 990	25. 0	14, 666	11. 8	124, 194	100. 0
Amount:														
1940: March	$96, 244	32. 0	$23, 084	7. 7	$75, 650	25. 2	$10, 543	3. 5	$51, 596	17. 2	$43, 303	14. 4	$300, 420	100. 0
April	110, 787	32. 5	27, 091	8. 0	82, 569	24. 3	13, 122	3. 9	56, 561	16. 6	50, 203	14. 7	340, 333	100. 0
May	123, 485	33. 1	29, 075	7. 8	91, 164	24. 5	15, 394	4. 1	58, 372	15. 7	54, 981	14. 8	372, 471	100. 0
June	116, 595	32. 8	28, 909	8. 1	87, 552	24. 6	16, 493	4. 7	52, 973	14. 9	52, 941	14. 9	355, 463	100. 0
July	118, 914	32. 4	30, 602	8. 3	92, 658	25. 3	16, 067	4. 4	55, 191	15. 0	53, 622	14. 6	367, 054	100. 0
August	121, 979	32. 4	31, 839	8. 4	93, 931	24. 9	15, 903	4. 2	56, 770	15. 1	56, 394	15. 0	376, 816	100. 0
September	117, 928	33. 0	29, 401	8. 2	89, 051	24. 9	15, 566	4. 4	52, 936	14. 8	52, 636	14. 7	357, 518	100. 0
October	125, 009	32. 2	33, 818	8. 7	98, 462	25. 3	16, 826	4. 3	59, 124	15. 2	55, 734	14. 3	388, 973	100. 0
November	102, 267	31. 2	27, 900	8. 5	82, 971	25. 4	15, 122	4. 6	51, 504	15. 7	47, 621	14. 6	327, 385	100. 0
December	98, 765	30. 2	28, 666	8. 8	83, 426	25. 5	14, 918	4. 6	51, 964	15. 9	48, 885	15. 0	326, 624	100. 0
1941: January	89, 996	29. 3	27, 691	9. 0	78, 977	25. 7	12, 931	4. 2	53, 891	17. 5	44, 154	14. 3	307, 640	100. 0
February	91, 182	30. 7	23, 716	8. 0	74, 526	25. 1	11, 662	3. 9	52, 442	17. 7	43, 335	14. 6	296, 863	100. 0
March	113, 574	32. 6	27, 842	8. 0	86, 178	24. 7	14, 016	4. 0	59, 646	17. 1	47, 624	13. 6	348, 880	100. 0

Table 10.—Estimated nonfarm real estate foreclosures, by size of county

Period	U. S. total	County size (dwellings)			
		Less than 5,000	5,000–19,999	20,000–59,999	60,000 and over
1940: Jan.–Mar.	18, 680	1, 949	2, 767	3, 914	10, 050
March	6, 379	608	941	1, 395	3, 435
April	6, 404	658	948	1, 313	3, 485
May	7, 138	712	1, 088	1, 539	3, 799
June	6, 597	709	1, 043	1, 301	3, 544
July	6, 293	667	909	1, 269	3, 448
August	6, 128	595	835	1, 338	3, 360
September	6, 294	539	1, 018	1, 355	3, 382
October	6, 305	618	897	1, 319	3, 471
November	5, 832	603	832	1, 343	3, 054
December	5, 639	635	819	1, 103	3, 082
1941: Jan.–Mar.	16, 107	1, 754	2, 459	3, 380	8, 514
January	5, 474	607	800	1, 180	2, 887
February	4, 950	526	789	1, 009	2, 626
March	5, 683	621	870	1, 191	3, 001

Table 11.—Property operations of the Home Owners' Loan Corporation

Period	Number of properties acquired [1]	Number of properties sold	Number of properties on hand at end of month
1940: March	1, 697	3, 980	71, 821
April	1, 388	4, 654	68, 535
May	1, 531	4, 720	65, 326
June	1, 611	4, 801	62, 127
July	1, 694	3, 355	60, 470
August	1, 758	3, 691	58, 524
September	1, 701	3, 619	56, 598
October	1, 719	3, 886	54, 433
November	1, 728	3, 253	52, 878
December	1, 580	2, 706	51, 722
1941: January	1, 638	2, 425	50, 865
February	1, 340	2, 223	49, 940
March	1, 327	2, 369	48, 856

[1] Includes reacquistions of properties previously sold.

Table 12.—Progress of institutions insured by the Federal Savings and Loan Insurance Corporation

[Amounts are shown in thousands of dollars]

Period and class of association	Number of associations	Total assets	Net first mortgages held	Private repurchasable capital	Government investment	Federal Home Loan Bank advances	Number of investors	Operations: New private investments	Operations: Private repurchases	Operations: New mortgage loans
ALL INSURED										
1939: June	2, 170	$2, 339, 411	$1, 769, 112	$1, 657, 859	$260, 451	$127, 062	2, 236, 000	$40, 700	$15, 800	$55, 848
December	2, 195	2, 506, 944	1, 943, 852	1, 811, 181	250, 725	142, 729	2, 386, 000	48, 400	17, 445	49, 516
1940: March	2, 216	2, 576, 885	2, 011, 281	1, 928, 835	236, 714	104, 993	2, 528, 200	51, 377	27, 195	56, 270
April	2, 225	2, 615, 190	2, 050, 052	1, 958, 417	236, 508	101, 569	2, 546, 800	55, 809	28, 123	68, 034
May	2, 231	2, 653, 685	2, 089, 761	1, 981, 445	236, 553	104, 546	2, 560, 900	46, 655	27, 150	70, 990
June	2, 235	2, 708, 529	2, 129, 687	2, 019, 809	236, 913	124, 133	2, 591, 600	43, 626	20, 418	67, 751
July	2, 237	2, 706, 259	2, 167, 366	2, 039, 739	220, 893	129, 909	2, 610, 200	86, 496	73, 111	70, 943
August	2, 248	2, 742, 287	2, 208, 016	2, 059, 097	220, 081	136, 244	2, 634, 300	51, 025	36, 060	72, 214
September	2, 259	2, 789, 391	2, 250, 905	2, 085, 410	220, 569	144, 997	2, 664, 200	46, 203	30, 928	68, 665
October	2, 264	2, 832, 083	2, 291, 477	2, 114, 831	220, 629	150, 700	2, 695, 800	53, 982	30, 286	71, 380
November	2, 269	2, 867, 817	2, 317, 292	2, 143, 360	220, 689	154, 802	2, 706, 300	49, 990	25, 278	57, 686
December	2, 276	2, 931, 781	2, 342, 804	2, 202, 135	220, 789	171, 347	2, 772, 400	65, 586	22, 865	56, 363
1941: January	2, 282	2, 929, 247	2, 359, 057	2, 262, 692	216, 485	141, 450	2, 802, 700	127, 490	75, 228	52, 270
February	2, 289	2, 959, 330	2, 384, 160	2, 296, 225	206, 015	129, 437	2, 869, 500	65, 384	37, 081	53, 765
March	2, 292	2, 991, 565	2, 416, 680	2, 323, 041	206, 094	119, 461	2, 896, 100	64, 633	39, 605	69, 313
FEDERAL										
1939: June	1, 383	1, 441, 058	1, 135, 511	990, 248	217, 026	88, 298	1, 299, 100	27, 000	8, 100	39, 094
December	1, 397	1, 574, 314	1, 268, 872	1, 108, 481	208, 777	105, 870	1, 412, 200	32, 000	9, 231	34, 053
1940: March	1, 408	1, 623, 767	1, 317, 641	1, 197, 882	196, 619	74, 495	1, 515, 000	35, 500	16, 200	38, 241
April	1, 411	1, 655, 179	1, 346, 608	1, 222, 025	196, 813	71, 577	1, 529, 500	39, 329	16, 679	46, 577
May	1, 415	1, 685, 324	1, 375, 683	1, 239, 973	196, 933	74, 428	1, 538, 000	31, 915	16, 124	49, 287
June	1, 421	1, 727, 337	1, 403, 933	1, 267, 156	197, 268	90, 489	1, 560, 900	29, 404	11, 022	47, 435
July	1, 422	1, 724, 821	1, 430, 982	1, 282, 590	181, 724	95, 175	1, 574, 000	60, 489	49, 244	48, 676
August	1, 427	1, 750, 870	1, 461, 440	1, 297, 572	181, 256	99, 985	1, 591, 100	34, 871	22, 643	50, 305
September	1, 430	1, 775, 555	1, 487, 489	1, 309, 421	181, 261	106, 674	1, 602, 400	31, 184	19, 414	46, 480
October	1, 433	1, 804, 397	1, 514, 872	1, 329, 364	181, 371	110, 583	1, 624, 800	37, 309	18, 583	48, 307
November	1, 435	1, 829, 939	1, 532, 745	1, 349, 761	181, 381	114, 070	1, 627, 600	34, 092	14, 867	38, 896
December	1, 438	1, 872, 691	1, 545, 838	1, 387, 839	181, 431	127, 255	1, 665, 200	44, 531	12, 135	37, 715
1941: January	1, 439	1, 872, 744	1, 563, 038	1, 436, 443	177, 265	102, 973	1, 709, 800	87, 950	49, 852	34, 360
February [1]	1, 441	1, 890, 266	1, 577, 498	1, 458, 840	168, 873	92, 558	1, 736, 900	45, 587	23, 131	35, 645
March [2]	1, 442	1, 915, 054	1, 599, 592	1, 480, 866	168, 922	84, 810	1, 758, 400	44, 390	23, 618	45, 365
STATE										
1939: June	787	898, 353	633, 601	667, 611	43, 425	38, 764	936, 900	13, 700	7, 700	16, 754
December	798	932, 630	674, 980	702, 700	41, 948	36, 859	973, 800	16, 400	8, 214	15, 463
1940: March	808	953, 118	693, 640	730, 953	40, 095	30, 498	1, 013, 200	15, 877	10, 995	18, 029
April	814	960, 011	703, 444	736, 392	39, 695	29, 992	1, 017, 300	16, 480	11, 444	21, 457
May	816	968, 361	714, 078	741, 472	39, 620	30, 118	1, 022, 900	14, 740	11, 026	21, 703
June	814	981, 192	725, 754	752, 653	39, 645	33, 644	1, 030, 700	14, 222	9, 396	20, 316
July	815	981, 438	736, 384	757, 149	39, 169	34, 734	1, 036, 200	26, 007	23, 867	22, 267
August	821	991, 417	746, 576	761, 525	38, 825	36, 259	1, 043, 200	16, 154	13, 417	21, 909
September	829	1, 013, 836	763, 416	775, 989	39, 308	38, 323	1, 061, 800	15, 019	11, 514	22, 185
October	831	1, 027, 686	776, 605	785, 467	39, 258	40, 117	1, 071, 000	16, 673	11, 703	23, 073
November	834	1, 037, 878	784, 547	793, 599	39, 308	40, 732	1, 078, 700	15, 898	10, 411	18, 790
December	838	1, 059, 090	796, 966	814, 296	39, 358	44, 092	1, 107, 200	21, 055	10, 730	18, 648
1941: January	843	1, 056, 503	796, 019	826, 249	39, 220	38, 477	1, 092, 900	39, 540	25, 376	17, 910
February	848	1, 069, 064	806, 662	837, 385	37, 142	36, 879	1, 132, 600	19, 797	13, 950	18, 120
March	850	1, 076, 511	817, 088	842, 175	37, 172	34, 651	1, 137, 700	20, 243	15, 987	23, 948

[1] In addition, 3 Federals with assets of $1,379,000 had been approved for conversion but had not been insured as of Feb. 28, 1941. However, included in the 1,441 Federals is 1 Federal with assets of $16,000 whose insurance certificate was outstanding but whose membership had been canceled.

[2] In addition, 3 converted Federals with assets of $1,145,000 were not insured as of Mar. 31, 1941. However, included in the 1,442 Federals is 1 Federal with assets of $16,000 whose insurance certificate was outstanding but whose membership had been canceled.

Table 13.—Lending operations of the Federal Home Loan Banks

[Thousands of dollars]

Federal Home Loan Bank	March 1941 Advances	March 1941 Repayments	February 1941 Advances	February 1941 Repayments	Advances outstanding, Mar. 31, 1941
Boston	$143	$1, 470	$66	$636	$6, 861
New York	264	1, 456	249	1, 388	16, 621
Pittsburgh	446	968	291	1, 561	13, 783
Winston-Salem	588	3, 110	348	3, 586	17, 783
Cincinnati	276	1, 138	110	1, 542	14, 302
Indianapolis	132	431	174	618	9, 612
Chicago	658	2, 250	545	2, 422	23, 337
Des Moines	72	1, 570	122	1, 438	13, 527
Little Rock	140	696	432	645	7, 108
Topeka	42	683	174	1, 459	7, 081
Portland	725	208	209	668	5, 552
Los Angeles	715	1, 161	462	1, 169	10, 392
Total	4, 201	15, 141	3, 182	17, 132	145, 959
Jan.–Mar. 1941	13, 526	69, 059			
March 1940	4, 375	11, 248			137, 642
Jan.–Mar. 1940	10, 772	54, 443			
March 1939	3, 898	12, 899			161, 614
Jan.–Mar. 1939	9, 155	46, 384			

Table 14.—Government investments in savings and loan associations [1]

[Amounts are shown in thousands of dollars]

Type of operation	Treasury: Federals [2]	Home Owners' Loan Corporation: Federals	Home Owners' Loan Corporation: State members	Home Owners' Loan Corporation: Total
Oct. 1935–Mar. 1941:				
Applications:				
Number	1, 862	4, 649	984	5, 633
Amount	$50, 401	$204, 496	$65, 392	$269, 888
Investments:				
Number	1, 831	4, 214	734	4, 948
Amount	$49, 300	$176, 510	$45, 348	$221, 858
Repurchases	$25, 629	$31, 259	$7, 953	$39, 212
Net outstanding investments	$23, 671	$145, 251	$37, 395	$182, 646
March 1941:				
Applications:				
Number	0	1	3	4
Amount	0	$200	$350	$550
Investments:				
Number	0	0	3	3
Amount	0	0	$100	$100
Repurchases	0	$1	$20	$21

[1] Refers to number of separate investments, not to number of associations in which investments are made.
[2] Investments in Federals by the Treasury were made between December 1933 and November 1935.

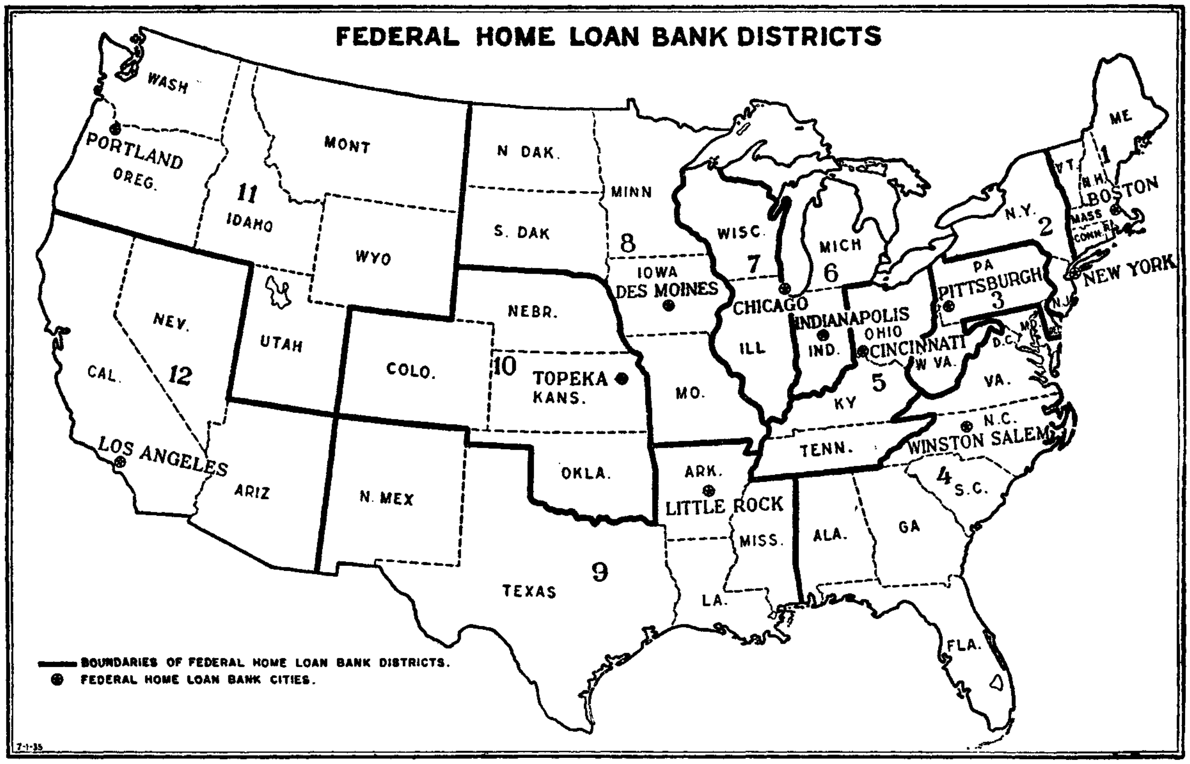
Table 15.—Changes in selected types of private long-term savings

[Amounts are shown in thousands of dollars]

Period	Amounts sold during month: Life insurance [1]	U. S. savings bonds [2]	Insured savings and loans [3]	Amounts outstanding at end of month: U. S. savings bonds [4]	Postal savings [5]	Mutual savings banks [6]	Insured commercial banks [7]	Insured savings and loans [8]
1940: March	$567, 872	$105, 992	$51, 377	$2, 706, 582	$1, 301, 304			$1, 928, 835
April	574, 453	121, 504	55, 809	2, 817, 950	1, 302, 552			1, 958, 417
May	571, 625	64, 267	46, 655	2, 868, 936	1, 298, 508			1, 981, 445
June	533, 086	49, 600	43, 626	2, 904, 699	1, 293, 293	$10, 589, 838	$12, 754, 750	2, 019, 809
July	566, 061	72, 997	86, 496	2, 965, 940	1, 296, 722			2, 039, 739
August	528, 330	53, 359	51, 025	3, 008, 137	1, 297, 476			2, 059, 097
September	503, 427	47, 122	46, 203	3, 043, 626	1, 295, 432			2, 085, 410
October	573, 504	52, 221	53, 982	3, 084, 021	1, 295, 859			2, 114, 831
November	505, 474	50, 080	49, 990	3, 123, 036	1, 298, 429			2, 143, 360
December	596, 534	82, 207	65, 586	3, 194, 793	1, 304, 382	10, 617, 759	13, 062, 315	2, 202, 135
1941: January	522, 762	189, 276	127, 490	3, 371, 135	1, 313, 895			2, 262, 692
February	537, 557	120, 680	65, 384	3, 480, 040	1, 316, 486			2, 296, 225
March	598, 217	131, 961	64, 633	3, 598, 546	1, 319, 959			2, 323, 041
Change: Last 6 months				+18. 23%	+1. 89%	+0. 26%	+2. 41%	+11. 39%

[1] Life Insurance Sales Research Bureau. Face amount of policies sold, excluding group insurance.
[2] *U. S. Treasury Daily Statement.* Cash sales, including unclassified sales.
[3] New private investments; amounts paid in as reported to the FHLBB.
[4] *U. S. Treasury Daily Statement.* Current redemption value.
[5] U. S. Post Office Department. Outstanding principal, represented by certificates of deposit, excluding accrued interest, outstanding savings stamps, and unclaimed deposits. Figures for the last three months are preliminary.
[6] *Month's Work.* All deposits.
[7] FDIC. Time deposits evidenced by savings passbooks.
[8] Private repurchasable capital as reported to the FHLBB.

U. S. GOVERNMENT PRINTING OFFICE: 1941



OFFICERS OF FEDERAL HOME LOAN BANKS

Boston

B. J. Rothwell, Chairman; E. H. Weeks, Vice Chairman; W. H. Neaves, President; H. N. Faulkner, Vice President; Frederick Winant, Treasurer; L. E. Donovan, Secretary; P. A. Hendrick, Counsel.

New York

George MacDonald, Chairman; F. V. D. Lloyd, Vice Chairman; Robert G. Clarkson, Vice President; Denton C. Lyon, Secretary; H. B. Diffenderfer, Treasurer; F. G. Stickel, Jr., General Counsel.

Pittsburgh

E. T. Trigg, Chairman; C. S. Tippetts, Vice Chairman; R. H. Richards, President; G. R. Parker, Vice President; H. H. Garber, Secretary-Treasurer; R. A. Cunningham, Counsel.

Winston-Salem

H. S. Haworth, Chairman; E. C. Baltz, Vice Chairman; O. K. LaRoque, President-Secretary; G. E. Walston, Vice President-Treasurer; Jos. W. Holt, Assistant Secretary; T. Spruill Thornton, Counsel.

Cincinnati

R. P. Dietzman, Chairman; Wm. Megrue Brock, Vice Chairman; Walter D. Shultz, President; W. E. Julius, Vice President; Dwight Webb, Jr., Secretary; A. L. Maddox, Treasurer; Taft, Stettinius & Hollister, General Counsel.

Indianapolis

H. B. Wells, Chairman; F. S. Cannon, Vice Chairman-Vice President; Fred T. Greene, President; G. E. Ohmart, 2nd Vice President; J. C. Morden, Secretary-Treasurer; Hammond, Buschmann, Krieg & DeVault, Counsel.

Chicago

C. E. Broughton, Chairman; H. G. Zander, Jr., Vice Chairman; A. R. Gardner, President; J. P. Domeier, Vice President; H. C. Jones, Treasurer; Constance M. Wright, Secretary; Ungaro & Sherwood, Counsel.

Des Moines

C. B. Robbins, Chairman; E. J. Russell, Vice Chairman; R. J. Richardson, President-Secretary; W. H. Lohman, Vice President-Treasurer; J. M. Martin, Assistant Secretary; A. E. Mueller, Assistant Treasurer; Emmert, James, Needham & Lindgren, Counsel.

Little Rock

W. C. Jones, Jr., Chairman; W. P. Gulley, Vice Chairman; B. H. Wooten, President; H. D. Wallace, Vice President-Secretary; J. C. Conway, Vice President; W. F. Tarvin, Treasurer; W. H. Clark, Jr. Counsel.

Topeka

P. F. Good, Chairman; Ross Thompson, Vice Chairman; C. A. Sterling, President-Secretary; R. H. Burton, Vice President-Treasurer; John S. Dean, Jr., General Counsel.

Portland

Ben A. Perham, Chairman; Ben H. Hazen, Vice Chairman; F. H. Johnson, President-Secretary; Irving Bogardus, Vice President-Treasurer; Mrs. E. M. Jenness, Assistant Secretary; Verne Dusenberry, Counsel.

Los Angeles

D. G. Davis, Chairman; A. J. Evers, Vice Chairman; M. M. Hurford, President; C. E. Berry, Vice President; F. C. Noon, Secretary-Treasurer; Vivian Simpson, Assistant Secretary.