FEDERAL HOME LOAN BANK REVIEW

Washington, December 1943

FEDERAL HOME LOAN BANK ADMINISTRATION

★ ★ ★ WORTH REPEATING ★ ★ ★

JUNGLES OF CRIME: "If our metropolitan communities are allowed to grow in the future without plan or direction, the central business areas will be surrounded by hollow shells with large numbers of dilapidated buildings and jungles of crime, while on the outer rim of the city there will spring up hundreds of small independent neighborhoods, each developed on a model plan but without any organic relationship to the central city. It will be very expensive to operate an urban structure which has as its center half-empty schools and little-used streets, sewers and water facilities—and, at its periphery, a conglomeration of disconnected neighborhoods which require a duplication of these unused central facilities. The additional costs of providing services for such a diffuse and poorly organized city will completely break down the already overloaded municipal debt structure."

Homer Hoyt, *Journal of Land and Public Utility Economics*, Third Quarter 1943.

REDEVELOPMENT: "The post-war builder is going to find the overwhelming part of his market in the medium price dwelling field, and he is going to find that he can build to this market only if he can give the public the openness of residential arrangements and the general environmental character that competes with him at the outskirts of the city. He will be forced to seek sites for the houses he builds at prices he can pay. If he cannot find them in the areas that need to be redeveloped, he will find them in areas that ought not to be developed."

Hugh Potter, President, Urban Land Institute, *American Savings and Loan News*, November 1943

REVOLUTIONS: " . . . There are two kinds of 'revolution' in this vast field of home-building. One is *product* revolution; the other, *process* revolution. The first affects building methods gradually; the second requires great changes, not only in building *methods*, but also in the vital matter of *distribution*. The prefabricated house, is a *process* revolution, entailing the development of entirely new means of distribution. In addition . . . the predominant consideration in the low-cost small house is *usable space*. Thus, 'gadgets' and new materials will become part of low-cost homes only as they become competitive in cost with the things they are planned to supersede.

"Another and equally vital factor will work to make the so-called 'miracle home' something for the far, rather than the near, future. That is the personal preference of home-buyers for the traditional style of home architecture."

Duncan W. Edes, before Northeastern Federal Savings League Conference Boston, November 1943.

GADGETS: "We have all laughed for years at the gadgetry of the home developer: the fancy tile, the funny plaster arches, the useless doodads. But these gadgets often sell the home. It's time to stop laughing at gadgets and make worthier use of them. Hedges, window boxes, street trees, backyard planting are the city developer's gadgets, on a plane below the city planner's blueprint, but valuable instruments for achieving urban livability."

Albert Mayer and Julian Whittlesey, *The Architectural Forum*, November 1943.

SACRIFICE: " . . . People will make personal sacrifices to buy bonds if they are stacking them up for a home."

Ralph H. Cake, *American Savings and Loan News*, October 1943.

TRIPLE-THREAT GLASS: "Glass is being transformed into a triple-threat raw material for the industry of the future. It will compete with steel, with textiles, and with building materials. Its natural defects are being overcome and its natural advantages enhanced . . .

"Glass, under a new forming process, is treated like a plastic in high-pressure molding machinery and can be forced into exact shapes that never before could be made quickly and cheaply from glass. This means that glass, one of the best insulators known, will be able to compete with plastics in new developments in electricity and electronics, where delicate and accurately made parts are required . . ."

Sydney B. Self, *The Wall Street Journal*, October 26, 1943.

POST-WAR BOOKSHELF

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

DOWNTOWN AIR TERMINAL FANTASTIC?: By Earle K. Radford, *American City*, August 1943. 470 Fourth Avenue, New York 6, N. Y.

PROBLEMS OF CONVERSION FROM WAR PRODUCTION: A study of reconversion problems. Available without charge from the Truman Committee, Senate Office Building, Washington 25, D. C.

RECOMMENDATIONS FOR THE DISPOSITION OF FEDERAL WAR HOUSING: 8 pp. Available at 10¢ from National Committee on the Housing Emergency, Inc., 512 Fifth Avenue, New York 18, N. Y.

WAR HOUSING: An excerpt from the report of the Executive Council of the American Federation of Labor to the Annual Convention. October 1943. 3 pp. mimeo., free upon request. Full report, 35¢. Available from American Federation of Labor, 901 Massachusetts Avenue, N. W., Washington 25, D. C.

WARTIME "PROSPERITY" AND THE FUTURE: By Wesley C. Mitchell. 40 pp. Available at 35¢ from the National Bureau of Economic Research, New York, N. Y.

A HISTORY OF PREFABRICATION: By Alfred Bruce and Harold Sandbank. July 1943. 80 pp. Available from John B. Pierce Foundation, 40 West 40th Street, New York, N. Y.

COMBATTING BUILDING GRAFT BY THE "INDUSTRY TECHNIQUE": By Abraham Weinman. *American City*. October 1943. Available at 35¢ from American City Magazine Corporation, 470 Fourth Avenue, New York 16, N. Y.

ESTIMATES OF THE CIVILIAN POPULATION OF THE UNITED STATES, BY COUNTIES, MARCH 1, 1943: Available from Department of Commerce, Bureau of the Census, Washington 25, D. C.

FEDERAL HOME LOAN BANK REVIEW

NATIONAL HOUSING AGENCY
John B. Blandford, Jr., Administrator

FEDERAL HOME LOAN BANK ADMINISTRATION
John H. Fahey, Commissioner

FEDERAL HOME LOAN BANK SYSTEM

FEDERAL SAVINGS AND LOAN ASSOCIATIONS

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

HOME OWNERS' LOAN CORPORATION

UNITED STATES HOUSING CORPORATION

Vol. 10 No. 3

DECEMBER - 1943

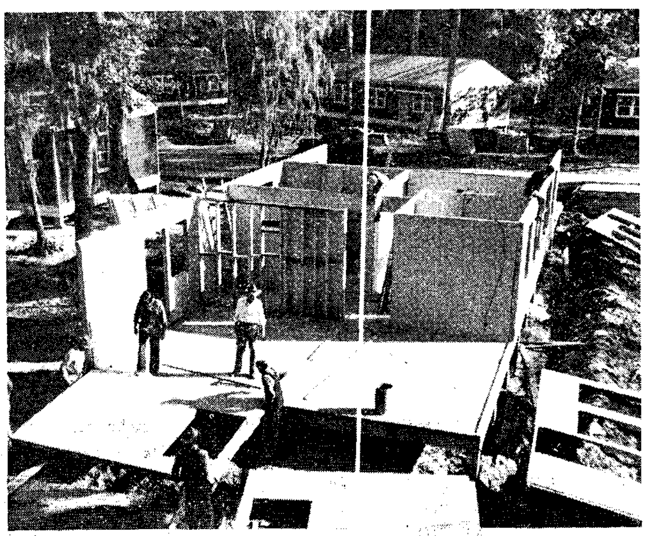
SUBSCRIPTION PRICE OF REVIEW: The Review is the Federal Home Loan Bank Administration's medium of communication with member institutions of the Federal Home Loan Bank System and is the only official organ or periodical publication of the Administration. The Review will be sent to all member institutions 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 25, D. C. APPROVED BY THE BUREAU OF THE BUDGET

LOCAL LENDERS IN THE PREFABRICATED AGE

What is prefabrication apt to mean to the savings and loan industry in the post-war world? Obviously nobody can say with any degree of certainty, but it is none too soon to be giving serious thought to the question. This article is an attempt to suggest some of the problems and possibilities inherent in this phase of tomorrow's housing.

■ ALTHOUGH prefabrication is not primarily a product of the War, it has gained momentum in the war-housing program that may well carry it into peacetime construction on a greatly expanded scale. In 1942 prefabrication (largely in war housing) accounted for 16½ percent of total home construction. Before the War, the annual percentage was only one-half of 1 percent. If this industry is able to supply better houses at lower costs and quicker delivery, it will indeed become a factor to be reckoned with by thrift and home-financing institutions. The changes that it will bring are by no means confined to construction methods and design. The greater application of engineering and quantity production to home building will require reorientation in planning, distributing, and financing in a mass market. This article attempts only to point out, without specific forecasts, some of these new directions.

In later issues, the REVIEW hopes to present factual reports on prefabrication developments to date. So far, most prefabricated housing has been in the low-cost field, below the ordinary price range of new homes. Small prefabricated houses are now being produced for less than $3,000 Not all of them are this cheap, of course—for prefabrication has definitely entered the medium and even higher brackets—but enough has happened to indicate the practicability of considering the really low-cost home among potential sources of business. No one expects prefabrication to capture the entire post-war market, but it may well account for a large segment, especially in the low-cost field.



Six rooms, six hours, ten men. This factory prefabricated house in Liberty Hills, Charleston, South Carolina, was erected between 9 a. m. and 3:20 p. m.

Two Principal Types

There are many conceptions of prefabrication, but essentially it refers to any sort of tailoring or subassembly of building material, either on the site of construction or at the factory. Both methods utilize the principle of assembly-line production with the resulting decrease in unit costs.

In site prefabrication, the lumber is pre-cut in a "factory" set up at the construction site. The cut lumber is assembled into wall frames, porches, roof trusses, etc., the same pattern being used for all panels of similar type. Wall frames are laid on the floor while siding is nailed on and windows installed. Then walls and previously assembled roofs are hoisted into position.

The same procedure is followed in factory prefabrication, the complete product being shipped to the site ready for erection. There are also variations and combinations of these two methods. When the complete unit can be purchased and shipped from the factory, houses can be sold either singly or in large quantities. Complete site prefabrication, however, which calls for bringing the factory to the house is economically suited only to large-scale projects.[1]

Public Acceptance

It is not generally anticipated that in the first year after the War prefabrication will be a major factor in the total volume of construction. It will grow as rapidly as it demonstrates that better houses can thus be produced at less cost.

[1] It should be noted that both types of prefabricated houses are already many years old; complete factory-built houses have been sold in this country for more than 30 years by several firms while "site prefabrication" is simply a convenient term for expansion of a generally accepted idea which began with prefabricated doors and windows, and has gradually expanded to other units.

The general public acceptance of prefabricated housing may come sooner than some anticipate. For one thing, the prefabricated house need not look startlingly "different," at least at first. Modern design in home furnishings, according to reports of the furniture industry, is increasingly popular, and acceptance of modern architecture, especially if tactfully introduced, may follow.

Demountable Homes

A prefabricated house may or may not be demountable. The wide use of demountable housing in the future is now a moot question, with some observers swinging to a negative view. Demountability creates additional cost and high salvage loss.

Technical progress may overcome these handicaps, but there remains the factor of public favor; in 1937, it will be remembered, the "trailer boom" inspired large-scale prophecies of a completely mobile population, which did not come to pass. The demountable house, which is a development of the trailer, may supplement, without supplanting, a fixed abode.

If, however, the public shows a preference for dwellings on a temporary location, innovations will necessarily be introduced into common mortgage-lending practices. At present, land, as well as the structure on it forms part of the security behind a mortgage instrument. The owner of a demountable structure presumably would rather lease than buy the land. This would conceivably lead to the financing of the house by the owner on a personal-property basis with the land being financed through a separate transaction between the mortgage lender and, perhaps, a land company.

"Demountable" Mortgages

The status of a house as personal, as opposed to real property is not a new legal conception. According to one recent discussion, "Legal mechanics now exist and are available to the prefabricated housing industry to deal with prefabricated houses as personal property when selling such houses. The intention could be appropriately specified in a conditional sales contract or in other appropriate instruments which, when recorded, would be binding upon all parties subsequently dealing with the land. The problem of financing such houses as personal property therefore reduces itself not so much to a legal problem but to the practical problem of establishing appropriate financing facilities and of being able to sell the houses on a personal property basis. In this

This photograph shows site fabrication at Barlow Place in Portsmouth, Virginia. The hole in the roof section is for the chimney flue.

the attitude of the public will play an important part." [1]

Houses, of course, may be of temporary construction but not demountable. In peacetime, some such houses may be built, as during the War, to serve definite short-term needs, for people who want a house to last only for 5 to 10 years. If the cost over this period were no more than rent for inferior accommodations, even if the trade-in value were little or nothing by the time the owners were ready for a better home, it would be a sound investment.

Long-Term Financing

But if prefabricated houses on permanent locations meet the mortgage lenders' standards as to soundness of construction, no particular problem would be involved in financing. It has been contended that scientific construction can make the prefabricated house more durable than the custom-built structure; and that the technical advances already made in the field of prefabrication will now support the issuance of 15- to 20-year mortgages as adequately as 12- to 15-year loans. If these contentions are sound, the current trend toward longer-term financing would not be checked.

Just what the "proper" post-war interest rate on mortgages will be, of course, depends on factors yet to be demonstrated. Projections vary from 5 percent to as low as 3 percent. Prefabricated construction alone will not be the determining factor; but the development of new mass markets might

[1] Bettin Stalling, Regional Counsel, Chicago Regional Office, Home Owners' Loan Corporation, before the Real Property Law Division of the American Bar Association, Chicago, Illinois, August 24, 1943.

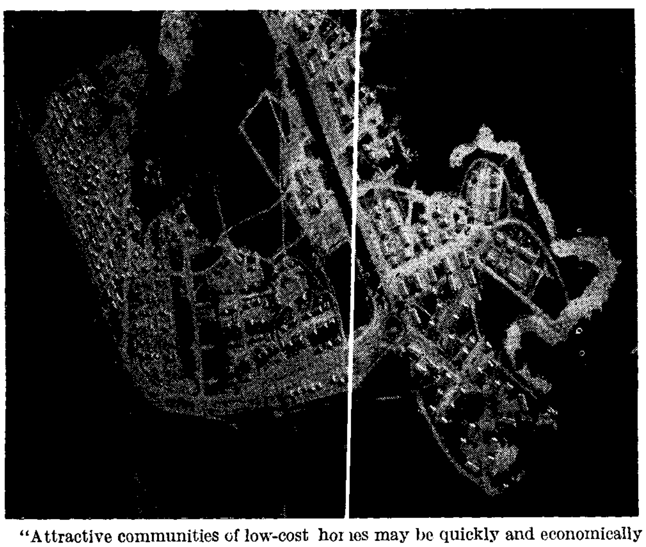
accelerate the development of a lower "going" rate, as well as new loan plans for which various proposals have already been advanced. It is reasonable to assume that competition between large manufacturers in housing will, as in the history of the automobile industry, gradually make for simpler, more flexible financing of their products.

New Principles For Longer Usefulness

Given fundamental durability, prefabrication can apply to the medium-priced and eventually to the low-cost field new principles which make for extended usefulness. In the past, a standard measure of a house was the number of rooms—a fixed quantity as a rule. When a family outgrew 5, 6, or 7 rooms, it was time to look for a new house. However, panel construction with interchangeable vertical and horizontal units can follow more readily any change in the family size, age, or income. More or fewer rooms may thus be provided by changing the arrangement of the wall space or by adding or subtracting a prefabricated unit. A house that can expand or change with the needs of the family is at once more saleable and has more enduring value—factors worth considering in long-term financing.

House, Lot, and Furniture?

A tenet of contemporary design is greater use of outdoor living space, breaking the rigid barrier between "indoors" and "outdoors." If this particular trend is carried into the low-cost field by prefabrication it will have a definite effect upon site selection, and the relative importance which home-financing institutions give to the house and the lot.



"Attractive communities of low-cost homes may be quickly and economically constructed almost anywhere." Indian Head, Maryland, a war-housing project of prefabricated, demountable homes.

The growth of prefabrication may well intensify the use of built-in furnishings and gadgets. When houses are sold in department stores, as is already the case, it is natural that some of them will be sold furnished. Lending institutions in the future, whether they like it or not, may be called upon to help finance the complete home rather than the empty house.

Here, again, the automobile industry supplies a convenient parallel: luxury equipment, once purchased separately by owners of high-priced cars, is now included in the financing of the most inexpensive makes. It will be in the nature of prefabrication to speed up this evolution, already well under way.

Beginnings of Post-War Lending

Several starts have recently been made toward purchase plans for houses to be bought after the War. Own-your-own-home clubs have sprung up in increasing numbers. One group selling prefabricated houses operates through department store advance-order sales and has the active participation of several savings and loan associations. Share accounts definitely earmarked for the future home are accepted by one of the associations. Members of another association club plan to build at the same time through one contractor in order to economize and this arrangement, while not new, may point the way for individual home builders to profit from a modified form of site prefabrication.

View From a Helicopter

In the past, with the exception of a few war-housing projects, new large-scale developments have been tied to existing highways, railroads, and utility connections. This need no longer be the case, if trends in air transport, rural electrification, and prefabrication combine to modify these limitations. Any desirable land within 100 miles of a city may eventually be its new suburban area; as war housing has proved, attractive communities of low-cost homes may be quickly and economically constructed almost anywhere. No longer would it be necessary for suburban growth to "inch" out from an existing community.

This is taking a broad view of a possible coming age. For its advent, the REVIEW does not set a date. Neither does it seem possible, nor for our purposes necessary, to specify precise degrees and definitions of prefabrication; the end product, which is better and cheaper housing through mass production for the benefit of increasing numbers of home owners, is what matters.

(*Continued on p. 75*)

COMMISSIONER FAHEY ON INFLATIONARY LENDING

Warning that real estate is the only important kind of property which has always invited speculation where adequate checks have not yet been established, the Federal Home Loan Bank Commissioner urges the savings and loan industry to use "every possible influence" in putting the brakes on inflationary mortgages.

The following excerpts are from an address by Federal Home Loan Bank Commissioner John H. Fahey before the annual War Conference of the U. S. Building and Loan League in Chicago on November 30.

. . . No feature of mortgage practice can enlist the attention of the lending institutions of this country to greater advantage than a thorough overhauling of our appraisal system. Because right now in every direction institutions of all classes are making inflated loans based almost entirely on temporary market conditions and exaggerated appraisals, we are developing a situation which can easily become a real menace and interfere seriously with the prompt resumption of home building when this tragic war ends.

. . . In the Federal Home Loan Bank Administration we are forced to recognize that threatening practices of this kind are developing rapidly and assuming proportions which demand attention. Every banker, business, and professional man of common sense well knows that if things get out of hand in this country under present conditions and we experience inflation in any degree, comparable to that inflicted upon some of the European countries as a result of World War I, we will fail miserably in our attempts to provide for the people of this country such a standard of living as they have a right to expect. There are few businesses of any kind which will represent much of a future to those now engaged in them if in the years ahead the economic machine gets out of control and goes into an inflationary tailspin.

Curbs Fairly Successful So Far

. . . Thus far we have been fairly successful in curbing the evils of real inflation. In World War I, from July 1914 to July 1918, the cost of living in the United States rose 50.3 percent. From August 1939 to August 1943, it rose but half that figure, or 24.9 percent. The wholesale price index, including all commodities other than farm products and foods in the last war, rose 96.1 percent. For the comparable period in this War, the increase has been held to 37.5 percent. While in World War I, as an illustration, the price of steel plates increased over 187 percent, thus far those prices have shown no advances since August 1929.

While these figures are encouraging, we certainly ought to understand the difficulties we will confront if they begin to balloon or if any other important segment of the American economy goes "hay-wire."

. . . Under the powers delegated to the Federal Reserve Board, loans against securities are limited to 60 percent of their market value and the Board has the power to increase that margin. Consumer credit is strictly regulated and all bank loans up to $1,500 are granted only upon a statement of purpose which shows a legitimate need. Such loans must be paid in twelve months. For installment purchases of articles listed in the Board's regulations, down payments of 20 to 33⅓ percent are required and these payments must be made from the purchaser's own funds. . . . While ceilings have been fixed on rents, and they represent a restraining influence on real estate prices, the fact is that real estate as a whole is the only important kind of property, which has always invited speculation, where adequate checks have not yet been established.

Rural and Urban Prices Rise

Secretary of Agriculture Wickard has repeatedly warned of the dangers inherent in the farm land boom which has already reached alarming heights. Only recently he pointed out that the prices of farm lands have already been hoisted at about the same rate as in the last war and are increasing from month to month. Some people remember what that led to. Those who are not familiar with the facts should read the record.

. . . Prices of urban homes are moving up with almost equal rapidity and the trend is as serious as that of farm land prices. In too many sections war workers are being sold houses which they are almost certain to abandon after the war, at prices far out of line with real values. . . A worker goes from his former employment into a war-industry center remote from his home and leaves his family behind. After a time, anxious to have the family with him and unable because of the housing shortage to rent anything acceptable, he is ready to buy even at an excessive price. He is not disturbed about the price because of higher wages than he ever before enjoyed and the ability to buy with a limited down payment and long-time amortized mortgage financing which really represents but little more than rent. While it is true that some of these workers may remain in the communities where they now have war jobs, about three million workers have moved from their former homes, a migration never equalled before in this country.

Reminiscent of 1922–1928

Undoubtedly there will be certain shifts in the location of industries in the post-war period, but those who believe that a large proportion of the workers now employed on war contracts, remote from their former homes, will remain where they are now are just fooling themselves . . .

I am most interested to hear from one city after another where war work has brought a substantial, sometimes sensational, increase in population, that a large part of it is going to remain, that things have changed for that city and it is on the way to permanent and greater growth. All this is not only reminiscent of 1922 to 1928 but of every land boom and housing boom encouraged by unsound lending and excessive prices, for many decades.

Trend is Spreading

. . . There may sometimes be good reasons, which are not apparent on the surface, for lending more money on a home than seems justifiable. This can hardly be true, however, when loans of this sort are being made in all sections of the country. The figures on 1,186 loans made in connection with sales by HOLC borrowers during the last three months are certainly disturbing as an indication of present trends. The new mortgages made were $1,793,723 in excess of the HOLC loan balances on the properties, an average increase of over $1,500 a property, or 78 percent more than the HOLC balance at pay-off. Moreover, they were 104.2 percent of the original HOLC loans on these properties, which, let us remember, included deliquent principal and interest and usually overdue taxes, insurance, and repairs. The houses on which these new loans were placed averaged over 22 years old.

These inflationary loans were not confined to any one section of the country. They were made in more than half our States and have been spreading from month to month. They were all classes of mortgage lenders, commercial banks, savings and loan assocations, mutual savings banks, insurance companies and private mortgage concerns.

. . . This trend is something to which not only this organization, but every other banking organization in the country should give its earnest attention. I do not think it is sufficient to pass resolutions about it. Warnings will not, in my opinion, restrict the activities of reckless lenders whose practices, if persisted in, eventually react in greater or lesser degree upon the entire business. I think organizations like this should address themselves vigorously to the problems involved and suggest methods of forestalling the troubles which are almost certain to develop unless preventive measures are applied promptly. It is particularly important that the savings and loan associations of the country should be in the front rank in exercising every possible influence to put the brakes on inflationary mortgages.

Amendment to Rules and Regulations

FHLBA
Bulletin No. 33

AMENDMENT TO RULES AND REGULATIONS FOR FEDERAL SAVINGS AND LOAN SYSTEM RELATING TO ADDITIONAL LENDING POWERS FOR ASSOCIATIONS OPERATING UNDER CHARTER K. (Effective November 27, 1943.)

Subparagraph (d) of Section 202.9 of the Rules and Regulations for the Federal Savings and Loan System was amended by the Federal Home Loan Bank Administration on November 27 by the addition of a new subparagraph (3). This paragraph will provide associations operating under Charter K with proper mechanism for submitting to the Federal Home Loan Bank Administration for consideration proposed loan plans which affect either Section 13 *or* 14 of the Charter.

The new subparagraph reads as follows:

"3. Amendment inserting the following Section 14.1 between Sections 14 and 15:

'14.1. *Additional Lending Powers.* All loans shall be made in accordance with Sections 13 and 14 of this Charter unless the Federal Home Loan Bank Administration, upon application from the association for such approval, approves another loan plan, practice or procedure or permits a higher percentage of the appraised value of the security to be loaned. Such authority shall be in addition to, and not in abrogation of, any existing authority or procedure provided in this Charter.'"

This amendment became effective upon filing with *The Federal Register* on November 27.

REGIONAL INFLUENCES OF THE WAR IN 1943 OPERATIONS OF INSURED ASSOCIATIONS

A study, by States, of the balance of net first mortgages held by insured savings and loan associations shows wide variations. Increases in private share capital and liquid resources likewise reflect the regional impact of War.

■ A geographical survey of the condition of insured associations on September 30, 1943, compared with the same date a year ago shows some trends not revealed by other studies of the year's work so far.

As might be expected, in all States there has been an increase in total assets and private share capital, and there has been a phenomenal and general gain in liquid resources. However, the rate of increase has varied greatly from State to State. On the other hand, the balance of net first mortgages shows a wide range of decreases and increases.

Gains Reflect Wartime Activity

The national average increase in net first mortgages was 4 percent. Largest gains were in New Jersey, 25 percent, and Connecticut, 23 percent, States in which the number of insured associations increased by 17 and 4, respectively. More typical, perhaps, were the changes reported by States where the number of insured associations showed little change.

In Maryland, containing crowded war centers, the gain was 13 percent, indicating that the rise in the volume of new mortgage-lending more than offset repayments on existing loans. In California, having 136 insured associations of which five became insured during the year ending September 1943, the rise in the net balance of mortgages outstanding was 11 percent. Some California associations are especially active in war housing.

Declines May Conceal Repayments

The decreases were equally interesting. Montana and Idaho, both States which have lost population as a result of the War, each showed a decline of 7 percent in the volume of outstanding mortgages. Yet in Florida, where the War has swelled civilian population, there was a decline of 1 percent. Similarly, the District of Columbia, where population and mortgage lending have risen simultaneously, showed a fractional reduction in net balances.

For the country as a whole, the net balance picture reflects mingled influences: the decline in opportunities for home construction loans, the rising volume of home loans for the purchase of existing properties—a situation not without its elements of danger, as pointed out in the November issue of the REVIEW—and the repayment of loans ahead of schedule. It is this last factor which is the most encouraging from the point of view of the national welfare and institutional stability.

Geographical Pattern of Loan Balances

The geographical pattern followed by the States sharing in the increased loan balance (see Figure 1) forms an almost unbroken belt from the Vermont-Massachusetts line in New England, through Midwestern States, hence southwest (with the exception of Colorado, Nevada, and Nebraska) to the Coast. Mississippi and Georgia were the only Southern States recording gains in this account.

Share Capital Influx Varies

While on a national basis the balance of private savings invested in insured savings and loan associations increased 20 percent from a total of $2,834,-000,000 on September 30, 1942, to $3,390,000,000 a year later, representing the largest figure on record, a look at the map again reveals an interesting geographical pattern. Figure 2 shows that, with few

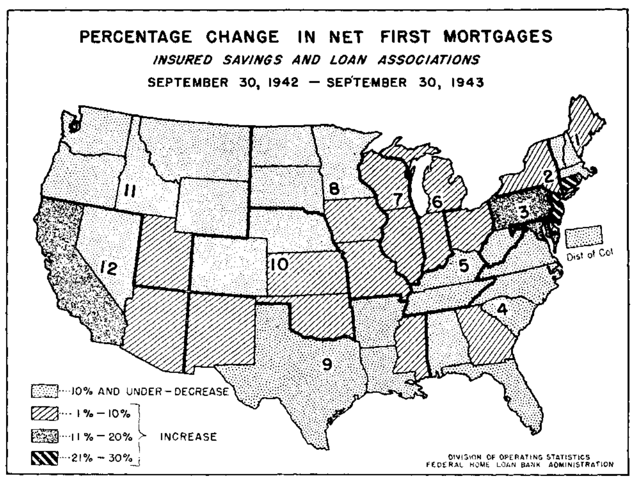


FIGURE 1

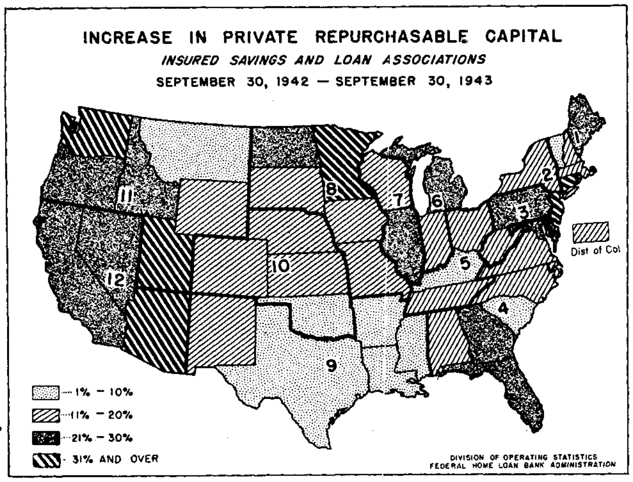


FIGURE 2

exceptions, those States which showed losses or only moderate gains in private repurchasable capital were also those in which a loss occurred in their net mortgage accounts. (Figure 1.) Such exceptions as Florida, Washington, Oregon, and the District of Columbia attracted substantial amounts of new capital but showed losses in net mortgage accounts. It seems fair to credit insured associations in those States with assisting many citizens to make new savings while retiring old debts.

Utah, Arizona, Minnesota, and Washington all registered increases in private share capital exceeding 30 percent. In the same group were Connecticut and New Jersey where the rise in number of newly insured associations during the reporting period was a determining factor. The 19 States showing more moderate gains of 11 to 20 percent, and the remaining 9 recording rises up to 10 percent were primarily Central States and in areas where there has been no concentration of war-industry activity, as can be seen from the accompanying map. Analysis by Bank Districts shows the greatest gains in share capital in three war-industry areas—the Portland, Pittsburgh, and Los Angeles regions, where increases ranged from 25 to 28 percent.

Total Assets Gain Everywhere

In every State, total resources of insured savings and loan associations rose during the 12 months ending September 30, 1943. On a national basis the gain was from $3,513,000,000 to an all-time high of $4,038,000,000, or 15 percent. Every District and State shared in the increase, with gains ranging from a low of 5 percent in the Little Rock region to 22 percent in the Los Angeles area. The rise in total resources by States corresponds roughly to the pattern of "war prosperity," agricultural Nebraska, for example, showing a moderate rise of 7 percent while Washington increased 23 percent. New Hampshire, not a "boom State" but a thrifty one, showed a gain of 28 percent in total assets of its four insured associations.

During the period between September 30, 1942, and September 30, 1943, the cash accounts of insured savings and loan associations throughout the country suffered a reduction, which all occurred in the third quarter of this year, the period of the Third War Loan. Prior to that time there had been substantial gains each quarter from a year earlier. Total cash held by insured institutions at the close of September 1943 stood at $186,954,000 as compared with $193,818,000 a year before.

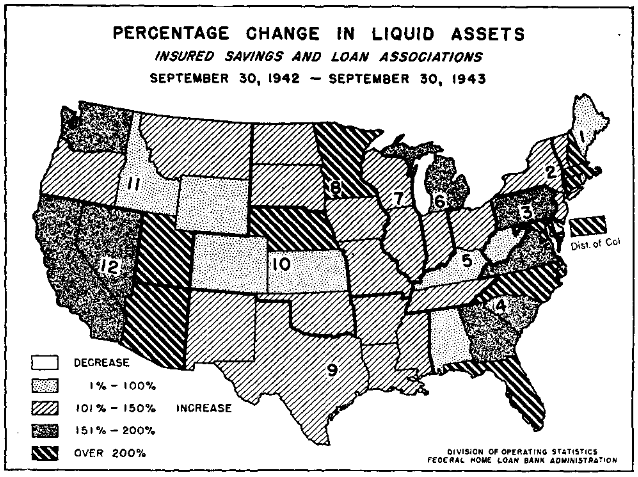


FIGURE 3

Government Bonds Surpass Cash Accounts

Following the War Loan drive in April 1943, the Government-bond portfolio of insured institutions exceeded their cash accounts for the first time on record. By September 30,1943, the $580,087,000 in these bonds, an all-time peak for this type of investment, represented an excess of $393,133,000 over the cash account. This concentration of funds in "Governments" has been evident, of course, only in the last 2 years. Prior to World War II, most funds of insured associations not invested in mortgages were generally held in the form of cash. Every District and State shared in the 400-percent gain.

For the country as a whole, the aggregate liquid assets of insured associations showed a 148-percent increase. Gains of over 150 percent were recorded in 10 of the Eastern Seaboard States and in Washington, California, Nevada, Utah, and Arizona. As Figure 3 indicates, there is discernible a geographical pattern not unrelated to those in Figures 1 and 2, the States with the greatest gains in liquidity also being among those having declines in net mortgage balances and sizable gains in private repurchasable shares.

Ratio of Liquidity to Share Capital

The total of the cash and Government-bond accounts held by insured associations at the close of September 1943 was equal to 19 percent of their total *assets* as compared with a ratio of 9 percent on September 30, 1942. As in the previous year, the highest liquidity-asset ratio was recorded in the Portland District (27 percent). With the exception of Delaware (which has but one insured association in operation) every State reflected an increase in this ratio over the previous year.

Even greater gains were recorded when liquid assets are related to private repurchasable capital. This *liquidity-capital* ratio stood at 23 percent at the close of the reporting period as compared with 11 percent a year before. As Figure 4 reveals, over half of the 48 States—including the entire Western area, the East Central States as far south as Alabama and Florida, and the New England Coast States—had liquidity-capital ratios exceeding 20 percent.

Progress of Insured Associations

Of the $1,468,000,000 of new capital received by *all* operating savings and loan associations during the period between October 1, 1942 and September 30, 1943, over $1,083,000,000, or 74 percent, was invested in associations insured by the Federal Savings

(*Continued on p. 69*)

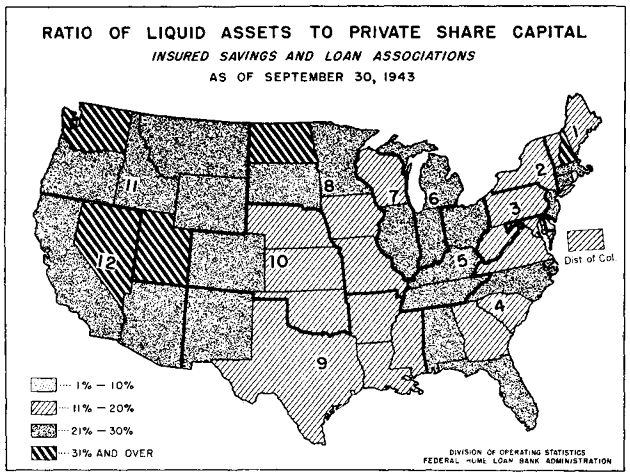


FIGURE 4

Cash and Government obligations of insured savings and loan associations

[Dollar amounts are shown in thousands]

State and District	Cash and Government obligations			As a percent of			
				Assets		Share capital	
	1943	1942	Percent increase	1943	1942	1943	1942
UNITED STATES	$767,041	$309,852	147.6	19.0	8.8	22.6	10.9
Boston	43,533	12,188	257.2	19.4	6.5	23.2	7.8
Connecticut	10,500	1,954	437.4	18.4	4.9	21.3	6.0
Maine	171	100	71.0	9.2	6.4	10.7	8.1
Massachusetts	27,550	8,778	213.9	19.1	6.9	23.1	8.2
New Hampshire	4,245	789	438.0	31.4	7.4	39.5	8.4
Rhode Island	150	122	23.0	6.3	6.0	8.0	8.0
Vermont	917	445	106.1	17.7	9.2	20.0	10.3
New York	80,377	32,577	146.7	16.8	7.9	20.5	10.1
New Jersey	25,153	10,072	149.7	18.9	10.2	23.7	13.3
New York	55,224	22,505	145.4	16.0	7.2	19.2	9.1
Pittsburgh	33,272	13,986	137.9	14.1	7.2	16.8	9.1
Delaware	8	15	−46.7	2.0	4.3	2.1	4.8
Pennsylvania	29,444	11,736	150.9	14.0	6.9	16.6	8.6
West Virginia	3,820	2,235	70.9	15.9	9.4	19.5	12.9
Winston-Salem	72,394	22,304	224.6	17.1	6.0	20.0	7.4
Alabama	3,789	1,963	93.0	20.8	11.6	23.1	13.5
District of Columbia	7,642	1,877	307.1	15.2	4.2	17.0	5.0
Florida	21,251	6,330	235.7	23.6	8.3	27.6	10.4
Georgia	8,116	2,718	198.6	15.9	6.3	18.5	7.6
Maryland	8,452	2,025	317.4	11.4	3.3	14.2	4.4
North Carolina	11,430	3,377	238.5	19.7	6.6	23.5	8.3
South Carolina	5,931	1,977	200.0	17.8	6.2	19.7	6.9
Virginia	5,783	2,037	183.9	11.8	4.5	13.6	5.5
Cincinnati	185,718	86,166	115.5	24.4	12.9	28.6	15.5
Kentucky	15,434	7,992	93.1	20.1	11.0	22.3	12.7
Ohio	162,686	75,100	116.6	25.3	13.4	29.8	16.2
Tennessee	7,598	3,074	147.2	18.7	8.3	22.5	10.6
Indianapolis	65,730	26,702	146.2	23.1	10.9	27.0	13.2
Indiana	41,154	17,342	137.3	23.3	11.2	27.1	13.7
Michigan	24,576	9,360	162.6	23.0	10.5	26.9	12.3
Chicago	70,233	29,585	137.4	16.7	8.0	20.2	10.3
Illinois	57,884	23,979	141.4	18.1	8.7	21.8	11.1
Wisconsin	12,349	5,606	120.3	12.2	5.8	14.9	7.8
Des Moines	42,038	15,275	175.2	18.4	7.6	21.2	9.3
Iowa	4,863	2,315	110.1	14.3	7.6	15.5	8.5
Minnesota	21,356	5,490	289.0	25.0	7.8	29.3	9.9
Missouri	12,519	6,014	108.2	12.8	6.6	14.8	8.2
North Dakota	2,587	1,133	128.3	31.6	15.8	35.1	18.9
South Dakota	713	323	120.7	23.7	11.2	28.6	14.7
Little Rock	37,131	17,152	116.5	14.3	6.9	17.1	8.4
Arkansas	2,684	1,214	121.1	14.7	6.7	17.0	8.1
Louisiana	11,758	4,961	137.0	11.6	5.0	14.3	6.2
Mississippi	1,515	741	104.5	14.9	7.9	16.9	9.1
New Mexico	1,304	584	123.3	17.7	9.1	20.9	10.5
Texas	19,870	9,652	105.9	16.3	8.5	19.2	10.1
Topeka	24,258	12,061	101.1	14.8	7.8	17.5	9.7
Colorado	6,275	3,266	92.1	17.8	9.7	20.9	12.3
Kansas	6,408	3,382	89.5	13.1	7.4	16.1	9.8
Nebraska	1,800	546	229.7	15.3	4.9	17.8	6.2
Oklahoma	9,775	4,867	100.8	14.4	7.6	16.7	8.9
Portland	50,715	20,190	151.2	27.2	13.0	32.1	16.4
Idaho	2,446	1,292	89.3	25.3	14.6	29.7	19.2
Montana	3,124	1,501	108.1	24.5	12.6	27.4	14.2
Oregon	5,518	2,322	137.6	23.7	11.3	28.3	14.8
Utah	6,871	1,934	255.3	26.4	9.5	36.3	14.3
Washington	31,504	12,524	151.5	28.9	14.1	33.2	17.2
Wyoming	1,052	577	82.3	20.3	12.1	23.5	15.1
Alaska	200	40	400.0	32.4	8.5	34.4	11.0
Los Angeles	61,642	21,666	184.5	16.5	7.1	20.7	9.1
Arizona	1,686	290	481.4	20.0	4.4	24.3	5.8
California	58,512	20,661	183.2	16.3	7.0	20.5	9.0
Nevada	310	115	169.6	32.1	14.0	35.2	15.7
Hawaii	1,134	600	89.0	23.5	13.7	26.0	15.2

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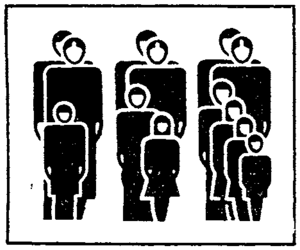
HOW MANY FAMILIES IN POST-WAR AMERICA?



THE Census Bureau expects the peak year of post-war growth in number of American families to come in 1947, when the estimated number will be 38,609,000, almost a million more than in 1946. According to a forecast released this fall, in succeeding years through 1960 the annual increase will be more moderate, at the rate of less than half a million. In 1944, as the result of inductions and their effect upon family life, a net loss of 66,000 in the number of families is forecast, the increase resuming in 1945 and 1946, which are assumed to be the years of demobilization.

These estimates are based upon the 1940 Census definition of a family as a unit comprised of a family head and all other related persons in the home who share common housekeeping arrangements. The estimate allows both for the usual percentage of delays in establishing households after marriage and for the additional postponements occasioned by the War.

War losses and marriages

The effect of war losses, it will be noted, is spread over 15 years following the War. It begins with 1946 on the assumption of 110,000 men killed, confined to service-men's hospitals, or otherwise withdrawn from families as a result of the War. The figure of 110,000 is in no sense a forecast of American war casualties. It is assumed, however, that this figure would result in a total loss of 84,000 families in the first 15 years after the War. While estimates of casualties will alter with the progress of the War, the proportion of families lost will remain constant and the figures for the anticipated loss for each post-war year may be multiplied by the necessary factor to obtain the estimated figure.

The expected increase in internal migration is not included, as no evidence is available to indicate that this movement during the War has increased or decreased the number of families in the United States as a whole. An increase in the rate of divorce and remarriage usually follows a war, but does not affect the total number of families.

Estimates (see accompanying table) follow rather closely the anticipated post-war marriage rate, with adjustment for expected delays in establishing homes.

In releasing its estimates, the Bureau of the Census pointed out that, although the years 1945 and 1946 were arbitrarily designated as the period of demobilization, "the user may observe the fluctuations in the year-to-year family increases that demobilization is likely to introduce in the estimates, and he may advance or postpone these fluctuations according to his own judgment."

While the Census forecast from 1940 through 1960 does not include separate estimates of farm and nonfarm families, it is expected that the proportion of rural-farm families, which declined from 22.1 percent of all families in 1930 to 20.2 percent in 1940, will continue to decline after the War.

Although increases in the number of nonfarm families are, of course, a factor in estimating the amount of home building—business conditions, family incomes, building costs, and other elements are likewise extremely important. Caution may be indicated in placing too much reliance upon the anticipated number of families as a forecast of the amount of building. While during the twenties, 127 new homes were provided for every 100 new families, during the thirties only 61 new dwelling units were provided for every increase of 100 families, according to a study ("How Much Did We Build?") published in the REVIEW, September 1942, page 400.

Estimated number of families in the United States under wartime and post-war conditions

[Years 1945 and 1946 assumed as period of demobilization]

Year (January 1)	Estimated number of families under wartime conditions [1]		Estimated number of families lost (—) during preceding year for each 110,000 war losses
	Number	Increase during preceding year	
1940	34,823,000		
1941	35,462,000	639,000	
1942	36,111,000	649,000	
1943	36,610,000	499,000	
1944	36,544,000	−66,000	
1945	36,783,000	239,000	
1946	37,616,000	833,000	−13,000
1947	38,609,000	993,000	−19,000
1948	39,112,000	503,000	−17,000
1949	39,435,000	323,000	−11,000
1950	39,757,000	322,000	−6,000
1955	42,095,000	[2] 468,000	[2] −2,400
1960	44,235,000	[2] 428,000	[2] −1,200

[1] Assuming no war losses, but making allowances for the unusual marriage rates during the 1940's, the delayed establishment of new families, the disestablishment of families of inductees during the war, and the reestablishment of inductees' families after the war.

[2] Annual average for the preceding five-year period.

THE SAVINGS AND LOAN INDUSTRY IN 1942

The condition of all operating savings and loan associations, as shown by the 1942 statement of condition, provided a gratifying contrast to the anticipated effects of War. Assets continued upward, real estate holdings declined, and the reserve position was strengthened.

THE condition of the savings and loan industry at the end of 1942 belied the early apprehensions in some quarters regarding the probable effects of operation under a wartime economy. During the year, total assets of all operating associations increased 2 percent to $6,121,000,000, share capital rose 6 percent, liquid assets showed an outstanding growth, and an increasingly favorable reserve position was attained.

It is true that the rate of expansion in total resources fell considerably below the 6-percent increase shown at the end of 1941. However, the continuation of the upward trend evident since 1936 represents a remarkable achievement in the face of the adverse construction-mortgage market and the large proportions of the current family incomes being absorbed through higher taxes and direct purchase of war bonds by the public.

While the accompanying statement of condition shows that total assets increased $109,690,000, a more realistic picture of the progress made during the year can be gained by deducting the mortgage pledged shares. These pledged-share accounts, which are generally being displaced through greater use of the direct-reduction loan plan, are still held by some associations for accumulations against sinking-fund loan accounts. Thus, they represent only a bookkeeping offset against the mortgage loan account. When this adjustment is made it shows that the assets grew by $129 million from the 1941 figure.

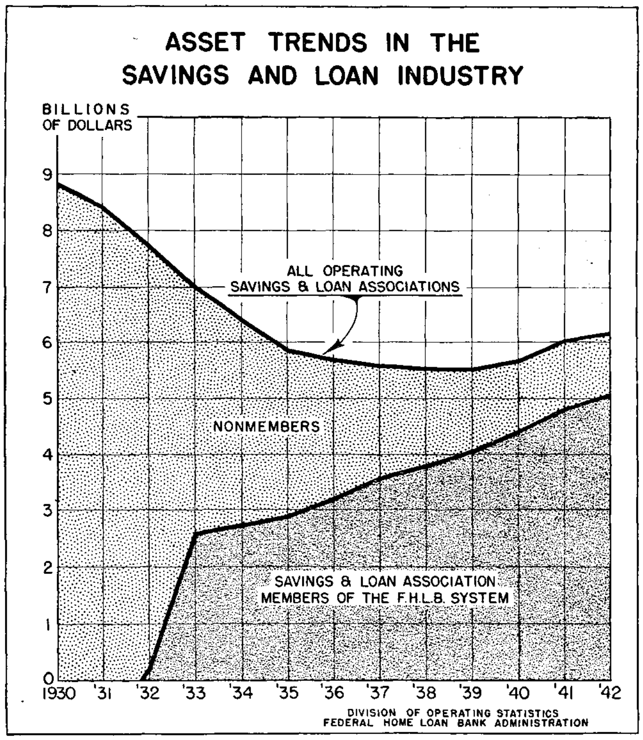
Average Size Increases

At the same time that assets were increasing, the number of operating associations continued to decrease, dropping 5 percent during the year. At the end of 1942, the 6,539 operating savings and loan associations had average assets of $936,000—a rise of 7 percent above the 1941 average of $870,000 for 6,905 institutions.

Member associations of the Federal Home Loan Bank System continued to improve their position both absolutely [1] and in relation to the industry as a whole. During the past year the percentage of the number of Bank System members to all operating associations increased from 55 to 57 percent. Their aggregate assets—$5,025,450,000—accounted for 82 percent of total industry assets compared with 80 percent in 1941. The average assets of reporting members amounted to $1,345,000, or nearly four times those of nonmember associations.

Outstanding Gains in Liquidity

The growth of liquid assets in all operating savings and loan associations was the outstanding feature of the year. Investments showed the phenomenal increase of $212,000,000, or 116 percent, amounting to $396,000,000 at the end of 1942. This was in contrast to the $184,000,000 held a year previous after a 23-percent gain over 1940. The investment account, composed principally of U. S. Government bond holdings, reflects the participation of the in-



The continued upward trend of assets of all operating savings and loan associations is shown in this chart. Aggregate assets of all associations were $6,121,000,000 with members of the Bank System accounting for 82 percent of the total.

[1] *See* "Members Grew in Strength Last Year," FHLB REVIEW, September 1943, p. 357.

dustry in war financing as well as an accelerated trend toward liquidity of the associations. Investments now represent 6 percent of total assets compared with only 3 percent in 1941.

The cash account also showed a substantial growth, although not on a par with the investment increase. This account rose $63,000,000, or 19 percent, to $403,000,000, compared with a 13-percent increase the previous year when it amounted to $340,000,000. At the end of 1942, cash represented 7 percent of total assets compared to 6 percent in 1941.

The cash and investment accounts were the only major asset items to reflect any increase during 1942. Together they amounted to almost $800 million as against $524 million in 1941. Thirteen percent of total assets were contained in these two accounts in 1942 compared with 9 percent the previous year. A negligible rise in the furniture and fixture account was the only other increase in an asset item.

Loan and Real-Estate Accounts Drop

During the calendar year 1942, lending activity of all savings and loan associations leveled out after the decided upturn (10 percent) experienced in 1941. The unadjusted item of mortgage loans shown on the balance sheet reflects a fractional decrease of 0.14 percent to $4,792,000,000—78 percent of total assets. After adjustment for shares pledged against loans, the mortgage portfolio reflects a fractional increase of 0.29 percent ($13,000,000) over the 1941 amount. This is far below the gains experienced in the 2 preceding years when mortgage loans (less pledged shares) rose 11.5 and 8.7 percent, respectively.

Over $1 billion of new mortgage loans were made during 1942, but little more than 1 percent of this amount was added to the net loan balance at the end of the year. This is in striking contrast to 1941 when more than one-third of the new mortgage loans

Comparative statement of condition for all operating savings and loan associations in the United States, 1942 and 1941

[Source: Annual reports of State savings and loan supervisors—Summary of members' consolidated annual reports]

[Dollar amounts are shown in thousands]

Item	All operating associations [1]		Ratio to total assets		Increase or decrease 1942 to 1941	
	1942	1941	1942	1941	Amount	Percent change
ASSETS			*Percent*	*Percent*		
Mortgage loans [2]	$4, 791, 624	$4, 798, 453	78. 28	79. 82	−$6, 829	−0. 14
Other loans	41, 481	59, 922	0. 68	1. 00	−18, 441	−30. 78
Real estate sold on contract	209, 538	219, 181	3. 42	3. 65	−9, 643	−4. 40
Real estate owned	204, 172	327, 620	3. 34	5. 45	−123, 448	−37. 68
Investments	395, 624	183, 542	6. 46	3. 05	+212, 082	+115. 55
Cash	403, 075	339, 751	6. 59	5. 65	+63, 324	+18. 64
Office building	54, 003	56, 105	0. 88	0. 93	−2, 102	−3. 75
Furniture and fixtures	8, 485	8, 366	0. 14	0. 14	+118	+1. 41
Other assets	12, 926	18, 297	0. 21	0. 31	−5, 371	−29. 35
Total assets	6, 120, 928	6, 011, 237	100. 00	100. 00	+109, 690	+1. 82
LIABILITIES AND CAPITAL						
U. S. Government investments	167, 902	195, 692	2. 74	3. 25	−27, 791	−14. 20
Private repurchasable capital	4, 515, 950	4, 258, 919	73. 78	70. 85	+257, 031	+6. 04
Mortgage pledged shares	226, 799	246, 340	3. 71	4. 10	−19, 541	−7. 93
Deposits and investment certificates	401, 271	392, 858	6. 56	6. 54	+8, 413	+2. 14
Borrowed money	153, 531	255, 550	2. 51	4. 25	−102, 019	−39. 92
Loans in process	33, 108	72, 547	0. 54	1. 21	−39, 439	−54. 36
Other liabilities [3]	90, 746	87, 166	1. 48	1. 45	+3, 580	+4. 11
Permanent reserve, and guaranty stock	32, 090	32, 729	0. 52	0. 54	−639	−1. 95
General reserves, undivided profits, and surplus	499, 531	469, 436	8. 16	7. 81	+30, 095	+6. 41
Total liabilities and capital	6, 120, 928	6, 011, 237	100. 00	100. 00	+109, 690	+1. 82

[1] Excludes State-chartered associations in liquidation (both voluntary and involuntary) when status is so reported in the State supervisors' reports or by other reliable sources.

[2] Includes advances and accrued receivables, the latter principally interest due on mortgages.

[3] Includes deferred credits and specific reserves.

Estimated number and amount of assets held by all operating savings and loan associations, 1942–1941

[Dollar amounts are shown in thousands]

Federal Home Loan Bank District	Number		Assets	
	1942	1941	1942	1941
UNITED STATES	6, 539	6, 905	$6, 120, 928	$6, 001, 237
No. 1—Boston	348	353	709, 712	690, 390
No. 2—New York	958	1, 115	789, 785	825, 945
No. 3—Pittsburgh	1, 306	1, 402	496, 420	500, 659
No. 4—Winston-Salem	648	680	679, 068	664, 322
No. 5—Cincinnati	841	883	1, 092, 791	1, 064, 451
No. 6—Indianapolis	325	326	342, 416	324, 955
No. 7—Chicago	772	782	573, 520	563, 506
No. 8—Des Moines	386	389	330, 492	319, 190
No. 9—Little Rock	312	316	261, 120	256, 709
No. 10—Topeka	298	306	267, 742	249, 613
No. 11—Portland	160	157	207, 227	190, 817
No. 12—Los Angeles	185	196	370, 635	360, 680

written appeared as net additions to year-end loans outstanding.

The exigencies of the wartime housing situation have acted as a stimulus to the sale of existing properties and enabled savings and loan associations to reduce their real-estate owned accounts at an accelerated pace. By the end of 1942 this item had been reduced 38 percent ($124,000,000) to slightly over $204,000,000 and represented only 3 percent of total assets compared with 5 percent in 1941.

Considering the small amount of real estate owned, and the fact that the general reserve and undivided profit accounts increased $30 million during the year to a total of $500 million, the reserve position was substantially strengthened. This is only the second time in several years that the dollar volume of these accounts has increased from one year to the next. For each book-value dollar of real-estate owned there is now $2.45 in the reserve and surplus accounts compared to $1.43 at the end of 1941.

The inflow of private repurchasable capital continued at a substantial rate, particularly during the latter half of the year. Largely as a result of the annual excess of new investments over repurchases, total private repurchasable capital increased $257,000,000—a gain of 6 percent over 1941.

At the same time, U. S. Government investments (Treasury and HOLC) in savings and loan associations were reduced by 14 percent and stood at $168 million. Because of the greatly reduced field for lending activity, a complete reversal was recorded in the borrowed money account which declined 40 percent in contrast to a 10-percent increase during the previous year. This reflects the continued downward trend in FHL Bank advances from the all-time high reached at the end of 1941.

Changes in Bank District Picture

A study, by FHL Bank Districts, of asset changes in all operating savings and loan associations reveals some changes from the 1941 pattern. While increases were recorded in the same areas (all but New York and Pittsburgh) there was considerably less spread in the percentage gains registered. Associations in the Portland District showed the greatest expansion—9 percent—in contrast to the top gain in 1941 of 15 percent in Winston-Salem associations. Other increases ranged from 7 percent for all associations in the Topeka region to less than 2 percent in the Little Rock, and Chicago Districts. Assets of associations in the New York area dropped 4 percent, while those of Pittsburgh associations decreased less than 1 percent.

Insured Associations

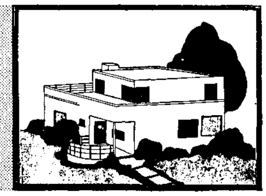
(*Continued from p. 65*)

and Loan Insurance Corporation. Insured associations now account for 62 percent of the assets of all savings and loan associations.

The number of associations insured at the close of September 1943 represented a net gain of only 54 over the same month a year previous. Of the eight areas showing gains in number of insured associations, the New York region showed the greatest increase, with 17 additions in New Jersey and 4 in New York. The Pittsburgh District ranked second with 17 additions, all accounted for by the State of Pennsylvania. The Topeka, Des Moines, and Portland Districts reported fewer insured associations in operation at the close of September 1943 than a year previous, with decreases of 3, 2, and 1 association, respectively. Only one District, the Little Rock area, showed no change in the number of insured associations for the reporting period.

At the close of the reporting period, 66 percent of all member savings and loan associations of the Federal Home Loan Bank System were insured, and they held 75 percent of the aggregate assets of all member savings and loan associations. Insured associations are now operating in every State as well as in the District of Columbia, Alaska, and Hawaii.

THE HOME FRONT



Lessons through experience

Results of the Third War Loan drive demonstrate the importance of contact on a person-to-person basis. Nearly 2½ billion dollars of E bonds were sold as compared with 1½ billions during the Second drive.

Tribute should be paid to the marvelous cooperation of the huge volunteer sales army and of the people who had to handle the less glorious parts of the operations. The enthusiasm of local committees and their anxiety to meet quotas leads sometimes, however, to "bad selling" such as promotion of sales financed by direct borrowing from banks. Nevertheless, according to officials of the Treasury Department, the most important lesson of the Third War Loan drive is the value of personal solicitation. About 52 percent of the individuals in cities and towns who were asked directly to buy extra bonds in September did so. In farm areas the percentage was even higher—61 percent. These figures are in startling contrast to the purchasers in cities (20 percent) and in rural areas (12 percent) where individuals were not asked to buy extra war bonds.

Tied in with the person-to-person approach is the placing of emphasis on a local-appeal level. Individuals respond more readily to neighborhood quotas as opposed to national, and prefer locally inspired radio programs, speeches, and entertainment rather than "canned" material which is distributed on a national scale.

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Professional war bond salesmen

Experience of the Canadian government has proved that although "amateur" war bond salesmen are conscientious and enthusiastic, "professionals" sell a far greater percentage of bonds. Consequently, 16,000 of these professionals are currently employed by the Dominion, making door-to-door canvasses on a commission or profit basis.

Chief reason is that the paid salesmen, working on a competitive basis, earn more money selling war bonds than their regular peace-time merchandise. The canvass is planned with scientific precision. New salesmen receive 2 weeks of intensive training before going on the road and experienced salesmen are required to take a week's refresher course before every drive.

Canadians are solicited both at home and office. Stress is laid on the investment rather than on patriotic appeal. The objective of the current \$1,200,000,000 Fifth Victory Loan campaign is to sell 44 percent of the total to approximately 25 percent of the Dominion's 11,500,000 inhabitants. Corporations and a few wealthy individuals are expected to buy the balance.

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OPA reveals benefits of rent control

Surveys just completed by the OPA in 39 war-housing areas with a total population of 17 million indicate that, under rent ceilings, owners of rental housing are receiving larger operating margins than in the pre-war years of 1939 and 1940. Nineteen of these areas have roll-back rent or freeze dates in 1941; for the other 20, March 1, 1942 was established as the maximum rent date.

A 6-month record taken from the books of apartment house operators showed net operating income to be 34 percent greater than in 1939; that of landlords of small structures was 36 percent greater over the same period.

The contributing factors are: rent increases of 3 to 4 percent from 1939-1940 levels before rents were frozen, almost capacity occupancy, and declining over-all expenses because of decreases in competitive decoration and unnecessary services.

It is estimated that the fixing of rent ceilings has saved more than \$1 billion on the Nation's 1943 rent bill.

"Stop-Construction" Order modified

The "Stop-Construction" Order—L-41—has been re-issued in simplified and revised form. The revisions include: lowering to \$200 the over-all limit on construction for which a higher limit is not authorized by the order; liberalization of provisions for insulating to conserve fuel oil, and elimination of assistance to home owners in converting existing facilities to the use of coal.

Installation of plumbing equipment is now permitted if the cost is under \$200. In determining whether a job is within specified L-41 limits, the cost of used materials or the value of labor furnished free need no longer be counted.

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Court decision safeguards mortgagees

The United States Supreme Court last month refused to review the decision of the New York State Court of Appeals in the case of foreclosure proceedings being taken by a New York City building society against a defaulting mortgagor who, since his earlier defaults, had been inducted into the Army.

In ruling on the case, the Appellate Division of the New York Supreme Court had held: "The statute is to be liberally administered as an instrument to accomplish substantial justice in order to protect the interests of persons in the military service, but it may not be employed as a means of enabling one who has flouted his obligations in civilian life to obtain indefinite delay or to cancel his just liabilities."

The refusal of the U. S. Supreme Court to review the case lets the decisions and opinions of the New York courts stand. It does not, however, have the force of a decision construing the application of this legislation to the facts involved, nor does it lay down a rule of construction for guidance in other cases.

First year estimate of housing

An analysis of a survey made by the 62 field offices of the Federal Housing Administration on privately financed home construction, modernization, and repair, showed the following prospects for the first year after removal of wartime limitations (assuming availability of materials and labor, and a normal demand):

Between 350,000 and 400,000 privately built dwelling units with an average value of $5,000 will be built at a cost of $1,750,000,000 to $2,000,000,000, in addition to as much as $3,000,000,000 worth of home repair and modernization work. Starting from a low level, the home building industry will gain momentum in the first year and a much greater activity may be looked for thereafter.

From a low initial level, construction, modernization, and repair may provide work, on and off the site, for an average of 2,400,000 men for the first year, reaching 3,000,000 to 4,000,000 toward its end.

"Because of uncertainties as to economic conditions immediately after the War and the rapidity with which materials, equipment, and labor will become available," FHA Commissioner Abner H. Ferguson said, "it is difficult to make a firm estimate now of the actual volume in the first post-war year; however, when national policies for reconversion are established and time factors are clearer, the NHA will make an exhaustive survey of housing demand, capacity and other factors.

"Various estimates that we shall build 10 million or more homes in the 10 years immediately after the War," Mr. Ferguson said, "have not assumed that there would be a million homes built each year." Recovery in building has always been gradual, he pointed out; it was not until 3 years after World War I that new construction exceeded the 400,000 mark, and it was 4 years more before it passed 900,000.

A great majority of areas have ample lots with utilities installed to allow immediate building. No area of importance is expected to have a scarcity of capable builders ready to resume activity in the early months after the War, even though building organizations now doing business are less than one-fourth of the 20,000 to 22,000 expected to be in operation during the first post-war year.

Ample funds from private lending institutions will be available. "The FHA organization is in a position to aid industry from the start—a very different situation than existed after the last War," the FHA Commissioner said.

☆ ☆ ☆ ☆ ☆

Thrift Week starts January 17

National Thrift Week which commences on January 17 will be observed while the Fourth War Loan is in progress. This is a particularly appropriate coincidence in view of the history and purpose of this event. In 1917 the first observance of Thrift Week was promoted to emphasize the value of saving as a means of helping to win World War I. Now that the country is "buying" a bigger war, thrift is more than ever necessary.

☆ ☆ ☆ ☆ ☆

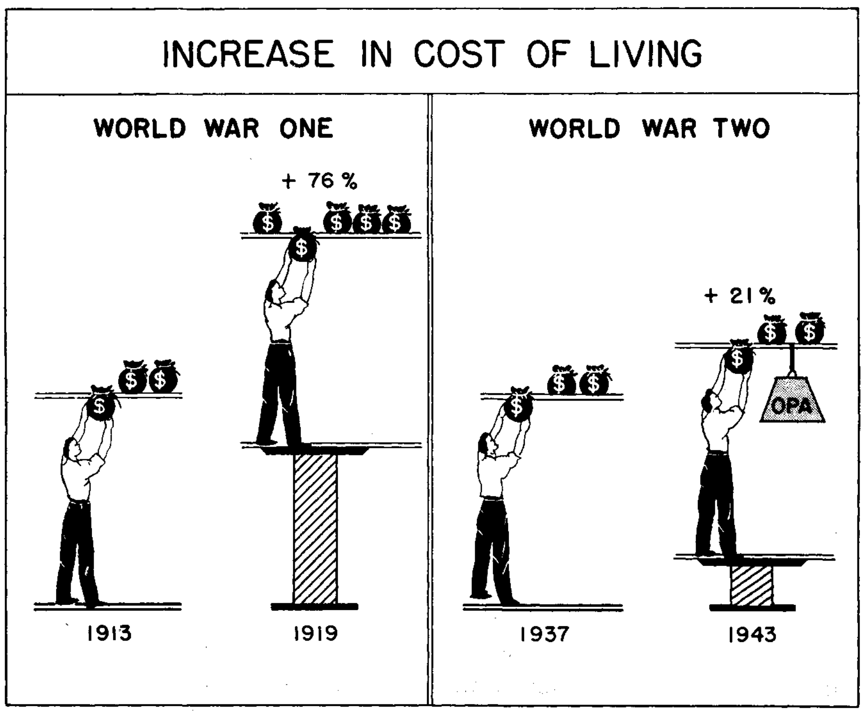
NHA tightens repair credits

The 3-year time limit for amortizing repair loans for war housing, provided by the NHA exception to credit Regulation W, has been withdrawn by that agency from all but one category of such transactions. Effective November 15, only loans for rehabilitation of such property impaired by fire, flood, similar act of God, or enemy action continue to be exempted from the standard 1-year repayment terms which govern these instalment loans

☆ ☆ ☆ ☆ ☆

Producers' Council estimates post-war building

A volume of post-war building, of al kinds, attaining the average level of 16 billion dollars of new construction annually for the 5 years beginning approximately 12 months following the end of the War was the prediction of the market analysis committee of the Producers' Council, the national organization of building materials and equipment. The estimate, reflecting the committee's belief that the post-war demand for goods will provide employment for virtually the entire peacetime labor force of the Nation, is predicated on the assumption that there will be no chaotic price inflation in the post-war period, but allows for an anticipated increase of 35 percent in the general price level as compared with 1940. Prices, the committee pointed out, had already risen 23 percent by August of this year.



Although the cost of living has advanced during World War II, this graphic comparison with the situation during the last War shows the measure of success achieved by the Government's price control program.

MEMBERS PREPARE FOR FOURTH WAR LOAN

Distinguished Service Citations

From the War Finance Division of the U. S. Treasury, distinguished service citations are soon to be sent direct to the more than 300 members of the Federal Home Loan Bank System who, during the Third War Loan, exceeded the goal of 16.59 percent of total assets in the sale and purchase of war bonds.

As member associations swing into action on the Fourth War Loan drive to be held next month, reports on the Third War Loan indicate that the FHLB System accounted for $657,651,027 in sales and purchases. (The figure published last month in the REVIEW should have been $600,500,000 instead of $6,500,000.)

Honor Roll for October

In order to preserve the incentive purpose of the *Honor Roll*, it has been determined to change the basis for admission. Cumulative figures which included the Third War Loan, it is felt, would tend to distort the picture and not recognize the regular month-by-month effort of the associations. For that reason, the *Honor Roll* for October, November, and December activity will be based on *sales to the public* during each month equal to 1 percent of member assets. Each asterisk indicates sales of 5 percent of assets. On this basis, 307 associations qualified during October, of which 48 received stars. Total sales amounted to almost $24,000,000 which compares favorably with previous records.

A MESSAGE FROM THE GOVERNOR

The Treasury has announced the Fourth War Loan drive from January 18 to February 15, 1944. As the War approaches its climax, I know that the member institutions of our Federal Home Loan Bank System will wish to maintain and even to lift the level of their magnificent past participation in financing it on the home front. Of the national goal of fourteen billion dollars, five and one-half billion is to be raised from *individuals*. It is on this phase throughout the drive that the heavy emphasis will be placed. During the period from January 18 to February 1, only sales made to individuals will be reported by the Treasury. While subscriptions from any non-banking investor will be accepted at any time during the drive, sales to other than individual investors will not be reported until after February 1.

Our members all share the belief, I am sure, that this program is almost made to order for us. More than any other financial institution, our savings and loan associations are able to reach and serve the small savers and investors of the Nation. Moreover, through the decentralized character of the Federal Home Loan Bank System, they command facilities for doing so with the minimum of regimented interference and the maximum of local freedom and initiative.

We here are eager to do everything that we can to help, but we thoroughly recognize that this patriotic service is a matter for each institution to handle in its own way, within the fold of its own Federal Home Loan Bank. At this end, we shall do our best to see that the member performance in each Bank District is properly recorded and recognized.

In the monthly Honor Roll of War Bond Sales, we have already one established yardstick. In conformity with the Treasury program, the *Honor Roll* for the month of January will be based solely upon the sales made to the public. The requirements for admission to the Honor Roll will be raised for January to sales equivalent to 5 percent of the total assets of each member institution. For the System as a whole, this will approximate three hundred million dollars—a high goal, it is true, but one for which the outstanding record of our institutions in past drives gives promise of fulfillment.

JAMES TWOHY, *Governor*
Federal Home Loan
Bank System

NO. 1—BOSTON

Bristol Federal Savings and Loan Association, Bristol, Conn.
Calais Federal Savings and Loan Association, Calais, Me.
First Federal Savings and Loan Association, Greenwich, Conn.
Portsmouth Savings Bank, Portsmouth, N. H.
Windsor Federal Savings and Loan Association, Windsor, Vt.
Windsor Locks Building and Loan Association, Windsor Locks, Conn.

NO. 2—NEW YORK

Amsterdam Federal Savings and Loan Association, Amsterdam, N. Y.
Bankers Federal Savings and Loan Association, New York, N. Y.
Berkeley Savings and Loan Association, Newark, N. J.
Bloomfield Savings Institution, Bloomfield, N. J.
*Bradford Savings and Loan Association, Newark, N. J.
Center Savings and Loan Association, Clifton, N. J.
Cranford Savings and Loan Association, Cranford, N. J.
East Rochester Federal Savings and Loan Association, East Rochester, N. Y.
First Federal Savings and Loan Association, New York, N. Y.
First Federal Savings and Loan Association, Rochester, N. Y.
Glen Rock Savings and Loan Association, Glen Rock, N. J.
Haven Savings and Loan Association, Hoboken, N. J.
Home Federal Savings and Loan Association, Ridgewood, N. Y.
Lakeview Savings and Loan Association, Paterson, N. J.
Long Beach Federal Savings and Loan Association, Long Beach, N. Y.
Maywood Savings and Loan Association, Maywood, N. J.
Mohawk Savings and Loan Association, Newark, N. J.
Reliance Federal Savings and Loan Association, Queens Village, N. Y.
Schuyler Building and Loan Association, Kearny, N. J.
Shepherd Savings and Loan Association, East Orange, N. J.
Union City Savings and Loan Association, Union City, N. J.
White Plains Federal Savings and Loan Association, White Plains, N. Y.

NO. 3—PITTSBURGH

Brentwood Federal Savings and Loan Association, Brentwood, Pa.
Cambria County Federal Savings and Loan Association, Cresson, Pa.
*Capital Building and Loan Association, Philadelphia, Pa.
Cayuga Federal Savings and Loan Association, Philadelphia, Pa.
*Colonial Federal Savings and Loan Association, Philadelphia, Pa.
Conshohocken Federal Savings and Loan Association, Conshohocken Pa.
East Girard Savings and Loan Association, Philadelphia, Pa.
Ellwood City Federal Savings and Loan Association, Ellwood City, Pa.
First Federal Savings and Loan Association, Homestead, Pa.
First Federal Savings and Loan Association, Logan, W. Va.
First Federal Savings and Loan Association, Wilkes-Barre, Pa.
Franklin Federal Savings and Loan Association, Pittsburgh, Pa.
Friendly City Federal Savings and Loan Association, Johnstown, Pa.
Investment Building and Loan Association, Altoona, Pa.
Keystone Federal Savings and Loan Association, Sharpsburg, Pa.
Lansdowne Federal Savings and Loan Association, Lansdowne, Pa.
*Mid-City Federal Savings and Loan Association, Philadelphia, Pa.
Monaca Federal Savings and Loan Association, Monaca, Pa.
*North Philadelphia Federal Savings and Loan Association, Philadelphia, Pa.
Reliance Federal Savings and Loan Association, Philadelphia, Pa.
Roxborough-Manayunk Federal Savings and Loan Association, Philadelphia, Pa.
**St. Edmond's Building and Loan Association, Philadelphia, Pa.
Troy Hill Federal Savings and Loan Association, Pittsburgh, Pa.
*United Federal Savings and Loan Association, Morgantown, W. Va.
Westmoreland Federal Savings and Loan Association, Philadelphia, Pa.
West Philadelphia Federal Savings and Loan Association, Philadelphia, Pa.

NO. 4—WINSTON-SALEM

*Aberdeen Building and Loan Association, Aberdeen, N. C.
Atlantic Federal Savings and Loan Association, Baltimore, Md.
Baxley Federal Savings and Loan Association, Baxley, Ga.
Bohemian American Building Association, Baltimore, Md.
Brevard Federal Savings and Loan Association, Brevard, N. C.
Citizens Federal Savings and Loan Association, Rutherfordton, N. C.
Daytona Beach Federal Savings and Loan Association, Daytona Beach, Fla.
*First Federal Savings and Loan Association, Andalusia, Ala.
First Federal Savings and Loan Association, Anderson, S. C.
First Federal Savings and Loan Association, Arlington, Va.
First Federal Savings and Loan Association, Augusta, Ga.
First Federal Savings and Loan Association, Bainbridge, Ga.
First Federal Savings and Loan Association, Bessemer, Ala.
**First Federal Savings and Loan Association, Cordele, Ga.
First Federal Savings and Loan Association, Darlington, S. C.
First Federal Savings and Loan Association, Decatur, Ala.
First Federal Savings and Loan Association, Eustis, Fla.
First Federal Savings and Loan Association, Forest City, N. C.
First Federal Savings and Loan Association, Gastonia, N. C.
First Federal Savings and Loan Association, Jasper, Ala.
First Federal Savings and Loan Association, Lake Wales, Fla.
First Federal Savings and Loan Association, Montgomery, Ala.
First Federal Savings and Loan Association, Phenix City, Ala.
*First Federal Savings and Loan Association, South Boston, Va.
First Federal Savings and Loan Association, Statesboro, Ga.
First Federal Savings and Loan Association, Sumter, S. C.
*First Federal Savings and Loan Association, Waycross, Ga.
First Federal Savings and Loan Association, Winder, Ga.
*Fort Hill Federal Savings and Loan Association, Clemson, S. C.
Gate City Building and Loan Association, Greensboro, N. C.
Gwinnett County Building and Loan Association, Buford, Ga.
Hamlet Building and Loan Association, Hamlet, N. C.
**Home Building and Loan Association, Easley, S. C.
Home Building and Loan Association, LaGrange, Ga.
****Home Mutual Building and Loan Association, Washington, D. C.
Jefferson Federal Savings and Loan Association, Birmingham, Ala.
Lake City Federal Savings and Loan Association, Lake City, Fla.
Leeds Federal Savings and Loan Association, Arbutus, Md.
Lexington County Building and Loan Association, West Columbia, S. C.
Lithuanian Federal Savings and Loan Association, Baltimore, Md.
Marianna Federal Savings and Loan Association, Marianna, Fla.
Mutual Building and Loan Association, Martinsville, Va.
Orangeburg Building and Loan Association, Orangeburg, S. C.
Peoples Building and Loan Association, Whiteville, N. C.
Peoples Mutual Building and Loan Association, Mount Gilead, N. C.
Perpetual Building and Loan Association, Anderson, S. C.
Petersburg Mutual Building and Loan Association, Petersburg, Va.
Randolph County Federal Savings and Loan Association, Cuthbert, Ga.
Richmond County Building and Loan Association, Rockingham, N. C.
Stephens Federal Savings and Loan Association, Toccoa, Ga.
*Tifton Federal Savings and Loan Association, Tifton, Ga.
Tuskegee Savings and Loan Association, Tuskegee Institute, Ala.
Weldon Building and Loan Association, Weldon, N. C.
Woodruff Federal Savings and Loan Association, Woodruff, S. C.
Workmen's Federal Savings and Loan Association, Mount Airy, N. C.

NO. 5—CINCINNATI

Bedford Savings and Loan Company, Bedford, Ohio
Dollar Federal Savings and Loan Association, Columbus, Ohio
Dyer County Federal Savings and Loan Association, Dyersburg, Tenn.
East Cleveland Savings and Loan Company, East Cleveland, Ohio
Fidelity Building Association, Dayton, Ohio
*First Federal Savings and Loan Association, Bowling Green, Ky.
First Federal Savings and Loan Association, Covington, Ky.
First Federal Savings and Loan Association, Dickson, Tenn.
**First Federal Savings and Loan Association, Hopkinsville, Ky.
First Federal Savings and Loan Association, Lorain, Ohio
Fulton Building and Loan Association, Fulton, Ky.
Hawthorne Federal Savings and Loan Association, Cincinnati, Ohio
Hickman Federal Savings and Loan Association, Hickman, Ky.
Home Federal Savings and Loan Association, Cincinnati, Ohio
McKinley Federal Savings and Loan Association, Niles, Ohio
Provident Building and Loan Association, Cleveland, Ohio
San Marco Building and Loan Association, Cincinnati, Ohio
South Euclid Savings and Loan Company, South Euclid, Ohio
Suburban Federal Savings and Loan Association, Covington, Ky.
Tatra Savings and Loan Company, Cleveland, Ohio
Ukranian Savings Company, Cleveland, Ohio
Union Building and Loan Company, St. Marys, Ohio

Treasury Awards To FHLBA

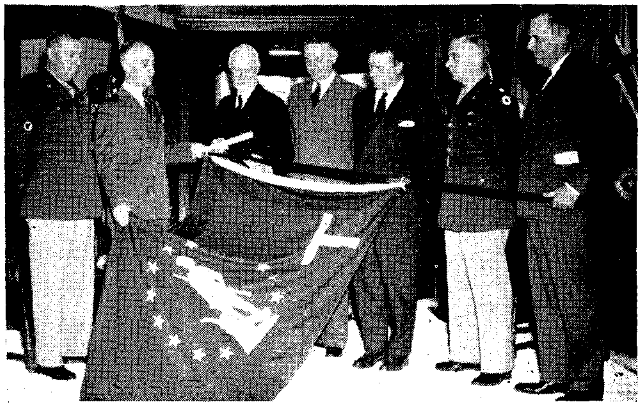


Photo by Harris & Ewing.

On November 22 the Federal Home Loan Bank Administration was awarded the coveted "Minute Man Flag" and now takes its place on the Treasury Honor Roll. This means that 90 percent, or more, of the 4,600 employees of the Administration are purchasing War Bonds under the Payroll Allotment Plan (10 percent of gross payroll). Only 14 Government agencies have met the Treasury's standards for eligibility.

The flag was presented by E. F. Bartelt, Chairman of the Interdepartmental War Savings Bond Committee in a colorful ceremony before Bank Administration officials and employees at Washington. Reading left to right: Major General H. K. Loughry, Chief of Finance, War Department; Mr. Bartelt; Commissioner John H. Fahey; Governor James Twohy; National Housing Administrator John B. Blandford, Jr.; Lt. Col. Dean Almy, War Bond Officer, War Department; and Mr. J. Francis Moore, Secretary, FHLBA.

NO. 6—INDIANAPOLIS

Adrian Federal Savings and Loan Association, Adrian, Mich.
Citizens Building and Loan Association, Columbus, Ind.
Dearborn Federal Savings and Loan Association, Dearborn, Mich.
Detroit Federal Savings and Loan Association, Detroit, Mich.
Greencastle Savings and Loan Association, Greencastle, Ind.
*Griffith Federal Savings and Loan Association, Griffith, Ind.
Homestead Loan and Building Association, Albion, Mich.
Industrial Savings and Loan Association of Indiana Harbor, East Chicago, Ind.
Marshall County Building and Loan Association, Plymouth, Ind.
Merchants Loan and Savings Association, Terre Haute, Ind.
Midland Federal Savings and Loan Association, Midland, Mich.
*Monon Building and Loan Association, Monon, Ind.
Peoples Building Association, Monticello, Ind.
Peoples Federal Savings and Loan Association, Detroit, Mich.
Peoples Federal Savings and Loan Association, Monroe, Mich.
Peoples Federal Savings and Loan Association, Royal Oak, Mich.

NO. 7—CHICAGO

Alliance Savings and Loan Association, Chicago, Ill.
Atlas Savings and Loan Association, Milwaukee, Wis.
Avondale Building and Loan Association, Chicago, Ill.
Belmont-Central Savings and Loan Association, Chicago, Ill.
Cook County Federal Savings and Loan Association, Chicago, Ill.
Copernicus Building and Loan Association, Chicago, Ill.
Damen Savings and Loan Association, Chicago, Ill.
Du Quoin Homestead and Loan Association, Du Quoin, Ill.
East Side Federal Savings and Loan Association, Milwaukee, Wis.
Fairfield Savings and Loan Association, Chicago, Ill.
First Calumet City Savings and Loan Association, Calumet City, Ill.
First Federal Savings and Loan Association, Barrington, Ill.
*First Federal Savings and Loan Association, Chicago, Ill.
First Savings and Loan Association of Hegewisch, Chicago, Ill.
Gage Park Savings and Loan Association, Chicago, Ill.
General Sowinski Building and Loan Association, Cicero, Ill.
Grand Crossing Savings and Building Loan Association, Chicago, Ill.
***Guaranty Building and Loan Association, Milwaukee, Wis.
*Haller Savings and Loan Association, Chicago, Ill.
Harvey Federal Savings and Loan Association, Harvey, Ill.
Investors Savings and Loan Association, Chicago, Ill.
Keistuto Savings and Loan Association, Chicago, Ill.
Kinnickinnic Federal Savings and Loan Association, Milwaukee, Wis.
Laramie Federal Savings and Loan Association, Chicago, Ill.
Lawndale Savings and Loan Association, Chicago, Ill.
Lombard Building and Loan Association of DuPage County, Lombard, Ill.
**Merchants & Mechanics Building and Loan Association, Springfield, Ill.
Mitchell Street Loan and Building Association, Milwaukee, Wis.
Mt. Vernon Loan and Building Association, Mt. Vernon, Ill.
Naprstek Savings and Loan Association, Chicago, Ill.
Narodni Savings and Loan Association, Chicago, Ill.
National Savings and Loan Association, Chicago, Ill.
New City Savings and Loan Association, Chicago, Ill.
New London Savings and Loan Association, New London, Wis.
North Shore Building and Loan Association, North Chicago, Ill.
Northwestern Bohemian Building and Loan Association, Chicago, Ill.
Ogden Federal Savings and Loan Association, Berwyn, Ill.
Peerless Federal Savings and Loan Association, Chicago, Ill.
Peoples Federal Savings and Loan Association, Peoria, Ill.
Peoples Savings and Loan Association, Milwaukee, Wis.
Prairie State Savings and Loan Association, Chicago, Ill.
Pulaski Savings and Loan Association, Chicago, Ill.
Reliance Building and Loan Association, Milwaukee, Wis.
St. Paul Federal Savings and Loan Association, Chicago, Ill.
Tocin Savings and Loan Association, Berwyn, Ill.
United Savings and Loan Association, Chicago, Ill.
Universal Savings and Loan Association, Chicago, Ill.
Uptown Federal Savings and Loan Association, Chicago, Ill.
West Highland Savings and Loan Association, Chicago, Ill.
Workmen Building and Loan Association, Chicago, Ill.

NO. 8—DES MOINES

Albert Lea Building and Loan Association, Albert Lea, Minn.
Cass Federal Savings and Loan Association, St. Louis, Mo.
**East Grand Forks Federal Savings and Loan Association, East Grand Forks, Minn.
Fidelity Building and Loan Association, Winona, Minn.
First Federal Savings and Loan Association, Thief River Falls, Minn.
*Home Building and Loan Association, Fort Dodge, Iowa
Home Building and Loan Association, Joplin, Mo.
*Home Building and Loan Association, Marion, Iowa
Independence Savings and Loan Association, Independence, Mo.
Minot Federal Savings and Loan Association, Minot, N. Dak.
Nevada Federal Savings and Loan Association, Nevada, Iowa
Public Service Company's Savings and Loan Association, Kansas City, Mo.
Sentinel Federal Savings and Loan Association, Kansas City, Mo.
St. Joseph Savings and Loan Association, St. Joseph, Mo.
Standard Federal Savings and Loan Association, Kansas City, Mo.

NO. 9—LITTLE ROCK

Alamogordo Federal Savings and Loan Association, Alamogordo, N. Mex.
**American Homestead Association, New Orleans, La.
Amory Federal Savings and Loan Association, Amory, Miss.
*Argenta Building and Loan Association, North Little Rock, Ark.
Arkadelphia Federal Savings and Loan Association, Arkadelphia, Ark.
**Atlanta Federal Savings and Loan Association, Atlanta, Tex.
Batesville Federal Savings and Loan Association, Batesville, Ark.
Brownwood Federal Savings and Loan Association, Brownwood, Tex.
Citizens Federal Savings and Loan Association, Jonesboro, Ark.
**Continental Building and Loan Association, New Orleans, La.

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

[Dollar amounts are shown in thousands]

1943	Number reporting	Purchases during month	Holdings at end of month
January	2, 775	$39, 835	$364, 455
February	2, 721	22, 020	375, 883
March	2, 732	29, 293	390, 018
April	2, 744	177, 536	537, 849
May	2, 642	17, 719	547, 460
June	2, 447	13, 426	528, 002
July	2, 391	31, 858	553, 533
August	2, 452	21, 534	537, 254
September	3, 035	327, 950	973, 026
October	2, 469	18, 881	772, 369

Davy Crockett Federal Savings and Loan Association, Crockett, Tex.
Denison Federal Savings and Loan Association, Denison, Tex.
**Dryades Building and Loan Association, New Orleans, La.
*Electra Federal Savings and Loan Association, Electra, Tex.
El Paso Federal Savings and Loan Association, El Paso, Tex.
*First Federal Savings and Loan Association, Beaumont, Tex.
**First Federal Savings and Loan Association, Belzoni, Miss.
First Federal Savings and Loan Association, Corpus Christi, Tex.
First Federal Savings and Loan Association, Little Rock, Ark.
First Federal Savings and Loan Association, Lubbock, Tex.
*First Federal Savings and Loan Association, Luling, Tex.
First Federal Savings and Loan Association, Paris, Tex.
First Federal Savings and Loan Association, Texarkana, Tex.
**First Homestead and Savings Association, New Orleans, La.
Gladewater Federal Savings and Loan Association, Gladewater, Tex.
Greater New Orleans Homestead Association, New Orleans, La.
**Guaranty Savings and Homestead Association, New Orleans, La.
Harrison Federal Savings and Loan Association, Harrison, Ark.
Henderson Federal Savings and Loan Association, Henderson, Tex.
Inter-City Federal Savings and Loan Association, Louisville, Miss.
*Investors Homestead Association, New Orleans, La.
Jennings Federal Savings and Loan Association, Jennings, La.
Laurel Federal Savings and Loan Association, Laurel, Miss.
Mineral Wells Building and Loan Association, Mineral Wells, Tex.
**Nashville Federal Savings and Loan Association, Nashville, Ark.
Olney Federal Savings and Loan Association, Olney, Tex.
Orange Federal Savings and Loan Association, Orange, Tex.
Peoples Federal Savings and Loan Association, Bay St. Louis, Miss.
****Pocahontas Federal Savings and Loan Association, Pocahontas, Ark.
Ponchatoula Homestead Association, Ponchatoula, La.
**Pulaski Federal Savings and Loan Association, Little Rock, Ark.
*Quanah Federal Savings and Loan Association, Quanah, Tex.
Riceland Federal Savings and Loan Association, Stuttgart, Ark.
*Roswell Building and Loan Association, Roswell, N. Mex.
Searcy Federal Savings and Loan Association, Searcy, Ark.
**Security Building and Loan Association, New Orleans, La.
*****Slidell Savings and Homestead Association, Slidell, La.
St. Tammany Homestead Association, Covington, La.
Sulphur Springs Loan and Building Association, Sulphur Springs, Tex.
Taylor Building and Loan Association, Taylor, Tex.
**Teche Federal Savings and Loan Association, Franklin, La.
Union Federal Savings and Loan Association, Baton Rouge, La.
Waxahachie Federal Savings and Loan Association, Waxahachie, Tex.

NO. 10—TOPEKA

Brighton Federal Savings and Loan Association, Brighton, Colo.
Century Building and Loan Association, Trinidad, Colo.
Citizens Federal Savings and Loan Association, Sand Springs, Okla.
Citizens Federal Savings and Loan Association, Wichita, Kans.
Concordia Building and Loan Association, Concordia, Kans.
Erie Building and Loan Association, Erie, Kans.
First Federal Savings and Loan Association of Sumner County, Wellington, Kans.
Garnett Savings and Loan Association, Garnett, Kans.
*Kansas Building and Loan Association, Kansas City, Kans.
Osage Federal Savings and Loan Association, Pawhuska, Okla.
Peoples Federal Savings and Loan Association, Tulsa, Okla.
Salida Building and Loan Association, Salida, Colo.
Schuyler Federal Savings and Loan Association, Schuyler, Nebr.

NO. 11—PORTLAND

Auburn Federal Savings and Loan Association, Auburn, Wash.
Commercial Savings and Loan Association, Kelso, Wash.
First Federal Savings and Loan Association, Sheridan, Wyo.
First Federal Savings and Loan Association, The Dalles, Oreg.
Guaranty Federal Savings and Loan Association, Pocatello, Idaho
Polk County Federal Savings and Loan Association, Dallas, Oreg.
Raymond Federal Savings and Loan Association, Raymond, Wash.
Rawlins Federal Savings and Loan Association, Rawlins, Wyo.
Wenatchee Federal Savings and Loan Association, Wenatchee, Wash.

NO. 12—LOS ANGELES

California Savings and Loan Company, San Francisco, Calif.
Central Federal Savings and Loan Association, San Diego, Calif.
Century Federal Savings and Loan Association, Santa Monica, Calif.
Chino Building and Loan Association, Chino, Calif.
Citrus Belt Building and Loan Association, Riverside, Calif.
First Federal Savings and Loan Association, Alhambra, Calif.
First Federal Savings and Loan Association, Altadena, Calif.
First Federal Savings and Loan Association of Hawaii, Honolulu, T. H.
First Federal Savings and Loan Association, Huntington Park, Calif.
First Federal Savings and Loan Association, San Jose, Calif.
First Federal Savings and Loan Association, Santa Ana, Calif.
First Federal Savings and Loan Association, Santa Monica, Calif.
Glendale Federal Savings and Loan Association, Glendale, Calif.
Guarantee Building-Loan Association, San Luis Obispo, Calif.
Independent Building-Loan Association, San Jose, Calif.
Inglewood Federal Savings and Loan Association, Inglewood, Calif.
Liberty Building-Loan Association, Los Angles, Calif.
Los Angeles Federal Savings and Loan Association, Los Angeles, Calif.
Santa Maria Guarantee Building-Loan Association, Santa Maria, Calif.
Standard Federal Savings and Loan Association, Los Angeles, Calif.

Prefabricated Age

(Continued from p. 60)

The prefabricated age would seem to favor the large-scale planning and financing of new communities, while at the same time the seeker after an individual home will be freed from old restraints. (A factory-prefabricated house, for example, may be trucked to almost any location.) Savings and loan associations of the future, while they will certainly be more concerned than in the past with community planning and development, will always be particularly well adapted to helping the man who wants an individual home.

They will also, of course, be mindful of their investments and obligations in existing mortgages and their stake in established communities. Only if the suburban growth tomorrow is counter-balanced by increased attention to the problem of urban blight shall we be able to make progress on a total front. Essentially, the danger in the coming age lies in losing, as a Nation, our sense of balance. Prefabricated methods and modern design will need, in each detail, to be weighed against the traditional; large-scale building against individual homes; commutation by helicopter against walking to work; profits from new developments against declining urban tax yields and the danger of more city slums.

Savings and loan associations, by their nature, are in a position to help the public keep its sense of balance in these matters.

The wider view which will be necessary was symbolized recently by the action of savings and loan officials who surveyed the area of a proposed development from the vantage-point of a blimp. In the future, a bird's-eye view will be necessary for all thrift and home-financing institutions, even if their lending concentrates on individual homes or small developments.

DIRECTORY CHANGES

OCTOBER 16—NOVEMBER 15, 1943

Key to Changes

* *Admission to Membership in Bank System.*
** *Termination of Membership in Bank System.*
\# *Federal Charter Granted.*
\## *Cancellation of Federal Charter.*
ϕ *Insurance Certificate Issued.*
ϕϕ *Insurance Certificate Canceled.*

DISTRICT NO. 1

MAINE:
Waterville:
**Waterville Loan and Building Association.

DISTRICT NO. 2

NEW JERSEY:
Asbury Park:
**Reserve Building and Loan Association, 601 Mattison Avenue.
Irvington:
*Pulaski Savings and Loan Association, 564 Grove Street.
Rahway:
ϕReliance Savings and Loan Association, 1498 Irving Street.
Toms River:
*Jersey Shore Savings and Loan Association, 36 Washington Street.
Wood-Ridge: (Carlstadt)
ϕSouth Bergen Savings and Loan Association, 423 Hackensack Street.

DISTRICT NO. 3

PENNSYLVANIA:
Ardmore:
** ##Civic Federal Savings and Loan Association of Ardmore (merger with First Wayne Federal Savings and Loan Association, Wayne).
Philadelphia:
* ϕChestnut Hill Savings and Loan Association, 8338 Germantown Avenue.
*The West Somerset Building and Loan Association, 1006 West Lehigh Avenue.
Pittsburgh:
** ##Allegheny City Federal Savings and Loan Association, 1219 Spring Garden Avenue (merger with Troy Hill Federal Savings and Loan Association, 162 Lowrie Street, Pittsburgh).
ϕEconomy Federal Savings and Loan Association of Pittsburgh, 1433 Woods Run Avenue.
** ##First Federal Savings and Loan Association of Penn Township, Frankstown Avenue, Wilkinsburg (merger with Wilkinsburg Federal Savings and Loan Association, Penn Lincoln Hotel, Wilkinsburg).
** ##North Side Federal Savings and Loan Association of Pittsburgh, 1433 Woods Run Avenue (merger with Economy Federal Savings and Loan Association of Pittsburgh, 1433 Woods Run Avenue, Pittsburgh).

DISTRICT NO. 4

NORTH CAROLINA:
Hickory:
\# ϕFidelity Federal Savings and Loan Association, 1310 Union Square

DISTRICT NO. 7

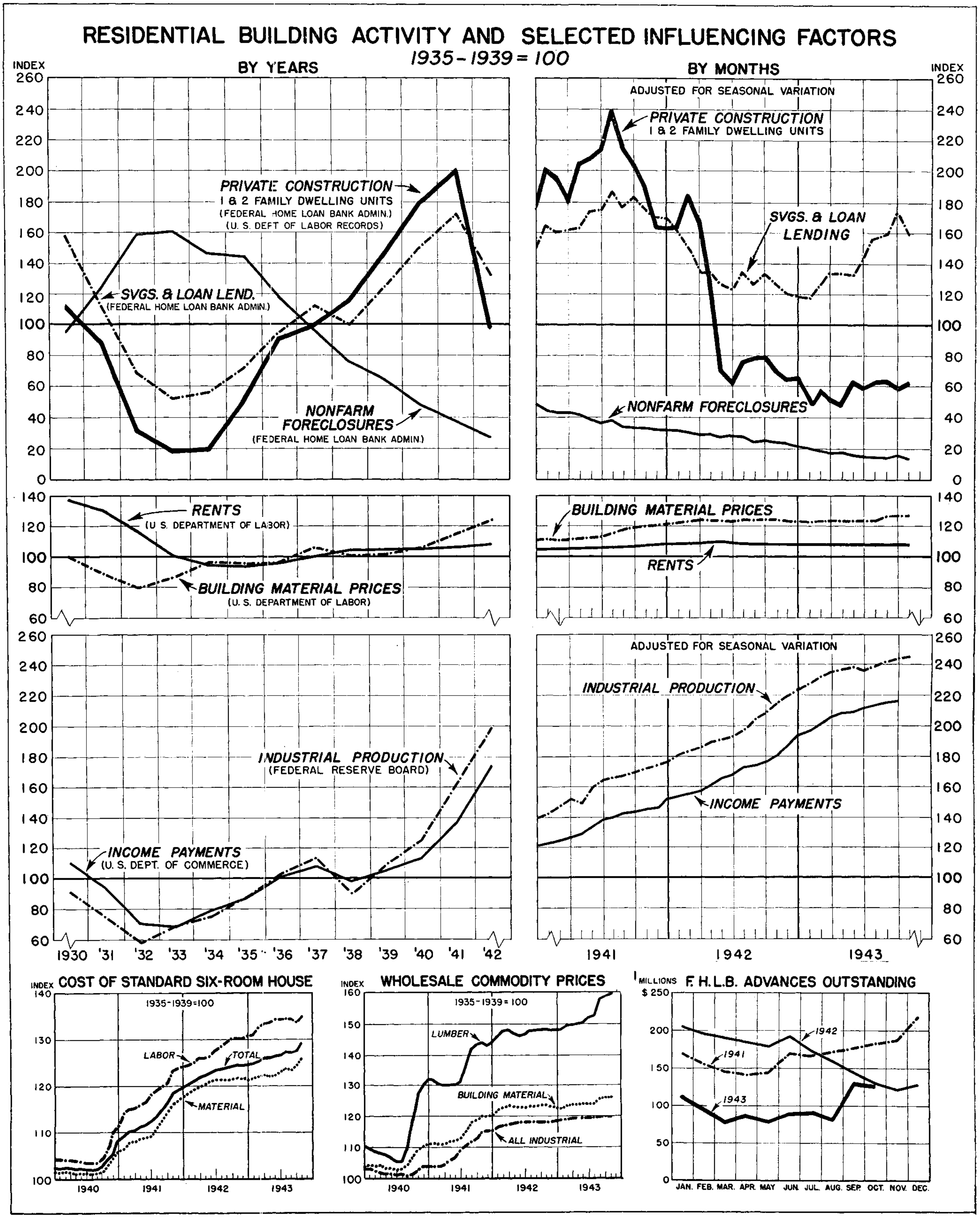
WISCONSIN:
Eau Claire:
ϕEau Claire-Menomonie Federal Savings and Loan Association, 131 South Barstow Street.
Menomonie:
** ## ϕϕMenomonie Federal Savings and Loan Association, 133 Main Street (merger with Eau Claire-Menomonie Federal Savings and Loan Association, 131 South Barstow Street, Eau Claire).
Milwaukee:
\#Central Federal Savings and Loan Association, 912 West Walnut Street.

DISTRICT NO. 8

Missouri:
Kansas City:
**United Savings and Loan Association, Land Bank Building, 15 West Tenth Street.

DISTRICT NO. 11

WASHINGTON:
Port Townsend:
\## ϕϕPort Townsend Federal Savings and Loan Association, Taylor Street.


RESIDENTIAL BUILDING ACTIVITY AND SELECTED INFLUENCING FACTORS
1935-1939 = 100
BY YEARS
BY MONTHS
INDEX
ADJUSTED FOR SEASONAL VARIATION
PRIVATE CONSTRUCTION
1 & 2 FAMILY DWELLING UNITS
(FEDERAL HOME LOAN BANK ADMIN.)
(U. S. DEPT OF LABOR RECORDS)
SVGS. & LOAN LEND.
(FEDERAL HOME LOAN BANK ADMIN.)
NONFARM FORECLOSURES
(FEDERAL HOME LOAN BANK ADMIN.)
SVGS. & LOAN LENDING
RENTS
(U. S. DEPARTMENT OF LABOR)
BUILDING MATERIAL PRICES
(U. S. DEPARTMENT OF LABOR)
INDUSTRIAL PRODUCTION
(FEDERAL RESERVE BOARD)
INCOME PAYMENTS
(U. S. DEPT. OF COMMERCE)
1930 '31 '32 '33 '34 '35 '36 '37 '38 '39 '40 '41 '42
1941 1942 1943
COST OF STANDARD SIX-ROOM HOUSE
1935-1939=100
LABOR
TOTAL
MATERIAL
1940 1941 1942 1943
WHOLESALE COMMODITY PRICES
1935-1939=100
LUMBER
BUILDING MATERIAL
ALL INDUSTRIAL
F. H. L. B. ADVANCES OUTSTANDING
MILLIONS
$ 250
1941
1942
1943
JAN. FEB. MAR. APR. MAY JUN. JUL. AUG. SEP. OCT. NOV. DEC.

« « « MONTHLY SURVEY » » »

HIGHLIGHTS

I. Income payments for 1943 are expected to equal $142 billion compared with $114 billion in 1942. Despite increased taxes and the unprecedented individual savings, during the third quarter of 1943 the public spent at the rate of $91 billion a year.

II. The average shareholder in insured savings and loan associations had $956 in his account as of the close of October, compared with $870 a year ago. Private investments on October 31 totaled $3,436,000,000, a 20-percent increase for the year.

III. During the first 10 months of 1943 savings and loan associations loaned more than $983,000,000 on mortgage security, 8.5 percent above the total for the like period of 1942.

A. Loans for the financing of home purchase accounted for 68 percent of the total, and were 36 percent above those made in the same interval last year.

B. Refinancing of home loans so far this year showed a 1-percent increase, other categories registering declines.

IV. Mortgage recordings in October reached the year's high point of $386,000,000, 8 percent above October 1942 but 14 percent under October 1941.

A. Building and loan associations, the only type of lender showing a steady volume gain since January, in October decreased 3 percent from September.

B. Life insurance companies reversed their recent trend, showing a 5-percent gain in October over September.

C. Individuals have now risen to second place among all major home-mortgage lenders.

V. The average cost of constructing the standard 6-room frame house rose more than 1 percent in October. It now stands 29 percent above the 1935–1939 base period.

VI. Both public and private construction gained in October from September.

☆ ☆ ☆ ☆

BUSINESS CONDITIONS—Industrial production shows rise in October

A pre-Christmas spurt of buying carried the U. S. Department of Commerce index of department store sales (1935–1939=100) to 190 in mid-November—an increase from 174 at the end of October and 167 in November last year. According to that Department, in terms of "constant dollars" which eliminate the factor of rising prices, the aggregate sales during the year 1943 amounted to $48 billion as compared with $47 billion in 1942 and $51 billion in the last pre-war year when the quantity of civilian goods was much larger.

The Department of Commerce estimates that income payments for 1943 will probably equal $142 billion compared with $114 billion in 1942 and that, in spite of increased taxes and the unprecedented rate of individual savings, the American public during the third quarter of 1943 spent surplus income at the rate of $91 billion a year. Revised figures of the War Production Board showed Government expenditures of $7,105 million for all war purposes, a decrease of 1.5 percent from September outlays.

The volume of industrial production increased somewhat in October and early November. As measured by the Federal Reserve Board's seasonally adjusted index (1935–1939=100) it rose in October to 245 compared with 244 in September. This shows substantial progress from the first of the year when the index stood at 227.

Reports of "cutbacks" in certain lines of war production were generally construed as reflecting a changing strategic pattern rather than an approaching end to hostilities. A large gain in war production as a whole was reported for October, with the index of the War Production Board advancing 29 points to 648 percent of the level for November 1941.

The combined index of commodity prices showed a fractional decline to 127.8 in October compared to 127.9 in September, according to the U. S. Department of Labor index (converted to 1935–1939=100). At the same time, the cost of living, as reported by that Department, rose 0.4 percent to 124.4 in mid-October from 123.9 in September. This is the second month in which an upturn has been reported, following a 1.4-percent decline in the 3 previous months.

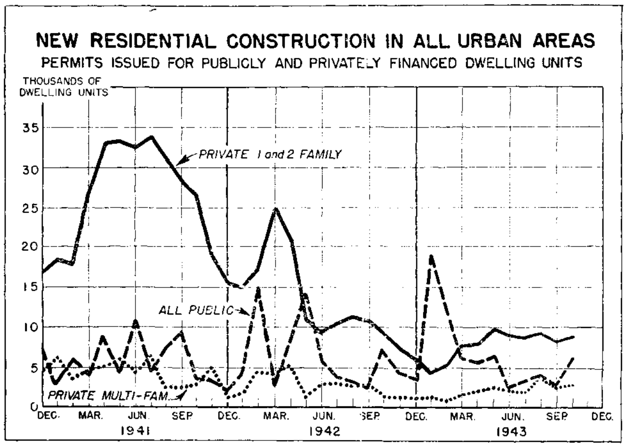
1935–1939=100

Type of index	Oct. 1943	Sept. 1943	Percent change	Oct. 1942	Percent change
Home construction (private)[1]	62.7	59.0	+6.3	68.6	−8.6
Foreclosures (nonfarm)[1]	13.7	15.6	−12.2	24.4	−43.9
Rental index (BLS)	108.0	108.0	0.0	108.0	0.0
Building material prices	125.8	125.6	+0.2	123.3	+2.0
Savings and loan lending [1]	158.9	173.0	−8.2	126.5	+25.6
Industrial production [1]	[p] 245.0	[r] 244.0	+0.4	215.0	+14.0
Manufacturing employment [1]	[p] 170.2	[r] 169.7	+0.3	160.4	+6.1
Income payments [1]	[p] 218.6	[r] 215.6	+1.4	183.0	+19.5

[p] Preliminary.
[r] Revised.
[1] Adjusted for normal seasonal variation.

BUILDING ACTIVITY—Public and private construction increase

Both public and private construction in urban areas gained in October. The total was 31 percent above September with greater gain in public construction. October permits for publicly financed structures totaled 6,330 dwelling units, an increase of 116 percent from last month, although only about three-fifths of the number for October 1942.



Privately financed construction showed a gain of 9 percent in October from September, and was 6 percent above October 1942. During the past 18 months the number of dwelling units provided by private construction has not varied as much as usual, ranging close to 11,000 dwelling units per month, with the exception of 3 months last winter—December, January and February—when it dropped to about 6,000 per month.

Permits have been issued during the past 10 months for nearly 177,000 dwelling units, 42 percent of which have been built with public funds. In the same 1942 period, permits were issued for nearly 250,000 units, one-third of which were publicly financed.

The trend toward fewer single-family dwellings, and more of the material-saving multifamily units, continues. Of private dwelling units provided during the past 10 months, 64 percent were single family, compared to 76 percent and 80 percent for like periods in 1942 and 1941, respectively. [Tables 1 and 2.]

BUILDING COSTS—Total construction costs rise

The average cost of construction of the standard 6-room frame house rose more than 1 percent during October and now stands 29 percent above the 1935-1939 base period. Labor charges and material prices advanced at similar rates during the month. In comparison with October of last year, material and labor costs have gained nearly 4 percent.

For individual cities, costs involved in the construction of the standard house were generally higher in the August-November period. Of the 17 cities reporting, 14 registered increases while 3 cities indicated no change in building costs.

Wholesale building material prices, as reported by the U. S. Department of Labor, advanced very slightly during October, with lumber, paint, and miscellaneous items contributing to the rise. Wholesale material prices have increased 26 percent from the average month of the 1935–1939 period—a gain almost identical to that shown by the cost (to contractors) of materials used in the standard house. [Tables 3, 4, and 5.]

Construction costs for the standard house

[Average month of 1935–1939=100]

Element of cost	Oct. 1943	Sept. 1943	Percent change	Oct. 1942	Percent change
Material	126. 0	124. 4	+1. 3	121. 6	+3. 6
Labor	135. 0	133. 8	+0. 9	130. 2	+3. 7
Total	129. 1	127. 6	+1. 2	124. 5	+3. 7

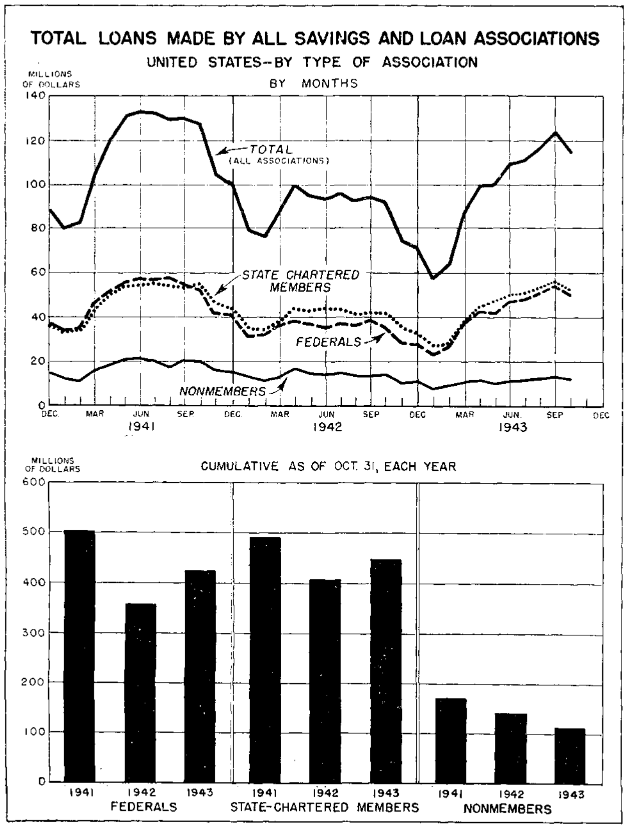
MORTGAGE LENDING—October activity shows increase

During the first 10 months of 1943 over $983,000,000 was loaned by savings and loan associations on mortgage security, an 8½ percent gain over the $906,000,000 loaned during the same period of 1942. Home purchase loans, $665,000,000, accounted for nearly 68 percent of total lending during the January-

New mortgage loans distributed by purpose

[Dollar amounts are shown in thousands]

Purpose	Oct. 1943	Sept. 1943	Percent change	Oct. 1942	Percent change
Construction	$7, 452	$13, 211	−43. 6	$10, 572	−29. 5
Home purchase	83, 259	86, 016	−3. 2	56, 528	+47. 3
Refinancing	14, 025	13, 799	+1. 6	14, 694	−4. 6
Reconditioning	2, 874	3, 229	−11. 0	3, 498	−17. 8
Other purposes	7, 540	6, 718	+12. 2	6, 380	+18. 2
Total	115, 150	122, 973	−6. 4	91, 672	+25. 6



October period. These loans for the financing of home property sales were 36 percent above those made during the same interval of 1942. Refinancing of home loans so far this year showed a 1-percent increase while all other categories have registered declines ranging from 49 percent for construction to 8 percent for "other purpose" loans.

October total new mortgage lending activity reached $115,000,000. Although there was a 6-percent decrease from September, greater than seasonal, still the gain was 26 percent above the corresponding month a year ago. Each type of association experienced a decline for the month—7 percent for State members and Federals and only 3 percent for nonmembers. All Bank Districts showed decreases in lending activity, except Pittsburgh and Indianapolis, each of which reported an increase of 9 percent. [Tables 6 and 7.]

MORTGAGE RECORDINGS—Reach high point for 1943

Following the seasonal tendency for nonfarm financing, October mortgage recordings of $20,000 or less moved 1 percent upward to a total of $386,000,000, the highest monthly figure recorded this year. The October volume is 8 percent above the same month of 1942 but 14 percent under the October 1941 level.

Examination of October activity of the different types of lenders discloses interesting shifts from earlier months. Building and loan associations, the only type of lender reporting a steady increase in volume since last January, in October decreased 3 percent from September, while insurance companies, showing declines in activity since June, indicated a 5-percent gain during October. Recordings of individual lenders rose 5 percent; commercial banks, 4 percent; and miscellaneous mortgages, 3 percent. Mutual savings banks declined 2 percent during this same period.

Cumulative recordings reflect the consistent month-to-month gains in total financing since last February. The total of $3,176,700,000 for the January-October period was 7 percent below the corresponding period of 1942 compared to a decrease of 14 percent between the same 10 months of 1942 and 1941. Individual lenders and savings and loan associations showed increases of 12 percent and 1 percent, respectively, in the 1942–1943 comparison. All other classes declined, although the differentials for these classes have been decreasing since February. Insurance companies suffered the heaviest reduction in cumulative recordings—25 percent.

Mortgage recordings by type of mortgagee

[Dollar amounts are shown in thousands]

Type of lender	Percent change from Sept. 1943	Percent of Oct. 1943 amount	Cumulative recordings (10 months)	Percent of total recordings
Savings and loan associations	−3.0	31.8	$1,024,511	32.3
Insurance companies	+4.8	6.5	234,563	7.4
Banks, trust companies	+3.8	19.4	620,652	19.5
Mutual savings banks	−2.0	3.9	125,001	3.9
Individuals	+4.9	22.6	698,942	22.0
Others	+2.6	15.8	473,070	14.9
Total	+1.4	100.0	3,176,739	100.0

Individuals have risen to second place among the major home-mortgage lenders. From the inception of the mortgage recording series in January 1939 through 1942, individuals recorded fewer mortgages each month than either savings and loan associations or commercial banks. The associations have since continued in first place, but from January through October 1943, the volume for individuals has continuously exceeded that for any other group. During the entire 10-month period, 32 percent of the total was recorded by savings and loan associations, 22 percent by individuals, and 20 percent by commercial banks. [TABLES 8 and 9.]

FORECLOSURES—Index falls to all-time low in October

On the basis of a 15-percent decline in foreclosures during October, the seasonally adjusted index (1935–1939=100) dropped to the lowest point in the entire series—13.7. Foreclosures in October numbered 1,765 compared to 2,077 in September and 3,147 in October 1942.

During the 12-month period ending in October, 28,001 foreclosures were completed, a rate of 1.3 per 1,000 nonfarm dwellings.

Thus far in 1943, there have been 21,993 foreclosures, a decline of 40 percent from the 36,323 cases during January-October last year. Every FHLB District shared in this improvement, with reductions ranging from 56 percent in the Indianapolis District to 31 percent in the New York region. [TABLE 10.]

BANK SYSTEM—Rise in repayments over September

The decline in the balance of Federal Home Loan Bank advances outstanding at the close of October was the result of a rise in repayments and a "back to normal" trend in advances. At the close of the month the balance outstanding stood at $126,683,000 as compared with $130,365,000 the previous month end, and represents the second highest figure recorded during 1943.

Repayments of $11,981,000 during the month were 60 percent over September, but 37 percent below October a year ago. Every Bank, with the exception of the Topeka Bank, shared in this increase. The greatest rise was recorded in the Winston-Salem District ($1,940,000).

During October 1943, the Banks advanced $8,299,000, or $2,609,000 more than during the same month of last year. The Federal Home Loan Banks of Boston, Cincinnati, and Los Angeles made the largest volume of advances, accounting for more than $3,800,000 of the total.

Total assets of the 12 Banks increased slightly during the month to $290,208,000 on October 31, 1943. At the close of the month there were 3,760 member institutions in the Bank System, with total assets of $6,238,403,000. [TABLE 12.]

FLOW OF PRIVATE REPURCHASABLE CAPITAL

Savings and loan associations attracted $115,800,000 of new private share capital in October, 11 percent more than in the same month of 1942. Repurchases were $67,300,000 during October, increasing 8 percent from October of last year. This resulted in a slight improvement in the ratio of withdrawals to new investments—from 60 percent a year ago to 58 percent in October 1943. Uninsured members were responsible for this reduction in the repurchase ratio, since their new investments increased at a more rapid rate than their withdrawals.

Share investments and repurchases, October 1943

[Dollar amounts are shown in thousands]

Item and period	All associations	All insured associations	Uninsured members	Nonmembers
Share investments:				
Year ending October	$1,479,933	$1,097,938	$207,967	$174,028
October 1943	115,835	87,692	16,504	11,639
October 1942	104,216	73,124	14,109	16,983
Percent change	+11	+20	+17	−31
Repurchases:				
Year ending October	892,156	603,657	157,750	130,749
October 1943	67,310	45,104	13,011	9,195
October 1942	62,598	37,720	11,490	13,388
Percent change	+8	+20	+13	−31
Repurchase ratio: (Percent)				
Year ending October	60.3	55.0	75.9	75.1
October 1943	58.1	51.4	78.8	79.0
October 1942	60.1	51.6	81.4	78.8

During the year, $1,480,000,000 was placed in the private capital accounts of all savings and loan associations, while $892,000,000 was withdrawn; thus approximately $60 was repurchased for each $100 newly invested. Uninsured members had withdrawals of $76; nonmembers, $75; and insured associations, $55 for each $100 added to their accounts through new capital.

INSURED ASSOCIATIONS—Private investments gain substantially

Insured savings and loan associations had on their books share investments of some 3,590,000 private savers as of the close of October, and their average shareholder had $956 in his account compared with $870 a year ago. During October private investors increased their share accounts in insured associations by $46,000,000, of which $42,600,000 resulted from the excess of new investments over repurchases, while $3,400,000 came into the system through insurance of additional associations. Private investments as of October 31 aggregated $3,436,000,000—a 20 percent increase for the past year.

During October, although borrowings declined nearly 4 percent and Government investment remained practically unchanged, total resources rose to $4,081,000,000, after a gain of 1 percent. Mortgages on the books of these associations increased by $21,000,000.

Two associations received insurance during the month. Although three insurance certificates were cancelled, no loss of assets was involved, since the associations were in each case merged with other insured associations.

Progress in number and assets of Federals

[Dollar amounts are shown in thousands]

Class of association	Number		Approximate assets	
	Oct. 31, 1943	Sept. 30, 1943	Oct. 31, 1943	Sept. 30, 1943
New	638	638	$830, 375	$819, 857
Converted	830	833	1, 720, 598	1, 703, 880
Total	1, 468	1, 471	2, 550, 973	2, 523, 737

Federal Savings and Loan Associations

The 1,468 Federal savings and loan associations operating at the end of October, had total assets of $2,551,000,000. They increased their resources by $315,000,000, or 14 percent, during the previous year. [Table 15.]

Chapter on Internal Checks Added to *Accounting Guide*

■ In an effort to facilitate the work of directors and management of savings and loan associations in discharging their responsibility for assuring adequate protection of association funds, a new chapter—"Internal Check and Control"— has been added to the *Accounting Guide* for Federal Savings and Loan Associations. This manual, while in no sense mandatory, has through use established itself as the "Bible" of accounting practice among Federal associations.

While the double entry system of bookkeeping provides an automatic check of total debit against total credit, it contains no assurance of the accuracy of results nor any method of control over receipts and disbursements in individual transactions. A supplementary system of internal checks may prevent losses through defalcation, embezzlement, or ordinary carelessness.

This new chapter outlines a number of specific procedures to be carried out for the proper supervision by the board of directors. It is recommended that a committee of directors be appointed in a resolution prescribing the minimum check to be made and outlining the duties to be performed by the committee in making periodical reports for the minutes of the board. These duties, it is suggested, might be assigned to the Auditing Committee or to an "Internal Check Committee." To be most effective, the specific practices instituted should be regular and systematic and, in obvious cases, unannounced and as inconspicuous as possible.

The primary safeguard is to make the accuracy of each transaction the responsibility of at least two people, supplementing but not duplicating each other's work. The responsibilities for each operation should be clearly defined, preferably by written instruction or job description. Efficiency and honesty in this type of work are particularly dependent on careful selection and training of employees. Rotation in jobs is a recommended practice which hinges on universal training. Adequate salaries for people charged with handling money are not only a matter of common justice but remove one excuse for the temptation to small peculations.

Proofs and controls should be utilized, the *Guide* states, and wherever possible the use of mechanical equipment with its automatic checks and proofs is highly desirable. In this connection, it is doubly safe to have the control key, on equipment that is operated that way, in the possession of someone other than the employee who uses the machine.

The new chapter goes into rather great detail in recommending methods of handling various phases of cash transactions, subsidiary ledgers, and general suggestions on records, verification, and signatures.

Emphasis on an adequate and systematic approach to checking on the internal operation of financial transactions is not based on the conception of fundamental dishonesty among employees. It is recommended as a matter of additional protection to the association itself and to its employees, as well as to those whose funds are entrusted to them.

Table 1.—BUILDING ACTIVITY—Estimated number and valuation of new family dwelling units provided in all urban areas in October 1943, by Federal Home Loan Bank District and by State

[Source: U. S. Department of Labor]

[Dollar amounts are shown in thousands]

Federal Home Loan Bank District and State	All residential structures				All private 1- and 2-family structures			
	Number of family dwelling units		Permit valuation		Number of family dwelling units		Permit valuation	
	Oct. 1943	Oct. 1942	Oct. 1943	Oct. 1942	Oct. 1943	Oct. 1942	Oct. 1943	Oct. 1942
UNITED STATES	18,170	21,772	$55,836	$69,162	8,820	9,660	$29,257	$32,325
No. 1—Boston	375	2,202	1,088	6,595	223	904	873	3,464
Connecticut	171	980	657	3,552	115	444	482	1,723
Maine	133	896	140	1,821	37	142	100	539
Massachusetts	67	250	278	966	67	242	278	946
New Hampshire								
Rhode Island	4	70	13	244	4	70	13	244
Vermont		6		12		6		12
No. 2—New York	857	776	2,627	2,285	167	586	481	1,917
New Jersey	420	433	1,116	1,279	120	365	318	1,128
New York	437	343	1,511	1,006	47	221	163	789
No. 3—Pittsburgh	451	1,039	1,823	4,052	273	500	1,023	2,093
Delaware	32		96		32		96	
Pennsylvania	414	1,033	1,726	4,041	236	494	926	2,082
West Virginia	5	6	1	11	5	6	1	11
No. 4—Winston-Salem	2,435	4,092	6,561	11,735	1,003	1,139	2,368	2,660
Alabama	145	554	236	1,282	145	154	236	154
District of Columbia	234	489	638	1,163	9	8	33	30
Florida	283	1,757	590	5,019	183	245	428	549
Georgia	638	205	1,577	438	23	193	18	419
Maryland	561	618	1,605	2,258	553	198	1,589	499
North Carolina	45	199	39	517	45	163	39	432
South Carolina	22	17	8	41	22	17	8	41
Virginia	507	253	1,868	1,017	23	161	17	536
No. 5—Cincinnati	2,582	1,178	7,299	4,619	620	834	2,709	3,306
Kentucky	22	66	62	192	22	66	62	192
Ohio	2,503	1,088	7,156	4,343	541	744	2,566	3,030
Tennessee	57	24	81	84	57	24	81	84
No. 6—Indianapolis	2,311	2,105	9,362	8,516	1,657	1,521	7,802	6,123
Indiana	143	374	412	1,059	111	310	375	951
Michigan	2,168	1,731	8,950	7,457	1,546	1,211	7,427	5,172
No. 7—Chicago	2,244	1,954	10,666	6,348	690	682	2,886	2,667
Illinois	1,869	1,003	9,127	3,787	349	555	1,466	2,190
Wisconsin	375	951	1,539	2,561	341	127	1,420	477
No. 8—Des Moines	62	168	138	497	62	168	138	497
Iowa	35	54	90	183	35	54	90	183
Minnesota	12	52	18	164	12	52	18	164
Missouri	15	42	30	96	15	42	30	96
North Dakota		4		10		4		10
South Dakota		16		44		16		44
No. 9—Little Rock	1,504	3,058	2,296	8,411	1,309	742	1,923	1,583
Arkansas	40	71	8	190	40	71	8	190
Louisiana	27	51	7	110	27	51	7	110
Mississippi	76	26	37	24	64	26	21	24
New Mexico	59	28	138	78	59	28	138	78
Texas	1,302	2,882	2,106	8,009	1,119	566	1,749	1,181
No. 10—Topeka	301	294	783	715	239	266	627	659
Colorado	43	8	117	12	9	8	17	12
Kansas	87	90	174	183	75	62	148	127
Nebraska	89	106	310	301	89	106	310	301
Oklahoma	82	90	182	219	66	90	152	219
No. 11—Portland	829	2,262	3,388	7,802	541	466	2,581	1,561
Idaho	5	1	10	2	5	1	10	2
Montana	9	105	15	208	6	5	9	10
Oregon	97	125	379	445	57	109	202	419
Utah	117	137	405	352	112	77	390	206
Washington	343	1,894	1,895	6,795	343	274	1,895	924
Wyoming	258		684		18		75	
No. 12—Los Angeles	4,219	2,644	9,805	7,587	2,036	1,852	5,846	5,795
Arizona	24	56	54	188	24	5	54	13
California	4,195	2,525	9,751	7,195	2,012	1,784	5,792	5,578
Nevada		63		204		63		204

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

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

Type of construction	Number of family dwelling units					Permit valuation				
	Monthly totals			January-October totals		Monthly totals			January-October totals	
	Oct. 1943	Sept. 1943	Oct. 1942	1943	1942	Oct. 1943	Sept. 1943	Oct. 1942	1943	1942
Private construction	11,840	10,906	11,181	101,840	167,866	$37,861	$34,209	$36,224	$316,585	$546,135
1-family dwellings	7,018	6,685	8,527	65,603	127,484	23,946	22,350	28,958	216,215	439,858
2-family dwellings [1]	1,802	1,535	1,133	13,932	13,456	5,311	4,309	3,367	38,984	36,658
3- and more-family dwellings [2]	3,020	2,686	1,521	22,305	26,926	8,604	7,550	3,899	61,386	69,619
Public construction	6,330	2,930	10,591	75,038	81,624	17,975	6,148	32,938	161,759	261,433
Total urban construction	18,170	13,836	21,772	176,878	249,490	55,836	40,357	69,162	478,344	807,568

[1] Includes 1- and 2-family dwellings combined with stores.
[2] Includes multi-family dwellings combined with stores.

Table 3.—**BUILDING COSTS**—Index of building costs for the standard house in representative cities in specific months [1]

[Average month of 1935–1939=100]

Federal Home Loan Bank District and city	1943				1942	1941	1940	1939	1938	1937
	Nov.	Aug.	May	Feb.	Nov.	Nov.	Nov.	Nov.	Nov.	Nov.
No. 3—Pittsburgh:										
Wilmington, Del.	148.6	144.1	144.2	144.1	135.4	126.6	107.8	97.0	106.2	104.6
Philadelphia, Pa.	151.2	150.8	149.3	143.1	143.4	136.0	119.4	105.6	101.8	108.9
Pittsburgh, Pa.	136.7	136.7	138.4	133.0	129.2	120.7	106.5	105.9	106.0	111.2
Charleston, W. Va.	126.0	123.5	123.5	123.3	123.5	113.8	104.0	101.9	102.7	108.8
Wheeling, W. Va.	122.9	122.1	122.1	122.1	122.0	114.3	107.6	104.6	99.0	109.4
No. 5—Cincinnati:										
Louisville, Ky.	132.7	[r] 123.8	[r] 123.7	[r] 123.9	123.4	122.0	107.0	104.0	100.8	103.6
Cincinnati, Ohio	130.7	112.3	112.3	112.0	112.0	111.0	100.5	97.4	97.9	105.4
Cleveland, Ohio	130.0	120.5	120.5	119.5	119.5	116.9	109.3	107.6	100.9	108.0
Columbus, Ohio	132.1	117.7	117.7	117.6	117.6	115.6	103.4	101.0	100.2	106.6
Memphis, Tenn.	133.5	[r] 127.0	[r] 125.6	[r] 125.7	[r] 126.2	[r] 123.0	[r] 108.6	104.0	103.1	104.9
Nashville, Tenn.	...	...	...	121.4	121.4	118.3	103.2	97.9	99.7	106.7
No. 9—Little Rock:										
Little Rock, Ark.	120.0	[r] 120.0	[r] 119.8	[r] 120.3	121.5	117.0	103.1	99.8	100.1	99.9
New Orleans, La.	135.0	125.6	125.5	125.5	126.0	123.7	113.8	105.3	104.3	107.1
Jackson, Miss.	130.2	[r] 123.5	[r] 123.6	[r] 123.5	[r] 123.2	[r] 121.1	109.6	105.1	105.9	104.2
Albuquerque, N. Mex.	...	...	...	...	...	122.7	106.5	99.5	103.0	104.7
Dallas, Tex.	...	...	129.0	129.0	128.8	131.5	105.2	93.2	100.4	106.0
Houston, Tex.	120.9	116.9	116.7	116.7	117.1	117.8	104.9	99.9	100.8	104.6
San Antonio, Tex.	...	...	128.5	128.5	128.5	131.4	100.7	98.1	102.3	107.5
No. 12—Los Angeles:										
Phoenix, Ariz.	114.2	112.8	112.8	112.7	112.7	110.5	101.2	99.4	103.3	107.7
Los Angeles, Calif.	124.0	120.0	119.4	120.4	120.6	109.2	100.9	96.3	99.3	107.6
San Diego, Calif.	...	...	...	...	...	123.1	107.0	95.9	102.0	108.4
San Francisco, Calif.	...	...	...	...	...	114.3	103.1	102.3	103.4	103.5
Reno, Nev.	120.9	120.9	120.8	119.2	119.2	117.2	108.6	104.3	102.2	103.7

[r] Revised.

[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 wallpaper 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 3 months from the same dealers, and current wage rates are obtained from the same reputable contractors and operative builders.

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

[Average month of 1935–1939=100]

Element of cost	Oct. 1943	Sept. 1943	Aug. 1943	July 1943	June 1943	May 1943	Apr. 1943	Mar. 1943	Feb. 1943	Jan. 1943	Dec. 1942	Nov. 1942	Oct. 1942
Material	126.0	124.4	123.4	123.7	123.0	122.2	121.8	122.0	121.9	121.5	121.4	121.5	121.6
Labor	135.0	133.8	134.2	134.3	134.3	134.3	133.4	133.0	132.5	130.9	130.7	130.2	130.2
Total cost	129.1	127.6	127.1	127.3	126.8	126.2	125.7	125.7	125.5	124.7	124.5	124.4	124.5

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

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

[Source: U. S. Department of Labor]

Period	All building materials	Brick and tile	Cement	Lumber	Paint and paint materials	Plumbing and heating	Structural steel	Other
1941: October	119.8	106.3	101.7	144.2	118.0	115.3	103.5	109.8
1942: October	123.3	108.6	103.4	148.4	124.2	123.6	103.5	111.7
November	122.9	108.5	103.4	148.2	123.8	122.4	103.5	111.3
December	122.8	108.6	103.4	148.4	123.3	118.8	103.5	111.4
1943: January	122.6	108.6	103.4	148.4	123.7	118.8	103.5	110.5
February	123.1	108.5	103.4	149.9	124.4	118.8	103.5	110.5
March	123.3	108.6	103.4	149.9	125.7	118.8	103.5	110.3
April	123.2	108.6	103.4	150.0	126.0	118.8	103.5	109.9
May	123.4	108.8	103.1	151.0	125.7	118.8	103.5	109.9
June	123.5	109.0	102.7	151.8	125.4	118.0	103.5	110.0
July	123.6	109.0	102.7	152.7	125.4	118.8	103.5	109.5
August	125.3	109.0	102.7	158.1	126.4	118.8	103.5	109.7
September	125.6	109.0	102.7	158.9	126.1	118.5	103.5	110.3
October	125.8	109.0	102.7	159.4	126.4	118.5	103.5	110.5
Percent change:								
October 1943–September 1943	+0.2	0.0	0.0	+0.3	+0.2	0.0	0.0	+0.2
October 1943–October 1942	+2.0	+0.4	−0.7	+7.4	+1.8	−4.1	0.0	−1.1

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

[Thousands of dollars]

Period	Purpose of loans					Total loans	Class of association		
	Construction	Home purchase	Refinancing	Reconditioning	Loans for all other purposes		Federals	State members	Nonmembers
1941	$437,065	$580,503	$190,573	$61,328	$109,215	$1,378,684	$584,220	$583,804	$210,660
January–October	376,672	488,542	162,809	52,891	92,813	1,173,727	501,128	492,954	179,645
October	37,722	59,874	16,283	5,361	8,698	127,938	52,507	54,930	20,501
1942	190,438	573,732	165,816	41,695	78,820	1,050,501	412,828	476,080	161,593
January–October	172,691	488,308	140,576	36,489	67,830	905,894	357,284	407,888	140,722
October	10,572	56,528	14,694	3,498	6,380	91,672	35,555	41,937	14,180
November	9,275	43,984	12,472	3,007	5,241	73,979	28,163	35,441	10,375
December	8,472	41,440	12,768	2,199	5,749	70,628	27,381	32,751	10,496
1943									
January–October	88,665	664,662	141,937	25,513	62,556	983,333	423,306	448,219	111,808
January	7,173	32,820	11,408	1,667	4,788	57,856	23,390	26,910	7,556
February	4,597	39,084	12,510	1,953	5,183	63,324	26,566	28,175	8,583
March	8,572	55,235	14,874	2,377	6,127	87,185	37,850	38,595	10,740
April	9,853	65,088	15,040	2,484	6,270	98,735	42,717	44,461	11,557
May	9,039	67,826	14,843	2,606	6,176	100,490	41,835	47,818	10,837
June	8,946	74,885	15,913	2,707	6,425	108,876	46,730	50,182	11,964
July	9,209	77,555	14,925	2,807	6,859	111,355	48,370	50,648	12,337
August	10,616	82,894	14,600	2,809	6,470	117,389	51,172	53,497	12,720
September	13,211	86,016	13,799	3,229	6,718	122,973	54,100	55,907	12,966
October	7,452	83,259	14,025	2,874	7,540	115,150	50,576	52,026	12,548

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

[Dollar amounts are shown in thousands]

Federal Home Loan Bank District and class of association	New loans			Cumulative new loans (10 months)		
	October 1943	September 1943	October 1942	1943	1942	Percent change
UNITED STATES	$115,150	$122,973	$91,672	$983,333	$905,894	+8.5
Federal	50,576	54,100	35,555	423,306	357,284	+18.5
State member	52,026	55,907	41,937	448,219	407,888	+9.9
Nonmember	12,548	12,966	14,180	111,808	140,722	−20.5
Boston	9,953	11,094	9,348	80,062	90,162	−11.2
Federal	2,800	3,426	2,823	23,336	27,358	−14.7
State member	5,581	6,093	4,827	43,835	48,367	−9.4
Nonmember	1,572	1,575	1,698	12,891	14,437	−10.7
New York	9,241	9,598	8,909	73,422	91,614	−19.9
Federal	2,624	2,629	2,271	18,503	21,761	−15.0
State member	4,639	4,792	3,922	37,832	34,579	+9.4
Nonmember	1,978	2,177	2,716	17,087	35,274	−51.6
Pittsburgh	10,167	9,301	8,980	83,950	82,936	+1.2
Federal	4,324	3,892	3,146	33,691	30,621	+10.0
State member	3,390	3,296	2,498	27,227	24,616	+10.6
Nonmember	2,453	2,113	3,336	23,032	27,699	−16.8
Winston-Salem	13,939	14,041	10,913	118,729	121,330	−2.1
Federal	6,944	7,617	4,438	59,882	51,895	+15.4
State member	5,826	5,430	5,120	47,192	56,052	−15.8
Nonmember	1,169	994	1,355	11,655	13,383	−12.9
Cincinnati	19,004	21,547	17,719	180,114	167,429	+7.6
Federal	7,633	8,791	6,114	70,109	62,135	+12.8
State member	9,908	11,166	9,421	95,910	87,837	+9.2
Nonmember	1,463	1,590	2,184	14,095	17,457	−19.3
Indianapolis	7,183	6,595	5,251	59,585	49,400	+20.6
Federal	3,690	3,184	2,678	30,815	24,713	+24.7
State member	3,142	3,071	2,337	25,468	22,160	+14.9
Nonmember	351	340	236	3,302	2,527	+30.7
Chicago	11,658	12,979	8,641	99,095	88,196	+12.4
Federal	4,969	4,952	3,274	38,411	32,051	+19.8
State member	5,356	6,456	4,285	49,200	42,835	+14.9
Nonmember	1,333	1,571	1,082	11,484	13,310	−13.7
Des Moines	6,899	7,420	4,538	55,492	44,477	+24.8
Federal	3,609	3,613	2,188	27,884	20,887	+33.5
State member	2,466	2,731	1,738	19,726	16,498	+19.6
Nonmember	824	1,076	612	7,882	7,092	+11.1
Little Rock	5,965	6,667	3,880	50,872	42,284	+20.3
Federal	2,536	2,395	1,508	20,983	15,968	+31.4
State member	3,329	4,167	2,312	29,057	25,523	+13.8
Nonmember	100	105	60	832	793	+4.9
Topeka	5,528	6,017	3,603	48,598	38,324	+26.8
Federal	2,831	3,309	2,022	27,179	21,104	+28.8
State member	1,624	1,660	1,024	14,163	10,992	+28.8
Nonmember	1,073	1,048	557	7,256	6,228	+16.5
Portland	3,682	4,685	3,054	37,373	28,349	+31.8
Federal	2,361	2,675	1,954	23,251	17,772	+30.8
State member	1,157	1,727	816	12,536	8,685	+44.3
Nonmember	164	283	284	1,586	1,892	−16.2
Los Angeles	11,931	13,029	6,836	96,041	61,393	+56.4
Federal	6,255	7,617	3,139	49,262	31,019	+58.8
State member	5,608	5,318	3,637	46,073	29,744	+54.9
Nonmember	68	94	60	706	630	+12.1

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

OCTOBER 1943

[Thousands of dollars]

Federal Home Loan Bank District and State	Savings and loan associations	Insurance companies	Banks and trust companies	Mutual savings banks	Individuals	Other mortgagees	Total
UNITED STATES	$122,832	$25,141	$74,875	$15,023	$87,430	$61,002	$386,303
Boston	10,629	838	3,144	7,669	5,802	3,958	32,040
Connecticut	1,308	559	1,511	1,642	1,754	1,379	8,153
Maine	596	27	231	627	517	61	2,059
Massachusetts	7,483	241	967	4,418	2,557	2,284	17,950
New Hampshire	262		130	433	284	37	1,146
Rhode Island	823	11	227	289	519	175	2,044
Vermont	157		78	260	171	22	688
New York	8,103	2,312	6,001	4,246	11,545	9,616	41,823
New Jersey	3,247	803	3,438	685	3,983	3,986	16,142
New York	4,856	1,509	2,563	3,561	7,562	5,630	25,681
Pittsburgh	9,519	1,788	7,659	633	5,439	4,309	29,347
Delaware	182	125	136	25	266	88	822
Pennsylvania	8,455	1,452	6,436	563	4,578	4,058	25,542
West Virginia	882	211	1,087	45	595	163	2,983
Winston-Salem	13,945	3,417	5,274	107	11,013	4,935	38,691
Alabama	390	619	457		920	488	2,874
District of Columbia	2,270	288	301		1,146	184	4,189
Florida	1,486	680	715		3,178	539	6,598
Georgia	1,429	362	1,198		893	604	4,486
Maryland	4,284	229	855	107	1,424	1,136	8,035
North Carolina	1,875	440	259		1,041	489	4,104
South Carolina	331	215	358		518	293	1,715
Virginia	1,880	584	1,131		1,893	1,202	6,690
Cincinnati	22,797	2,501	9,556	1,227	5,908	4,556	46,545
Kentucky	2,482	543	715		306	228	4,274
Ohio	19,738	1,489	8,155	1,227	5,219	2,313	38,141
Tennessee	577	469	686		383	2,015	4,130
Indianapolis	7,177	2,869	6,791	18	2,913	5,470	25,238
Indiana	4,699	637	2,505	18	893	802	9,554
Michigan	2,478	2,232	4,286		2,020	4,668	15,684
Chicago	12,934	1,734	6,261	19	6,191	9,280	36,419
Illinois	9,875	1,163	3,830		3,277	8,337	26,482
Wisconsin	3,059	571	2,431	19	2,914	943	9,937
Des Moines	8,063	2,492	5,239	108	5,017	3,462	24,381
Iowa	1,948	311	1,203		661	186	4,309
Minnesota	3,023	980	752	108	1,277	437	6,577
Missouri	2,654	1,124	2,987		2,731	2,786	12,282
North Dakota	320	67	117		167	27	698
South Dakota	118	10	180		181	26	515
Little Rock	7,521	2,363	1,622		5,400	2,550	19,456
Arkansas	443	51	215		329	23	1,061
Louisiana	2,545	238	135		1,045	403	4,366
Mississippi	280	225	226		419	172	1,322
New Mexico	173		121		172	17	483
Texas	4,080	1,849	925		3,435	1,935	12,224
Topeka	6,327	861	2,501		4,213	1,668	15,570
Colorado	1,126	50	297		2,189	362	4,024
Kansas	1,829	134	689		406	409	3,467
Nebraska	1,123	509	543		474	141	2,790
Oklahoma	2,249	168	972		1,144	756	5,289
Portland	3,826	545	2,876	996	2,530	4,666	15,439
Idaho	353	32	130		245	96	856
Montana	166	23	126		234	54	603
Oregon	867	310	267	40	976	1,778	4,238
Utah	343	103	579		270	435	1,730
Washington	1,905	77	1,697	956	646	2,298	7,579
Wyoming	192		77		159	5	433
Los Angeles	11,991	3,421	17,951		21,459	6,532	61,354
Arizona	168	23	142		726	16	1,075
California	11,782	3,392	17,774		20,556	6,512	60,016
Nevada	41	6	35		177	4	263

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

[Dollar amounts are shown in thousands]

Period	Savings and loan associations		Insurance companies		Banks and trust companies		Mutual savings banks		Individuals		Other mortgagees		All mortgagees	
	Total	Percent	Total	Percent	Total	Percent	Total	Percent	Total	Percent	Total	Percent	Total	Percent
1942: January-October	$1,014,082	29.8	$312.490	9.2	$770.141	22.7	$143.438	4.2	$622.660	18.3	$536.075	15.8	$3,398.886	100.0
October	103,170	28.9	32,577	9.1	79,224	22.2	14,817	4.2	67,623	18.9	59,672	16.7	357,083	100.0
November	80,970	29.1	25,950	9.3	58,519	21.0	11,596	4.2	55,830	20.1	45,456	16.3	278,321	100.0
December	75,494	28.4	23,303	8.8	57,050	21.5	10,640	4.0	54,207	20.4	44,712	16.9	265,406	100.0
1943: January-October	1,024,511	32.3	234.563	7.4	620.652	19.5	125.001	3.9	698.942	22.0	473.070	14.9	3,176.739	100.0
January	64,935	28.4	19,900	8.7	48,640	21.3	8,045	3.5	50,583	22.2	36,180	15.9	228,283	100.0
February	66,938	30.5	18,064	8.2	44,273	20.1	7,895	3.6	49,854	22.7	32,858	14.9	219,882	100.0
March	85,642	31.8	22,198	8.2	53,186	19.7	9,536	3.5	59,662	22.2	39,195	14.6	269,419	100.0
April	101,135	32.7	24,558	8.0	63,385	20.5	11,122	3.6	65,807	21.3	42,950	13.9	308,957	100.0
May	107,221	32.8	24,435	7.5	65,688	20.1	12,940	3.9	70,054	21.4	46,754	14.3	327,092	100.0
June	113,431	32.5	26,613	7.6	65,656	18.8	14,718	4.2	75,183	21.6	53,445	15.3	349,046	100.0
July	116,406	33.1	25,586	7.3	64,766	18.4	15,329	4.4	78,594	22.3	50,835	14.5	351,516	100.0
August	119,385	33.6	24,072	6.8	68.043	19.1	15,061	4.2	78,455	22.1	50,416	14.2	355,432	100.0
September	126.586	33.2	23.996	6.3	72,140	19.0	15,332	4.0	83,320	21.9	59,435	15.6	380,809	100.0
October	122,832	31.8	25,141	6.5	74,875	19.4	15,023	3.9	87,430	22.6	61,002	15.8	386,303	100.0

Table 10.—FORECLOSURES—Estimated nonfarm real-estate foreclosures, by Federal Home Loan Bank District

Federal Home Loan Bank District	Foreclosures			Cumulative (10 months)		Percent change
	Oct. 1943	Sept. 1943	Oct. 1942	1943	1942	
United States	1,765	2,077	3,147	21,993	36,323	−39.5
Boston	202	229	369	2,315	4,220	−45.1
New York	475	509	790	5,824	8,488	−31.4
Pittsburgh	251	460	480	3,708	6,041	−38.6
Winston-Salem	199	192	378	2,583	4,185	−38.3
Cincinnati	150	160	289	1,746	3,344	−47.8
Indianapolis	32	41	94	450	1,029	−56.3
Chicago	97	115	181	1,258	2,183	−42.4
Des Moines	105	123	183	1,404	2,147	−34.6
Little Rock	89	81	105	758	1,282	−40.9
Topeka	83	82	100	850	1,287	−34.0
Portland	16	19	26	208	461	−54.9
Los Angeles	66	66	152	889	1,656	−46.3

Table 11.—FHA—Home mortgages insured [1]

[Premium paying; thousands of dollars]

Period	Title I Class 3	Title II		Title VI	Total insured at end of period
		New	Existing		
1942: October	802	26,831	17,639	38,265	4,491,529
November	726	21,893	17,071	40,195	4,581,414
December	557	19,187	19,530	43.214	4,663,902
1943: January	167	14,172	17,084	40,649	4,735,974
February	84	8,495	11,846	37,168	4,793.570
March	706	5,690	13.175	43,523	4,856,664
April	[2] −50	3,463	12,704	35.878	4,908,659
May	41	2,894	15,248	39,511	4,966,353
June	[2] −19	2.606	16,759	41,629	5,027,328
July	[2] −25	2,424	18,502	43,445	5,091,674
August	27	1,563	18,519	49,518	5.161,301
September	[2] −25	1,479	18,737	46,365	[r] 5,227,857
October	[2] −18	818	18,856	48,571	5,296,084

[r] Revised.

[1] Figures represent gross insurance written during the period and do not take account of principal repayments on previously insured loans.

[2] Adjustments in loans reported in previous months.

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

[Thousands of dollars]

Federal Home Loan Bank	Lending operations October 1943		Principal assets October 31, 1943			Capital and principal liabilities October 31, 1943			Total assets [1] October 31, 1943
	Advances	Repayments	Advances outstanding	Cash [1]	Government securities	Capital [2]	Debentures	Member deposits	
Boston	$1,530	$636	$12,620	$1,386	$9,815	$19,556	$3,000	$1,327	$23,887
New York	953	1,519	18,668	882	19,248	27,080	9.000	2,819	38,912
Pittsburgh	614	675	11,392	2,866	10,558	16,300	8,000	557	24,897
Winston-Salem	457	2,623	11,406	1,187	5,335	17,505	0	471	17,978
Cincinnati	1,184	751	10,048	2,806	20,824	24,264	3.500	5,506	33,797
Indianapolis	486	930	11,221	2,440	12,233	13,630	8,700	3,621	25,965
Chicago	575	1,987	15,833	2,699	14,831	22,075	6,000	5,345	33.436
Des Moines	233	799	8,325	1,772	12,533	12,327	9,000	1,352	22,688
Little Rock	272	325	4.317	1,221	10.483	12,374	3.500	212	16,089
Topeka	188	135	4,033	1,263	7,366	10.344	1.500	859	12,705
Portland	675	233	2.353	585	8,241	8,330	1.800	595	11,227
Los Angeles	1,132	1,368	16.467	1,636	11.437	15,341	12.000	2,270	29,621
(All Banks) October 1943	8,299	11,981	126.683	20.743	142,904	199.126	66.000	24,934	291,202
September 1943	56,501	7,502	130.365	18,944	138,601	198,559	60.000	24,711	288,483
October 1942	5,690	19,065	131,377	64,528	106,278	191,377	87,500	23,719	303,070

[1] Includes interbank deposits.

[2] Capital stock ,surplus ,and undivided profits.

Table 13.—**SAVINGS**—Sales of war bonds [1]

[Thousands of dollars]

Period	Series E [2]	Series F	Series G	Total	Redemptions
1941	$1,622,496	$207,681	$1,184,868	$3,015,045	$13,601
1942	5,988,849	652,044	2,516,065	9,156,958	245,547
October	587,854	51,321	175,178	814,353	32,190
November	541,573	44,766	148,211	734,549	36,843
December	725,777	65,994	222,398	1,014,168	47,919
1943					
January	814,928	77,066	348,450	1,240,444	55,429
February	633,572	48,328	205,295	887,195	69,440
March	720,407	43,858	180,011	944,276	126,621
April	1,006,786	109,517	353,421	1,469,724	95,458
May	995,234	85,893	253,857	1,334,984	97,488
June	696,213	35,149	144,128	875,491	134,822
July	682,871	37,579	169,241	889,691	131,424
August	661,200	28,095	112,434	801,729	144,966
September	1,400,159	138,984	387,412	1,926,555	148,498
October	1,340,148	93,124	274,877	1,708,150	137,496

[1] U. S. Treasury War Savings Staff. Actual deposits made to the credit of the U. S. Treasury.
[2] Prior to May 1941: "Baby bonds."

Table 14.—**SAVINGS**—Held by institutions

[Thousands of dollars]

End of period	Insured savings and loans [1]	Mutual savings banks [2]	Insured commercial banks [3]	Postal savings [5]
1941: June	$2,433,513	$10,606,224	$13,107,022	$1,304,153
December	2,597,525	10,489,679	13,261,402	1,314,360
1942: October	2,873,822			1,376,898
November	2,912,717			1,396,242
December	2,983,310	10,620,957	[4] 13,820,000	1,417,406
1943: January	3,030,919			1,445,268
February	3,068,672			1,467,833
March	3,105,080			1,492,966
April	3,143,943			1,517,167
May	3,194,029			[6] 1,544,712
June	3,270,834	11,104,706	[4] 14,870,000	[6] 1,576,266
July	3,318,900			[6] 1,621,641
August	3,362,380			[6] 1,660,499
September	3,389,891			[6] 1,683,365
October	3,435,798			[6] 1,716,898

[1] Private repurchasable capital as reported to the FHLB Administration.
[2] *Month's Work.* All deposits.
[3] FDIC. Time deposits evidenced by savings passbooks.
[4] Estimated by FDIC.
[5] Balance on deposit to credit of depositors, including unclaimed accounts.
[6] Unaudited.

Table 15.—**INSURED ASSOCIATIONS**—Progress of institutions insured by the FSLIC

[Dollar amounts are shown in thousands]

Period and class of association	Number of associations	Total assets	Net first mortgages held	Cash	Government bond holdings	Private repurchasable capital	Government share capital	Federal Home Loan Bank advances	Operations: New mortgage loans	Operations: New private investments	Operations: Private repurchases	Operations: Repurchase ratio
ALL INSURED												
1941: June	2,313	$3,159,763	$2,555,393	$190,671	$33,518	$2,433,905	$206,301	$144,331	$85,117	$61,448	$26,779	43.6
December	2,343	3,362,942	2,751,938	206,457	43,892	2,597,525	196,240	193,275	63,506	74,801	35,728	47.8
1942: October	2,390	3,548,692	2,871,968			2,873,822	169,162	113,856	59,021	73,124	37,720	51.6
November	2,396	3,588,995	2,875,165			2,912,717	169,257	103,329	48,017	64,697	30,738	47.5
December	2,398	3,651,598	2,871,641	256,470	193,452	2,983,310	169,167	113,977	46,705	91,029	30,219	33.2
1943: January	2,405	3,627,828	2,865,632			3,030,919	148,220	99,037	39,149	119,923	84,573	70.5
February	2,415	3,657,989	2,866,839			3,068,672	120,308	82,652	44,076	73,455	42,123	57.3
March	2,415	3,690,918	2,868,410	260,749	241,818	3,105,080	120,138	66,970	61,139	83,403	48,955	58.7
April	2,417	3,757,464	2,881,247			3,143,943	119,572	75,664	69,604	83,242	47,171	56.7
May	2,422	3,811,473	2,892,665			3,194,029	119,547	67,631	69,471	78,294	33,684	43.0
June	2,428	3,880,999	2,918,577	276,785	376,177	3,270,834	119,252	78,155	76,899	103,939	33,704	32.4
July	2,435	3,875,269	2,931,482			3,318,900	74,568	80,904	77,994	134,065	97,117	72.4
August	2,433	3,920,852	2,946,968			3,362,380	69,941	71,013	83,068	94,229	50,250	53.3
September	2,440	4,037,926	2,971,411	186,954	580,087	3,389,891	69,920	118,153	87,878	83,970	60,019	71.5
October	2,439	4,081,472	2,992,823			3,435,798	69,720	114,619	81,929	87,692	45,104	51.4
FEDERAL												
1941: June	1,452	2,028,138	1,687,087	126,390	16,714	1,553,712	169,247	103,696	57,542	40,030	14,530	36.3
December	1,460	2,173,326	1,824,646	138,040	23,623	1,668,415	160,060	144,049	41,182	48,872	20,400	41.7
1942: October	1,466	2,235,726	1,862,593			1,814,156	137,108	83,095	35,555	47,222	22,019	46.6
November	1,468	2,259,670	1,862,796			1,839,506	137,208	75,865	28,163	42,076	18,174	43.2
December	1,467	2,299,895	1,853,868	164,430	117,339	1,882,051	137,208	84,135	27,381	58,937	16,530	28.0
1943: January	1,467	2,264,817	1,843,714			1,906,323	118,769	72,046	23,390	79,083	55,548	70.2
February	1,468	2,278,839	1,839,245			1,928,559	96,109	58,489	26,566	48,412	25,987	53.7
March	1,467	2,300,638	1,839,302	156,792	146,537	1,953,846	96,109	46,820	37,850	54,824	30,238	55.2
April	1,466	2,349,831	1,846,536			1,979,864	96,109	54,254	42,717	53,675	27,774	51.7
May	1,466	2,380,241	1,849,999			2,011,373	96,109	47,725	41,835	50,732	20,045	39.5
June	1,468	2,426,079	1,865,991	170,730	235,524	2,060,502	96,109	56,553	46,730	68,235	19,586	28.7
July	1,468	2,408,687	1,871,478			2,087,404	58,239	59,416	48,370	87,444	64,073	73.3
August	1,466	2,438,803	1,880,513			2,117,053	55,021	51,639	51,172	61,351	31,253	50.9
September	1,471	2,523,737	1,896,312	109,181	369,954	2,135,010	55,021	87,648	54,100	53,138	37,274	70.1
October	1,468	2,550,973	1,908,518			2,164,155	55,021	84,983	50,576	56,490	26,825	47.5
STATE												
1941: June	861	1,131,625	868,307	64,281	16,804	800,193	37,054	40,635	27,575	21,418	12,249	57.2
December	883	1,189,616	927,292	68,417	20,269	929,110	36,180	49,226	22,324	25,929	15,328	59.1
1942: October	924	1,312,966	1,009,375			1,059,666	32,054	30,761	23,466	25,902	15,701	60.6
November	928	1,329,325	1,012,369			1,073,211	32,049	27,464	19,854	22,621	12,564	55.5
December	931	1,351,703	1,017,773	92,040	76,113	1,101,259	31,959	29,842	19,324	32,092	13,689	42.7
1943: January	938	1,363,011	1,021,918			1,124,596	29,451	26,991	15,759	40,840	29,025	71.1
February	947	1,379,150	1,027,594			1,140,113	24,199	24,163	17,510	25,043	16,136	64.4
March	948	1,390,280	1,029,108	103,957	95,281	1,151,234	24,029	20,150	23,289	28,579	18,717	65.5
April	951	1,407,633	1,034,711			1,164,079	23,463	21,410	26,887	29,567	19,397	65.6
May	956	1,431,232	1,042,666			1,182,656	23,438	19,906	27,636	27,562	13,639	49.5
June	960	1,454,920	1,052,586	106,055	140,653	1,210,332	23,143	21,602	30,169	35,704	14,118	39.5
July	967	1,466,582	1,060,004			1,231,496	16,329	21,488	29,624	46,621	33,044	70.9
August	967	1,482,049	1,066,455			1,245,327	14,920	19,374	31,896	32,878	18,997	57.8
September	969	1,514,189	1,075,099	77,773	210,133	1,254,881	14,899	30,505	33,778	30,832	22,745	73.8
October	971	1,530,499	1,084,305			1,271,643	14,699	29,636	31,353	31,202	18,279	58.6

QUARTERLY TABLES

Table 16.—HOLC—Mortgage loans outstanding and properties on hand

[Dollar amounts are shown in thousands]

End of period	Due on original loans	Due on property sold	Properties owned	
			Book value	Number [1]
1940: October	$1,667,296	$310,280	$351,890	54,433
1941: October	1,449,502	358,922	282,904	40,615
1942: October	1,236,432	366,427	231,950	31,594
November	1,218,869	367,522	225,448	30,518
December	1,200,203	366,768	221,512	29,876
1943: January	1,180,723	365,009	218,083	29,393
February	1,163,921	363,287	215,160	29,032
March	1,143,189	360,891	211,821	28,483
April	1,123,056	358,966	207,571	27,864
May	1,101,463	358,758	199,435	26,582
June	1,081,053	360,101	187,952	24,935
July	1,059,151	359,394	179,103	23,728
August	1,038,512	361,356	165,667	21,943
September	1,018,805	364,506	149,788	19,915
October	997,970	370,447	129,005	15,942

[1] Includes reacquisitions of properties previously sold.

Table 17.—GOVERNMENT SHARES—Investments in member associations [1]

[Dollar amounts are shown in thousands]

Type of operation	Treasury	Home Owners' Loan Corporation		
	Federals [2]	Federals	State members	Total
October 1935–September 1943:				
Applications:				
Number	1,862	4,708	997	5,705
Amount	$50,401	$213,601	$66,595	$280,196
Investments:				
Number	1,831	4,241	740	4,981
Amount	$49,300	$178,316	$45,541	$223,857
Repurchases	$37,801	$93,094	$21,391	$114,485
Net outstanding investments	$11,499	$85,222	$24,150	$109,372
Third quarter 1943:				
Applications:				
Number	0	0	0	0
Amount	0	0	0	0
Investments:				
Number	0	0	0	0
Amount	0	0	0	0
Repurchases	$6,049	$34,962	$7,977	$42,939

[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 18.—FHLBS—Membership in the Federal Home Loan Bank System

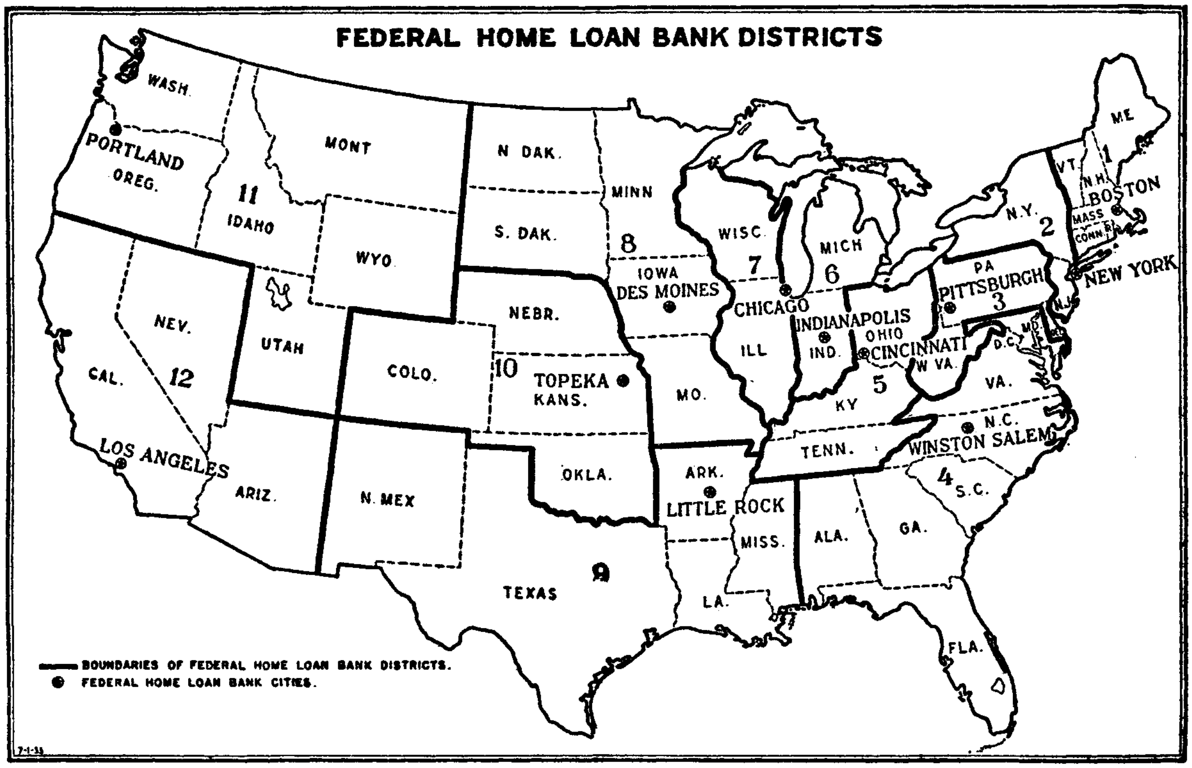
[Dollar amounts are shown in thousands]

Type of institution	1943				1942		1941	
	September		June		September		September	
	Number	Assets	Number	Assets	Number	Assets	Number	Assets
All members	3,764	$6,199,087	3,774	$6,045,016	3,808	$5,617,500	3,836	$5,339,627
Savings and loan associations	3,720	5,399,517	3,729	5,249,414	3,765	4,924,055	3,796	4,693,139
Federal	1,471	2,523,737	1,468	2,426,079	1,466	2,214,101	1,459	2,076,618
Insured State	965	1,508,558	956	1,449,255	916	1,293,206	867	1,141,089
Uninsured State	1,284	1,367,222	1,305	1,374,080	1,383	1,416,748	1,470	1,475,432
Mutual savings banks	22	434,289	22	428,566	20	369,146	13	263,003
Insurance companies	22	365,281	23	367,036	23	324,299	27	383,485

Table 19.—WAR HOUSING—Progress of war-housing construction program

Type of construction	Total allocated to localities		Under construction		Completed	
	As of Sept. 30, 1943	As of Mar. 31, 1943	As of Sept. 30, 1943	As of Mar. 31, 1943	As of Sept. 30, 1943	As of Mar. 31, 1943
Privately financed: [1]						
Conversion	207,160	185,709	3,070	6,525	179,303	168,508
New construction	785,133	718,705	83,581	74,686	583,915	500,772
Publicly financed: [2]						
Single-person units, new construction [3]	159,409	140,584	28,884	41,008	127,059	93,586
Family units:						
Conversion (HOLC)	61,288	43,503	15,640	759	5,980	24
New construction [3]	500,823	440,492	91,964	190,432	377,621	224,573
Trailers and portables	44,216	28,173	6,793	6,975	31,248	16,993

[1] Represents privately financed war housing built with P-55 priority orders plus an estimated 297,000 new units and 175,000 converted units built without P-55 orders. The totals as of March 31, 1943, shown previously in the June 1943 issue of the Federal Home Loan Bank REVIEW, excluded war housing built without P-55 orders.
[2] Publicly financed new construction excludes suspended, cancelled, and limited projects. The 11,838 units in limited projects as of September 30, 1943 were distributed as follows: 7,663 family units, 3,969 single-person units, and 206 trailer units. As of March 31, 1943, an estimated 24,593 units were in limited projects of which 15,116 were family units and 9,477 were single-person units.
[3] Includes a small number of units in converted projects built by FPHA and other Federal agencies



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