



**FEDERAL  
HOME  
LOAN  
BANK**

# REVIEW

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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



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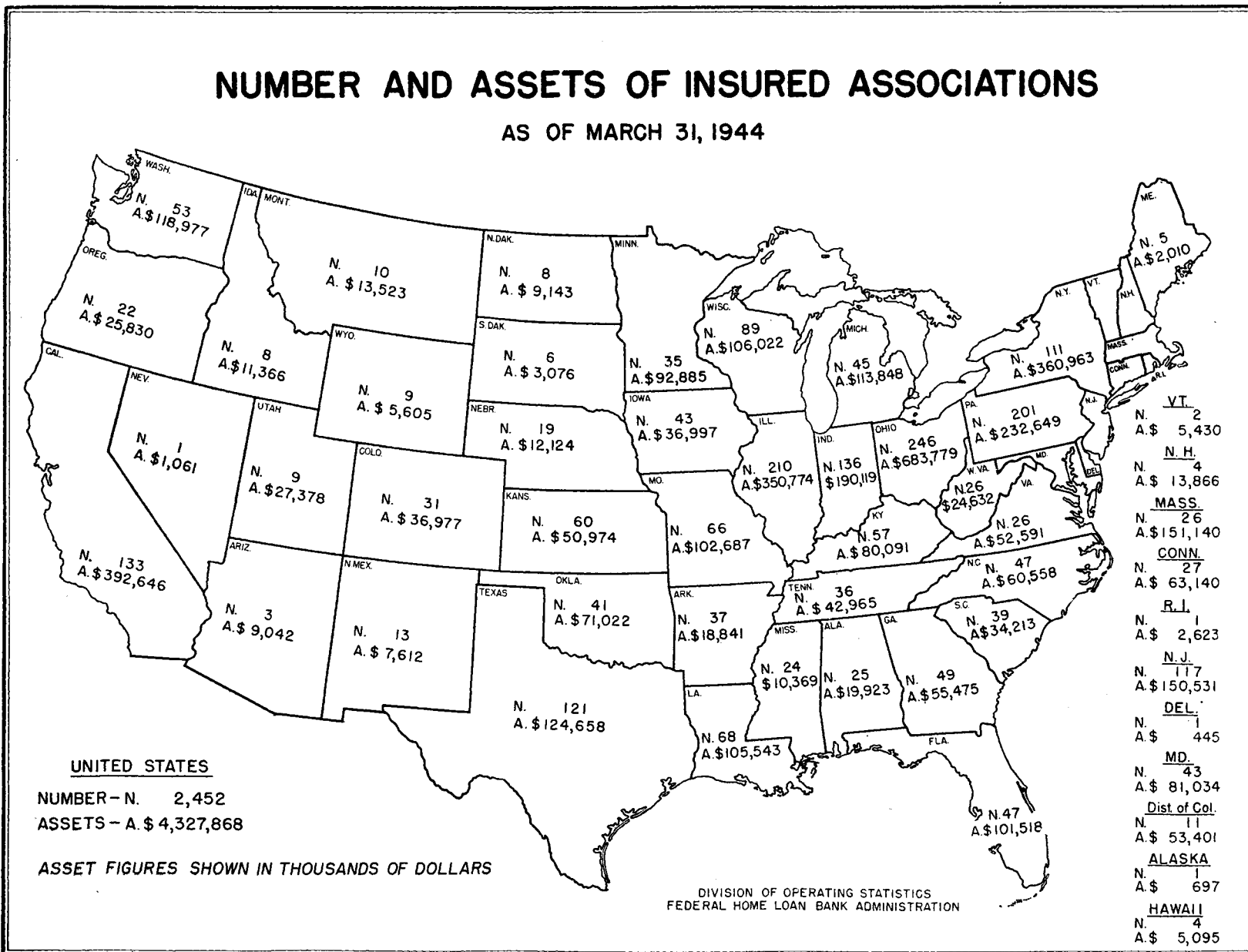
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# NUMBER AND ASSETS OF INSURED ASSOCIATIONS

AS OF MARCH 31, 1944



**UNITED STATES**  
 NUMBER - N. 2,452  
 ASSETS - A. \$ 4,327,868

ASSET FIGURES SHOWN IN THOUSANDS OF DOLLARS

DIVISION OF OPERATING STATISTICS  
 FEDERAL HOME LOAN BANK ADMINISTRATION

VT. 2  
 A. \$ 5,430  
 N.H. 4  
 A. \$ 13,866  
 MASS. 26  
 A. \$ 151,140  
 CONN. 27  
 A. \$ 63,140  
 R.I. 1  
 A. \$ 2,623  
 N.J. 117  
 A. \$ 150,531  
 DEL. 1  
 A. \$ 445  
 MD. 43  
 A. \$ 81,034  
 Dist. of Col. 11  
 A. \$ 53,401  
 ALASKA 1  
 A. \$ 697  
 HAWAII 4  
 A. \$ 5,095

# TEN YEARS OF SAVINGS AND LOAN INSURANCE

*Ten years ago this month the Federal Savings and Loan Insurance Corporation commenced operations in accordance with the authority granted under Title IV of the National Housing Act. Its purpose is to protect the investments in savings and loan associations up to \$5,000 for each insured-account holder. With an impressive record of sound and steady growth, the FSLIC is evaluating the prospects for the future and preparing to meet any demands which may develop in the period ahead.*

■ IN these war-crowded years the depression depths of a decade ago may seem somewhat remote to the casual observer, but on business as a whole and on many individuals they have left an indelible impression of the price of faulty planning and the irresistible force of factors beyond the control of the individual person or establishment. The violent swing from the high production levels of the Twenties to the lean years of the Thirties emphasized in dramatic manner the need for special care in developing a credit structure adapted to our needs and ability to repay, rather than simply providing a means of assuring the immediate absorption of the products of our national plant.

Thus, following the organization of relief activities to arrest wholesale deflationary trends, it was natural that further efforts to revitalize our then crippled industrial machine and provide a greater employment should involve reforms and readjustments in the financial field. Among the measures proposed and finally incorporated in the working plan was insurance—insurance of deposits in commercial banks, later the insurance of accounts in savings and loan associations and the insurance of mortgagees against possible losses through the default of borrowers.

## Precedent for Insurance

The concept of insurance as applied to deposits and other forms of savings held by financial institutions, was certainly neither radical nor new, for as far back as 1829 the Safety Fund of the State of New York, which was founded primarily for the protection of bank notes, accidentally extended its coverage to include deposits. Guaranty plans for the specific purpose of protecting deposits developed somewhat later and by 1910 such plans had been instituted in the states of Oklahoma, North Dakota, South Dakota, Nebraska, Kansas, Texas, Mississippi and Washington. All of these restricted state programs

collapsed in the Twenties. However, during the early Thirties attempts were made in nine states to introduce somewhat similar plans but most of these were unsuccessful or were abandoned in favor of Federal deposit insurance.

Insufficient risk diversification, inadequate initial capital, and the inability to accumulate reserves were the principal causes for the failures of a number of the state programs. There is also sufficient evidence to indicate that there was no genuine attempt to clean up the various banking systems before the insurance became operative.

On the part of the Federal Government, efforts to obtain deposit insurance are traceable as far back as 1912 when Congress deleted such a recommendation from the original legislation which authorized the establishment of the Federal Reserve System. Again in 1917 action failed to materialize on a similar proposal submitted by the Comptroller of the Currency. But from that time until 1932, when the Federal Deposit Insurance Corporation was organized, bills relating to this subject were introduced almost every year.

In the field of home finance, at the beginning of 1934 the newly established Federal Home Loan Bank System was in its second year of operation and the Home Owners' Loan Corporation had just gotten on its feet. While the former was already showing favorable signs of progress in attracting members and in the extension of credit to those institutions and the latter was moving rapidly to check further foreclosures, there was still lacking an effective means of re-establishing the necessary public confidence in savings and loan associations. This was serious for it was apparent that new construction, and consequently construction employment, could not be increased until the foundations of home credit could be made secure by the resumption of the flow of savings into those and other home-financing institutions.

## Legislative Background

Consequently, a bill was introduced on January 9, 1934, to authorize, among other things, the establishment of a Federal Savings and Loan Insurance Corporation and to strengthen the home-financing structure by increasing the amount of funds available for Government investment in Federal savings and loan associations. In the legislative process, however, that portion relating to the Insurance Corporation was separated from the rest, later to be incorporated as Title IV of the National Housing Act which was placed before the Congress on May 14 of the same year.

During the lapsed time, the plans for the Insurance Corporation, which took form as the result of a comprehensive study conducted by the Federal Home Loan Bank Board at the special request of the President, were carefully examined and refined. As submitted to Congress, these plans constituted one segment of a new addition to our developing national policy with respect to housing and home finance, the over-all product representing the combined efforts of the Treasury, the Executive Council (later the National Emergency Council), the Federal Home Loan Bank Board and the housing and home-finance industries. Introduced as H. R. 9620 in the House of Representatives by the late Henry B. Steagall, Chairman of the House Committee on Banking and Currency, and in the Senate as S. 3603 by the late Duncan U. Fletcher, Chairman of the Senate Banking and Currency Committee, these bills were in reality omnibus measures to supplement and carry forward the home-financing program developed in the Federal Home Loan Bank Act of 1932 and in the Home Owners' Loan Act which was signed during the succeeding year.

In the course of the hearings on the proposed legislation, which extended from May 16 when the Senate Committee first considered the bill until June 4 when the House Committee heard the last testimony, all witnesses with the exception of two endorsed the principle of insuring investments in savings and loan associations, which was held to be a corollary of deposit insurance.

The witnesses who were opposed to this section of the National Housing Act took exception to it principally on the grounds that the then-proposed premium rate of one percent did not, in their opinion, seem adequate to provide a reserve that would be sufficient to meet the demands which might conceivably be made upon savings and loan associations in the future.

In neither the House nor the Senate did the proposal to create a Federal Savings and Loan Insurance Corporation meet any positive opposition and at the end of the debate the Senate voted to substitute the content of the Senate bill as H. R. 9620, under which number it was passed and sent to the Conference Committee.

Emerging in final form when the National Housing Act was signed on June 27, 1934, Title IV authorized the creation of the Federal Savings and Loan Insurance Corporation under the direction of a Board of Trustees consisting of the five members of the Federal Home Loan Bank Board, and empowered it to provide share-account insurance for members of savings and loan associations up to the maximum amount of \$5,000 for each insured-account holder in the institutions covered.

## Provisions for Financing

The capital of the Corporation in the amount of \$100,000,000 was subscribed by the Home Owners Loan Corporation in the form of HOLC bonds for which the Insurance Corporation gave a receipt in recognition of ownership. Income was to be derived from the return on investments and also from premiums until such time as the Insurance Reserve Fund would be equivalent to 5 percent of all insured accounts and creditor liabilities of insured associations. The rate of premium, which was originally set at  $\frac{1}{4}$  of one percent of all accounts of insured members plus any creditor liabilities, was retroactively reduced by law to  $\frac{1}{8}$  of one percent in 1935.

The Corporation was empowered to borrow money and to issue notes, bonds, debentures, or other such obligations upon terms and conditions determined by its Board of Trustees. An emergency means of acquiring funds was provided through the authorization of assessments on insured associations for the purpose of defraying operating expenses and covering losses to reserves. However, it has never been necessary to call for these assessments.

The first meeting of the Board of Trustees of the Federal Savings and Loan Insurance Corporation was held on July 16, 1934, at which time the formal drafting of the Rules and Regulations commenced. On September 29, about 3 weeks after the final drafting of the Rules and Regulations, the first 10 institutions were approved for insurance, thereby marking the fruition of plans to extend this form of protection to accounts in savings and loan associations.

# The Record of Insurance Operations

At the end of this initial decade, which spans the depths of economic stagnation and the peak levels of war production, the Corporation has outstanding a coverage of \$3,688,000,000<sup>1</sup> (estimated potential liability) on the accounts of 3,753,000 investors in 2,452 institutions throughout the country. Assets of insured associations now total approximately \$4,327,868,000, showing a gain of 11.5 percent compared with figures as of June 31, 1943, while during the 9 months the number of insured associations increased by 24, or 1 percent.

Reflecting the universal acceptability of the share-account insurance principle, the state-by-state distribution of insured associations and the apportionment of their assets follow closely the institutional and asset pattern for the savings and loan industry as a whole, the largest regional concentration of associations and assets extending in a consecutive belt of states from New York through Pennsylvania, Ohio and Indiana to Illinois, while California and Texas account for heavy proportions of the western and southern associations and their assets. The following map shows the distribution of insured associations and assets as of March 31, 1944.

Assets of the Corporation in these 10 years have expanded steadily from the original \$100,000,000 to \$149,848,608 on March 31, 1944. Of this amount, \$47,452,507 represents surplus and undivided profits which are almost entirely invested in readily marketable Government securities.

Economics, effected largely through the maximum utilization of facilities of the Federal Home Loan Bank Administration, have contributed greatly toward a healthy accumulation of reserves at an encouraging pace and at no time have operating expenses exceeded the current income on investments. For this reason it has been possible to apply virtually all premium income, as well as a portion of the return on investments, to the funds available for the protection of share-account holders of insured associations.

The average annual application of income to reserves, exclusive of the first 2 years of operations, has been in excess of \$5,360,000, or almost as much as has been charged off as losses against reserves during the entire 10-year period. As of March 31, 1944, the Corporation had for each dollar of capital, reserves and surplus, a potential liability of \$25.01.

<sup>1</sup> Figures as of March 31, 1944.

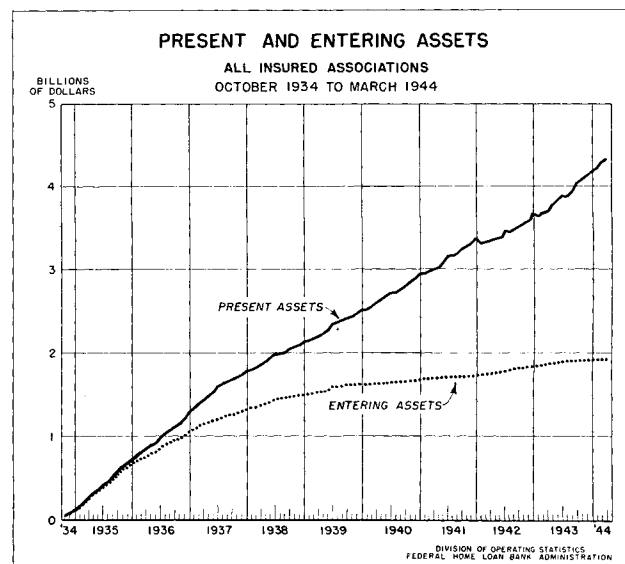
Of course, a large proportion of the assets of the insured institutions is also available to meet any contingencies, and it is inconceivable that a major proportion of the potential liability will ever become real.

## Trends Among Insured Associations

As shown in the accompanying chart, assets of insured associations have grown steadily since 1935. During the calendar year 1943, assets of insured associations increased by \$531,130,000, or 14.5 percent, to a total of \$4,182,728,000. Seventy-four new associations with assets totaling \$70,252,000 were insured in the year. From this it may be seen that only a small proportion of the increase in association assets during 1943 can be attributed to additional insuring operations.

On January 31, 1944, the latest date for which these figures are available, general reserves and undivided profits of all insured associations aggregated more than \$282,737,000, or approximately 6.7 percent of assets as compared with the 5.8 percent shown before the outbreak of hostilities in September 1939.

Net first mortgages held by all insured institutions at the end of 1943 amounted to \$3,009,025,000, or 72 percent of total assets, showing a proportionate decline from the 79-percent ratio of December 31, 1942, and 82 percent at the end of 1941. Correspondingly, Government-bond holdings and cash registered increases.



## Cases Handled

Federal savings and loan insurance has been operative for too short a period to give perspective to losses on a long-term basis, but the incidence of problem cases has been reassuringly small, particularly in view of the trend of failures in the savings and loan industry as a whole during the years of the Corporation's existence. The firmness and stability of insured associations are also indicative of the soundness of the supervision of the insurance program.

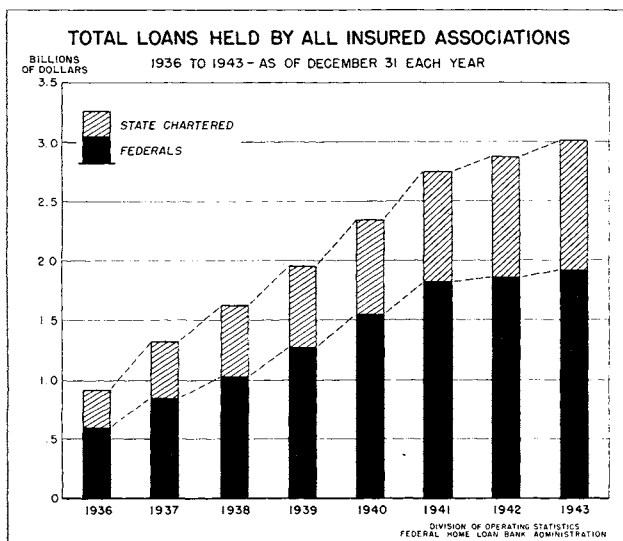
The Corporation's losses were incurred in a small group of associations which, for one reason or another, became subnormal, as explained in more detail below. As of March 31, 1944, an average of only 3.4 actual loss cases had been handled annually by the Corporation, which in terms of the year end average of 1,995 insured associations represents only one association in each 580, while the loss to the Federal Savings and Loan Insurance Corporation in the associations which needed financial assistance averaged about 9 percent of their assets.

Through March 31, 1944, a total of 37 associations had experienced difficulties apparently requiring corrective action by the Corporation. Two of these cases, one of which was previously considered as settled, were pending as of that date. Seven associations had been placed in liquidation, 27 had been handled by means of contributions and two had required no financial assistance. In each case in which a contribution was required, the advance made by the Corporation represented the minimum amount which would be necessary to remove the danger of default.

Sixteen of the 27 institutions to which the Corporation had made contributions were operating under recovery agreements, while four which had been functioning under such agreements had made final settlements; in seven cases no recovery stipulation was required.

Among those cases in which liquidation was necessary, impairment was due primarily to poor economic conditions, while excessive appraisals of owned or potentially owned real estate, inefficient or dishonest management, and misapplication of funds were contributing factors. These liquidation cases involved institutions with net assets at the time of liquidation totaling \$9,209,816, and an aggregate of 7,849 accounts in the amount of \$7,589,668. After allowance for offsets and adjustments, 7,694 accounts have received payment or are eligible to receive payment to the extent of \$6,706,842, or almost 90 percent of total share capital. Cumulative liquidating dividends varying from 35 to 97 percent have been declared on subrogated and uninsured shares, while the total of such dividends received by the Corporation amounted to \$3,460,127.

Gross contributions as of March 31, 1944 totaled \$5,174,797 against which recoveries of \$142,017 have been made, leaving net contributions of \$5,032,780. In addition, estimated losses of \$740,986 on receiverships, and contingent commitments of \$184,895 brought the estimated gross losses as of that date to \$5,958,661. This figure, however, is subject to further reduction as additional recovery payments are received and contingent commitments are removed by reason of improvements in the financial conditions of the institutions affected.



## Requirements for Eligibility

In the course of operations much careful study has been given to the establishment of proper standards of eligibility which would be safe from the standpoint of the Insurance Corporation as well as reasonable and fair from the point of view of the applicant institutions. As the Corporation was established in the depths of an economic depression, it was necessary then to assume a somewhat liberal attitude with respect to institutions in borderline condition. If their assets as reflected on their books proved to be sound under the test of appraisals, if their management and lending policies were acceptable, and if their prospects for profitable operations appeared good, their applications were approved. As may be seen by the small number of problem cases handled by the Corporation to date, most of these associations

insured were successful in liquidating or improving their problem assets and thereby vindicated the Corporation's confidence in them.

The more significant changes which have been made in the standards of eligibility constitute principally a tightening of requirements which is quite natural in the light of experience and the change in economic conditions. Judged by the latter factor alone, it would seem that few associations now in a borderline condition would appear justifiable as insurance risks.

In broad terms, the yardsticks by which the Corporation must measure applicants for insurance are: management, financial conditions, policies and future prospects. The last of these considerations makes it necessary to evaluate the over-all condition of home financing in the communities in which the respective applicants are situated, for although an institution may be currently sound, a congested and depressive atmosphere may jeopardize its future operations unless corrective measures are taken.

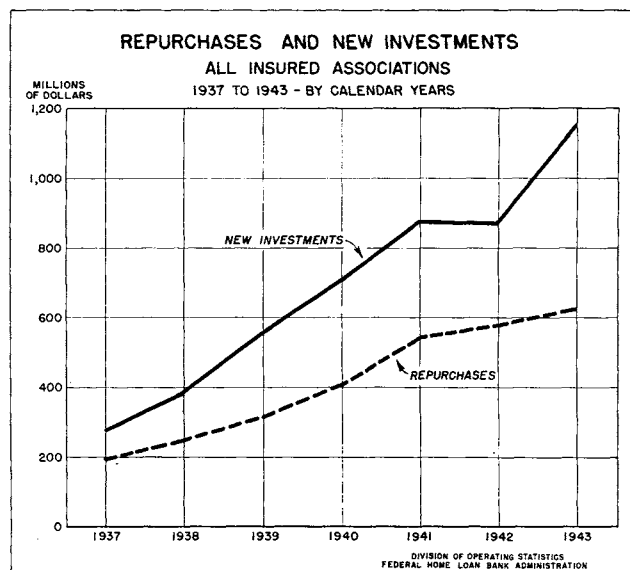
### Community Programs

Therefore, it is the policy of the Federal Savings and Loan Insurance Corporation to process applications in certain areas not on an individual association basis alone, but also as part of a community-wide program. Experience has proved that in problem areas it is definitely more advantageous to operate in this manner rather than on a piecemeal basis which would ignore an over-all rehabilitation of other local thrift and home-financing institutions. Furthermore, it is to the advantage of the community to develop a well-balanced group of associations with resources adequate for local needs and to eliminate the stagnation which results from the existence of those which cannot be economically operated.

However, these programs are not undertaken by the Corporation on its own initiative, for they are the primary responsibility of state supervisory authorities who assume their direction and control local rehabilitation efforts.

Several community-wide operations of this type in which the Corporation has participated already have been completed, notable among which are those in Altoona, Pennsylvania, and Milwaukee, Wisconsin, while others are nearing completion.<sup>1</sup> The plans for practically all of these programs involve the reorganization of a large number of insti-

<sup>1</sup> See "Savings and Loan Rehabilitation in New Jersey," FHLB REVIEW November 1943, p. 33.



tutions which would otherwise be unable to function normally. Institutional reorganizations, though, are by no means restricted to those localities in which community-wide programs are undertaken.

### Types of Reorganization

Three separate types of reorganization have been effected incidental to the extension of insurance by the Corporation: (1) segregation of assets, (2) write-down of capital, and (3) strengthening of the association's reserves through a pledge of shares.

The segregation-of-assets procedure involves the division of an association's assets into acceptable and unacceptable groups with a corresponding division of liabilities. In the earlier days the assets marked for liquidation were transferred to liquidating trustees or corporations chartered for this purpose. However, about 1937, many associations which were forced to undergo reorganization transferred their good assets to new associations which were organized for that purpose and which immediately received insurance and undertook normal operation while the old associations retained the unacceptable assets and went into a form of liquidation.

The write-down of share capital is a comparatively simple means of reorganization which the Corporation has favored where it does not exceed 15 to 20 percent of outstanding capital. Frequently, this write-down has not exceeded more than the dividends declared during the preceding 2 or 3 years.

The pledged-share method of reorganization has been used where the margin of free reserves is too narrow in relation to the quality of assets. Generally the required pledge is proportionately small and can

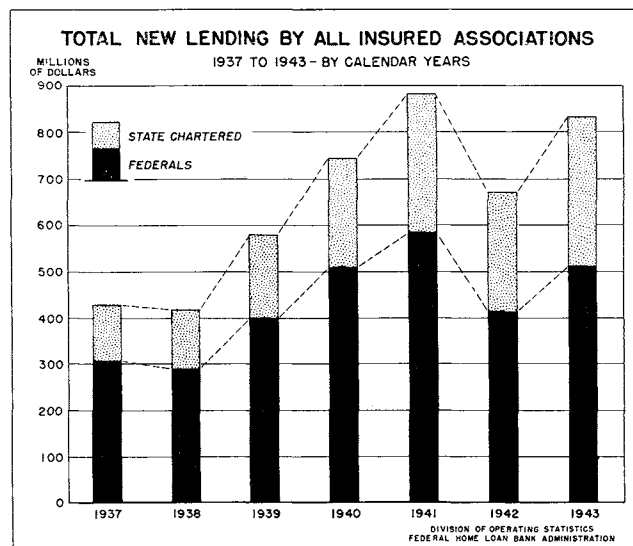
be accomplished by a pledge of the holdings of directors and officials without approaching the main body of shareholders.

### The Present Picture

To savings and loan management, the status of the Federal Savings and Loan Insurance Corporation after 10 years of operation is important inasmuch as it reflects the condition of a significant factor available for the protection of investors and therefore of the industry. Although the Corporation was instrumental in wedging up a sagging economy through the restoration of confidence in savings and loan associations, it has not yet had the experience of riding out a complete period of slackening activity from the beginning to the end. In starting at the bottom, or close thereto, it was able to select its risks among institutions, the soundness of which had been judged by examination after having weathered a good part of the worst economic storm the country had ever known.

Now the Insurance Corporation is a going institution, accumulating reserves from premium income and the return on its investments. The problem today is: To what extent may these associations be expected to make demands upon the resources of the Corporation in the future and what "time pattern" are such demands likely to assume.

The Corporation has through careful study been attempting to read the signposts of the future that it may put its house in order for any eventualities. Naturally, the demands which will be made upon it in years to come will depend upon the losses of insured associations. Thus, to the extent that prepa-



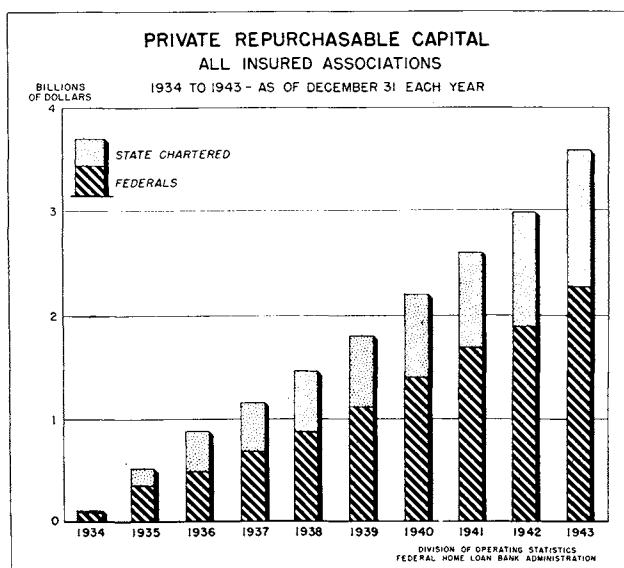
rations by these associations for possible contingencies harmonize with those of the Insurance Corporation, the better will all be prepared to assure both the safety of the associations and the success of the share-account insurance function.

Insured savings and loan associations as a group are now in the best condition of any similar size group of associations, taken in terms of management, general reserves (which average almost 7 percent of assets), owned real estate and liquid position. Statistics compiled over the entire period of the life of the Corporation show that the entering assets of insured institutions have tended to better than double, while during the 12-month period ended March 31, 1944, these institutions reported a ratio of repurchases equivalent to 55 percent of new money invested as against ratios of 71 percent for uninsured members of the Federal Home Loan Bank System and 74 percent for nonmembers.

The ability of the Insurance Corporation to cope successfully with any severe financial stresses of the future rests primarily upon the basic soundness of the savings and loan system itself and secondarily upon the Corporation's \$150,000,000 of assets and its annual income of nearly \$8,000,000. This first condition is fundamentally necessary to the success of the insurance principle which must rely upon sufficient survival and the economic operation of its risks to contain its losses on claims and contributions within the limitations of the insurer's resources.

Now in particular, when savings and loan management is assaying the soundness of its position with a view to surmounting the problems to come and to

*(Continued on p. 288)*





# A REPORT ON WAR HOUSING PROGRESS AND A LOOK TO THE FUTURE

*In this report Mr. Blandford presents an analysis of the problems involved in winding up the war-housing program and in preparing for the transition to and planning for the post-war period.*

By JOHN B. BLANDFORD, JR.  
*Administrator, National Housing Agency*

■ IN most of the nation's war production areas, the housing needs created by the mass migration of essential war workers have been met. War production in most lines has reached or is reaching the peak levels necessary for victory. And the housing supply needed to bring war workers to the job and keep them on the job is, in most areas, available and occupied.

At a few points, notably on the West Coast, additional war housing needs are developing. While over-all production is near a peak, changing needs from the battlefronts are calling for expanded output of certain items of equipment, just as military demands for other items are subsiding. Some of these upward adjustments require additional recruitment of outside workers, and thereby add to the housing need. Furthermore, replacement of workers entering the armed services frequently increases the housing demand since many families of servicemen will continue to occupy their present homes. To meet these remaining needs, about 250,000 war housing units are under construction or scheduled.

Back of this last segment of the war housing construction job is a supply of 1,600,000 war housing units which have been completed through the joint efforts of private industry and public agencies since the start of the housing emergency in the summer of 1940. About three-fourths of these units have been built since Pearl Harbor. With the cooperation and support of communities, another 2,000,000 accommodations for incoming war workers have been secured through intensive use of the existing housing supply in war areas, not only saving impressive amounts of critical materials but minimizing the threat of serious wartime overbuilding of hundreds of American cities and towns.

With the most critical phase of the war housing construction job now behind us, there are four big housing tasks ahead:

Effective utilization of the war housing supply in the best interests of the war effort.

Continued construction of wartime housing, to the extent that materials are available, in order to relieve acute housing congestion springing from other causes than the migration of essential war labor and to keep a core of the housing industry in operation.

Prompt action to clear the way for post-war housing by moderating or lifting war-housing regulations as rapidly as wartime conditions permit, and by planning the disposition of publicly financed war housing in accordance with war requirements, community needs, and orderly demobilization.

Intelligent planning by communities, the housing industry and the Federal Government for greatly expanded operations after the war to meet the large pent-up need for new housing and to provide a growing source for jobs, investments, and production.

## Utilizing the War Housing Supply

The war-housing program has been geared to the sharply expanding manpower needs of direct war industries and related war activities, which now employ approximately 21,000,000 workers. Almost one-fifth of these war workers have had to be provided for either in existing housing or in new projects and these needs have arisen in approximately 1,000 separate war industry areas.

Because of the pressing demands for materials and manpower to produce the weapons of war, it has been necessary to tightly limit war-housing construction. The War Manpower Commission, war procurement agencies, industries, and labor organizations have had to study continuously the labor needs of each area, estimate how many workers could be supplied locally, and advise the National Housing Agency as to the necessary recruitment of outside labor. The NHA in turn has had to study the existing housing supply of every war area, to assure its maximum use for incoming war workers—and then determine the need for new housing.

All this has had to be done months in advance and with constant adjustment because of shifting war production schedules resulting from changing war strategy and battle experience.

In most areas, war housing is being fully utilized. For the nation as a whole, at least 93 percent of the family dwellings in projects completed for three months or more are occupied. In some areas, however, the actual needs of war industries for outside labor have been considerably less than anticipated, because of production cutbacks, contract cancellations, improved labor and plant efficiency, delays in recruitment drives, or comparable factors. While the NHA makes every effort to adjust local war-housing programs to such developments prior to the start or completion of construction, the impact of these unforeseeable factors is causing some vacancies in war-housing projects—just as some war plants are not being used to capacity.

To assure the best use of war housing in the interests of the war effort, NHA regional offices have full authority to adjust local programs:

Where recruitment campaigns are under way for local war industries, vacant housing is reserved for the new workers. The availability of completed housing is increasingly important to successful labor recruitment.

Where there is evidence that future war developments might require expanded employment in the war plants served, vacant publicly financed war housing may be held in standby status, as a margin of safety against such war contingencies.

Where it is clear that the war-housing supply exceeds the present and prospective needs of immigrant war workers, occupancy may be extended to military personnel and their families, resident war workers, the families of servicemen, returning veterans, or to the public at large, depending upon local conditions. If there are vacancies in both privately financed and publicly financed projects, occupancy restrictions are lifted first on the private projects.

Where there is no further residential use in the locality for movable publicly financed war housing, it is shifted to other areas to meet war needs. Already, 4,500 family dwellings and 3,000 dormitory accommodations are being re-used in this manner. Temporary projects for which no further war use is found will be demolished, and the materials and equipment salvaged.

The main impact of vacancy problems springing from adjustments in war production and manpower

bears on temporary publicly financed war housing. These temporary projects, built at an average cost of \$2,700 to \$2,800 per family dwelling, including sites and utilities, were specifically planned to meet emergency needs and to be demolished after war demands had subsided.

Privately financed construction and conversion, accounting for 56 percent of all units and 64 percent of all family dwellings built under the war housing program, has been programmed where there was definite evidence of a continuing market for the housing after the war. Because it is keyed to long-term needs, privately financed war housing involves little or no wartime vacancy problems.

### **Outlook for Wartime Housing Construction**

While the large construction program to meet the needs of essential war labor migration is nearing completion, there are other types of serious wartime housing needs which it has not been possible to satisfy because of limited supplies of materials and manpower. It has not been possible to build for other sizable shifts in wartime population, particularly the movement of families of military personnel. Neither has it been possible to build for the normal increase in population or the normal increase in number of households, or for resident workers living under crowded conditions. The result is serious congestion in many communities.

Materials and particularly lumber are not currently available for construction to alleviate this congestion. However, the WPB and NHA have already agreed on the basic framework for such construction and the NHA is establishing the necessary procedures to permit a prompt start as soon as the materials situation permits. This would help ease at least some of the most critical problems of congestion and keep a core of the building industry in operation and ready for rapid expansion during the reconversion and demobilization period.

### **Unwinding the War Housing Program**

In housing as in all other basic industries, wartime regulations have been necessary in order to concentrate activities on essential war objectives. To meet these requirements, it has been necessary to program housing in specific amounts for specific war industry areas, to establish regulations reserving the occupancy of war housing to eligible war workers at rents and sales prices within their incomes, and to set up clear-cut rules as to the use of materials and equipment.

The National Housing Agency's objective has been to limit wartime housing regulations to the minimum necessary to establish the rules of the game and to help win the war; to achieve the maximum simplicity, clarity and flexibility, and to maintain as great a degree of stability and certainty in operating conditions as possible under the shifting conditions of a war economy. And it is the NHA's definite policy to unwind these regulations as rapidly as wartime developments permit.

In any area where it is clear that the critical war need has passed—and will not return—the NHA will promptly lift its controls over the occupancy and disposition of privately financed war housing. Wherever the immigration of war labor drops below anticipated levels, the NHA promptly opens up available housing to other workers. In cooperation with the War Production Board, the NHA has simplified the process whereby materials are made available for war housing, and will seek prompt adjustment of rules controlling the use of materials and equipment whenever the supply situation justifies.

Finally, the NHA favors discontinuing federal programming of local housing as soon as materials and manpower are again sufficiently plentiful for unrestricted production of peacetime goods.

The NHA's objective in unwinding war housing regulations will be to keep the housing market as flexible as is possible without detriment to wartime needs, in order that construction of new peacetime housing can revive rapidly after the war. To pave the way for healthy peacetime markets, it is also necessary to plan carefully for the disposition of federally owned war housing.

Congress has already given the National Housing Agency broad powers for the orderly disposition of war housing. It has directed that temporary war housing be removed within two years after the war, subject to limited exceptions. The NHA has established procedures to carry out this policy, and will proceed with the demolition of temporary projects even prior to the end of the war in cases where there is no further wartime need for the housing and no alternative wartime use. This temporary housing is strictly a wartime commodity and for reasons of economy has been built below acceptable standards for permanent housing. It must not be allowed to become a drag on post-war housing markets or a source for future slums.

The NHA is also preparing to carry out the disposition of federally owned war housing suitable for long-

term use in strict accord with the policies and directives laid down by Congress. Permanent projects built by the Defense Homes Corporation are now available for purchase by private interests, and the sale of one large project has already been arranged at a price in excess of the Government's net investment. Projects built under the wartime amendments to the U. S. Housing Act will be absorbed in local low-rent housing programs after the war. Disposition of other permanent war housing will be approached by the NHA on the basis of full consultation with community interests and careful appraisal of real-estate market conditions, community housing needs, and the best interests of the Federal Government.

### Preparing for Post-War Housing

While the war housing job must continue to have top priority on the time of the housing industry and the National Housing Agency, increasing attention must also be given to the equally challenging task of preparing adequately for full development of American housing resources after the war.

There is widespread recognition that the nation as a whole is badly underhoused in the sense that the supply of housing is inadequate for the increasing number of households and that millions of families are now living in slums or other inadequate housing far below acceptable American standards. There is also a growing expectation that the production of new housing and the rehabilitation of old housing can become one of the leading industries in the drive for full employment and full production after the war.

The National Housing Agency is joining with representatives of communities, private industry and labor in canvassing ways and means of achieving full development in housing after the war. In its contacts with these groups, the NHA is proceeding on four major premises:

That peacetime housing is primarily a community responsibility.

That the production and financing of housing in the communities is primarily a responsibility of private enterprise.

That all needs must be met and that it is the job of Government—local, state, and federal—to assist private enterprise and to pick up where private enterprise cannot meet the need.

That the Federal Government's role is one of broad national research and financial assistance to private enterprise and to communities; Federal responsibilities in housing stem from the

*(Continued on p. 275)*

# THE CONSTRUCTION INDUSTRY—ITS POST-WAR CAPACITY AND PLACE IN RECONVERSION

*The construction industry is naturally adapted to undertake an important part in the coming reconversion to a peacetime economy.<sup>1</sup> Its probable capacity during the first year after the war has been placed at \$11,000,000,000 with manpower being the principal factor. What do these conclusions imply for home financing?*

■ Planning for the post-war period by private and public groups alike almost invariably relies upon the construction industry to play a major role in providing a large volume of work, both in the transition to peacetime production and in the years thereafter. To home-financing institutions which depend so heavily upon building activity to provide investment outlets, the capacity of the construction industry to measure up to the task before it assumes the greatest importance. To the extent that this post-war activity involves new home building, and the repair and reconditioning of residential properties, lenders may anticipate a revival of home-mortgage financing. In developing their post-war plans, it is of particular importance that these credit institutions devote a full measure of their attention to the period of reconversion, for the attainment of their long-range goals is largely contingent upon the successful solution of the many problems the transition will present.

With the beginning of war in Europe, American industry faced a major problem of conversion. As it addressed itself to the task of tooling up in machinery and equipment as well as over-all plant expansion, total employment slackened somewhat, rising sharply as industry hit the tempo of its wartime stride. Just as it did then, so will industry again face major problems of conversion as materials, plant equipment and labor force become available for the production of civilian goods. This reconversion will be carried on, though, under circumstances quite different from the change-over to war production. The Government will no longer be the number one buyer; manufacturers will be confronted with problems of contract cancelation and renegotiation, and civilian markets which will reflect the influences of backlog demand and pent-up savings will be affected by the counter-current of declining pay-rolls.

The recession of Government buying and the adjustment of war contracts will all be worked out in

<sup>1</sup> Based on "Post-war Capacity and Characteristics of the Construction Industry," *Monthly Labor Review*, May 1944, pp. 913-927.

time, but definite planning of a more comprehensive character is needed to minimize unemployment, both of the temporary variety due to reconversion and of the more sustained type which may arise from the interaction of a multitude of causes.

## Post-War Capacity

The importance of the construction industry in the post-war period arises from its position as the largest non-farm source of employment and from the demand for such work. The adaptability of the industry to the particular needs of the era of transition stems from its traditional elasticity and demonstrated capacity to produce. The combined influence of the latter two attributes is reflected in recent estimates by the Department of Labor that within one year after the cessation of hostilities industrial capacity, under favorable conditions, could be sufficient for an annual volume of construction of \$11,000,000,000.<sup>2</sup>

This estimate of capacity is based upon an evaluation of four controlling factors: organizational and operational flexibility, plant and field equipment, materials, and labor.

In the course of its normal operation, the building industry has had to acclimate itself to sudden expansions and contractions as necessitated by both seasonal and market conditions. The ability to respond to demand upon extremely short notice has many times spelled the difference between success and failure. For contractors, both general and special-trade, operations ordinarily consist of a series of separate projects (each of which expands quickly to peak activity within its own distinctive pattern) and production is usually governed by the number of contracts on hand. The lack of standardization in the building industry has made interim production in anticipation of future contracts almost impossible.

<sup>2</sup> This is based upon assumptions that Germany will be defeated before Japan; that the Asiatic phase of the war will not place such heavy demands on industry; and that the release of industries from war production will be governed by considerations of their importance to the civilian economy and to industrial preparations for the post-war period.

Builders' activities are typified by a greater speculative element since they construct in their own names with a view to sale before or shortly after completion, but the principle of flexibility holds the same significance for them as it does for the contractors. Thus, around a nuclear organization, operators are accustomed to assembling immediately an effective working force to perform either a spot job or series of such jobs, reducing the force to a minimum until additional demand calls for another expansion. Therefore internal problems of growth should not delay post-war production. Both contractors and builders generally have sufficient plant or other equipment and need only to attract personnel in volume, which they are accustomed to doing as a practice of their trade.

### Equipment and Material Supplies

The present supply of equipment is sufficient to support an estimated rate of construction of \$12,000,000,000 and it is expected that it will remain so. According to the Department of Labor, the age and condition of equipment will present some difficulties during the early months after the war, if no prior improvement is possible. However, this is not expected to affect the potential volume as determined by the other three factors since it is likely that repair parts and replacements will be more readily accessible after the defeat of Germany and additional equipment should be available shortly after the termination of hostilities with Japan. If the construction-machinery industry were to maintain its wartime production levels after military purchases cease it would be able to replace the entire civilian inventory within about 2 years.

After the war, building materials may be subject to transitory limitations caused by reconversion and inventory problems. However, as these difficulties are overcome, it is expected that all materials with the exception of lumber and plumbing fixtures will be available in sufficient quantities to support a construction volume of \$15,000,000,000 annually. The supply of plumbing fixtures probably will not be enough for a program of more than \$12,000,000,000 a year, but production in this line may show an appreciable post-war gain. On the other hand, any increase in the supply of lumber will be dependent upon the rate at which logging equipment can be replaced and skilled labor can be reacquired.

Fabricated metal products are about the only lines in which genuine transitional problems are anticipated, while inventory difficulties in the re-

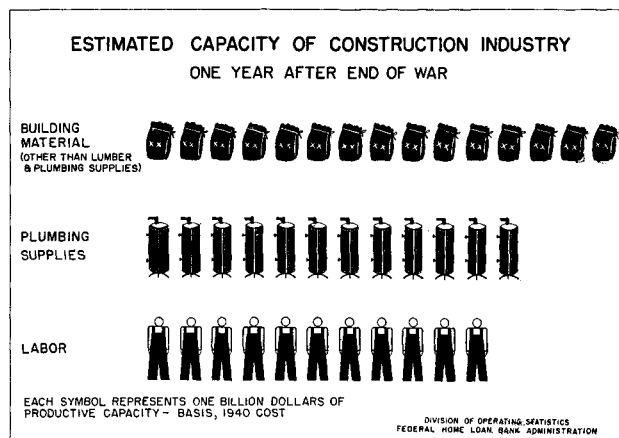
conversion period are more likely to be acute among those materials which have shown the sharpest wartime price gains. Inventory depletions have been the greatest in lumber and fabricated metal products and it is believed that the rate of restoration will be the lowest for such equipment as electrical fixtures and supplies. Unless precautionary measures are taken, both production and purchase for inventory purposes may be retarded in a number of lines.

### Labor Force

Although less is known about the supply of construction labor than is known about the other factors, data available indicate that there are enough workers at hand now, if employed steadily, to perform an annual volume of construction of approximately \$8,750,000,000. This calculation is based on 1,650 man hours per year or the equivalent of 50 weeks a year at 40 hours a week minus time lost for bad weather.

According to the Census of Occupations, taken in 1940, slightly over one-half of the construction mechanics, representing the more skilled segment of the force, were beyond the maximum age for military service. Although construction laborers as a group had a larger proportion of younger men, this is not expected to present a critical limitation as the period of apprenticeship is comparatively short. Thus, as demobilization progresses, it should be possible on the basis of manpower to increase productivity to an annual volume of \$11,000,000,000 within the first year after the war.

Therefore, the post-war prospects for construction have been considered from the standpoint of over-all industrial capacity as based on estimates by the Department of Labor. To what extent may this



potential volume represent new non-farm residential building?

### Proportion of Residential Construction

Experience has shown that over the course of an entire building cycle private non-farm residential building averages approximately 35 percent of all construction, exclusive of maintenance, repairs and work relief. Naturally the relationship is a fluctuating one, and within the interval between this war and World War I the proportion ranged from slightly more than 17 percent to almost 47 percent, tending to be greater when employment is increasing. Hence the ratio of private housing to total construction might reasonably be expected to increase as employment regains whatever stature is lost through a cessation of war production. Also, as the Nation approaches its goal of post-war productivity, the total volume of construction will probably be expanding.

If new non-farm residential building during the first year following the war should amount to 30 percent of the total volume of construction, it could reach a level of about \$3,300,000,000 on the basis of 1940 costs, were a maximum utilization of the industry's resources achieved. If new home construction in the following years measures up to the estimated annual need for 1,100,000<sup>1</sup> family-dwelling units, predominantly financed by private capital, this would place the dollar volume at approximately \$5,000,000,000 (assuming an average cost, exclusive of land of about \$4,500), or 33½ percent of all construction, provided lumber and plumbing fixtures could be brought abreast of other building materials to support an over-all level of \$15,000,000,000.

Naturally, any estimate of the adequacy of industrial capacity to meet estimated post-war housing needs can be based only upon a general "rule of thumb" measurement. With this qualification in mind, it is interesting to note that the proportion of estimated need to post-war industrial capacity, as limited by the element of material, is slightly less than the ratio of privately financed new residential construction to the total of all types over the 17 years prior to the outbreak of war in Europe—33½ percent as compared with slightly more than 35 percent in the pre-war building cycle. However, during those previous years total construction, exclusive of

<sup>1</sup> Preliminary estimate of over-all annual housing need made by the National Housing Agency, Testimony of John B. Blandford, Jr., Administrator, NHA, before the Committee on Public Buildings and Grounds, House of Representatives, February 17, 1944.

maintenance and work relief, never attained much more than \$11,000,000,000, the difference between this figure and the estimate of industrial capacity, exclusive of transitory manpower limitations, probably being accounted for by the fact that all of the components never reached their peaks simultaneously.

As the 1926 peak in residential building amounted to almost 47 percent of all construction in that year, it would seem that the probable post-war capacity of the industry would be adequate to handle what may reasonably be expected in the way of housing demands in the years immediately following the war.

There is industrial plant and there is need, but when wartime restrictions are lifted need must be translated into effective demand before production is increased. To a limited extent, accumulated savings can serve this purpose of giving voice to need, particularly in the transition to peacetime production. The long-term demand, though, will be largely dependent upon the rate at which depletions from savings may be replaced by earned income, for a sustained market relies basically upon sustained employment at a commensurate level.

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### Savings for Post-War Goals

■ DESPITE higher taxes and living costs, individual incomes after taxes are continuing considerably in excess of the supply of goods and services, according to the Federal Reserve Board. Principally due to wartime controls over prices and distribution as well as a growing thrift consciousness, this surplus amounted to approximately 27 cents out of every dollar of income after taxes. "Cash, bank deposits, and Government security holdings of individuals and unincorporated businesses have increased by about 70 billion dollars in the past 3 years."

That individuals are saving with post-war goals in mind is indicated by a survey conducted by the National Association of Mutual Savings Banks. This study, which covered the 17 states in which these banks operate, showed that, aside from the 43 percent of depositors who were saving for general "future needs and opportunities," 13 percent planned to buy or build a home and 8 percent intended to refit their present homes with these funds. Educational opportunities for their children was the goal of 11 percent of these savers, while 9 percent of them were earmarking the money for new cars.

# ★ ★ ★ WORTH REPEATING ★ ★ ★

## **FIGHT DANGERS, NOT WINDMILLS:**

"Low dividends have never caused . . . any association to become involved. Obviously, high dividends have caused plenty of trouble . . .

"No association ever closed its doors because it had too many Government bonds or too much cash . . .

". . . The great majority of associations which have gotten into trouble did so because of inaccurate appraisals, not inaccurate titles, so why not pay more attention to the thing that has caused the most trouble and still be careful about the question of title which has caused us little trouble.

". . . Instead of limiting the flow of local savings to our institutions I would like to suggest that we consider lowering our dividends. A lower dividend would do one of two things: it would slow up the influx of new money or it would help us build up our reserves, or perhaps both (no harm done) . . .

"No association has ever been embarrassed because of too much in the way of reserves . . .

"No association ever closed its doors because it was too liquid . . .

"No association has ever become involved because of the better grade of loans; it is the lower grade that has always given trouble . . .

"So let us stop worrying about the things that are relatively unimportant, namely: lower dividends and growth in savings and investment share accounts, and think a lot more about the things that mean everything, namely: the value of the security behind our mortgage portfolio and the kind of service we render to the public."

Charles L. Clements, President,  
Chase Federal Savings and Loan  
Association, Miami Beach, Florida,  
"Present and Future Operating  
Policies."

## **MORE AND SOUNDER MORTGAGES:**

"Interest now in home building and home buying is one of the factors indicative of a bright outlook for post-war realty, especially in the field of one-family houses which is expected to contain the bulk of post-war residential construction.

". . . Financial institutions should be particularly interested in any plan to stimulate post-war home building. It is through such planning that more

and sounder mortgage loans will be made available, communities will be better developed, and the field for banking services will be broadened."

*The Burroughs Clearing House,  
May 1944.*

## **BUILDING CODES AND MARKET-**

**ABILITY:** "The marketable quality of the physical security for mortgages may be affected in two important ways by building codes. Where codes contain requirements that exceed adequate construction standards, these requirements add no value to properties. The additional cost imposed by these requirements may restrict the size of dwellings and the use of fittings and equipment that would improve the value and marketability of the properties. Conversely, building code standards may be inadequate to assure mortgage physical security of sound structural quality and continuing desirability to possible future purchasers."

Howard P. Vermilya, *Insured  
Mortgage Portfolio*, First Quarter  
1944.

## **SOUND LOANS IN THE FUTURE:**

"We should realize that the stream of normal building has been dammed up by wartime restrictions and that when this stream is further swollen by the demands of those returning from the armed services and from war plants, it is likely to reach flood proportions and the impact of this demand on the real estate market will be tremendous.

"Let's try to guide the development of our residential areas and to eliminate as far as possible 'jerry' building and promiscuous developments without regard to location, schools, transportation and utilities. On our success along these lines will depend the volume of sound loans available in the future."

*Federal Home Loan Bank of Little  
Rock Bulletin*, May 18, 1944.

## **CHALLENGE OF TOMORROW:**

"Probably the most pressing problem of today for financial institutions is the challenge of tomorrow. Conservative, since they are trustees for other people's money, and having much at stake in the form of pre-war investments, they must be especially alert to the needs of rapidly changing social con-

ditions. Safety will not be achieved simply by holding fast to the anchors of yesterday but by adjusting the financial processes to the need of the new day.

"The decade of the thirties proved the necessity for flexibility in the financial structure. In the years ahead financial institutions must respond with the type of service which is demanded, rather than to attempt to mold the industrial or production pattern to conform to existing financial practice. Merely to coast on an established record of achievement will mean slow decline, but alertness to the problems of investment and housing of tomorrow will mean an expansion of your position in the field of savings and home financing."

William H. Husband, before the  
New York State League of Savings  
and Loan Associations.

## **POST-WAR BOOKSHELF**

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

*POST-WAR PLANNING:* Hearings before the Committee on Public Buildings and Grounds (Lanham Committee), House of Representatives, 78th Congress, November 23 through March 2, 1944: 754 pp. Available from Superintendent of Documents, Government Printing Office, Washington 25, D. C.

*MIDDLETOWN—TESTING GROUND FOR CONNECTICUT POSTWAR PLANNING:* 1944. 32 pp. Available from Connecticut Public Expenditure Council, Hartford, Conn.

*HOUSING FOR THE UNITED STATES AFTER THE WAR:* May 1943. Available at 50¢ from National Association of Housing Officials, 1313 East 60th Street, Chicago 37, Ill.

*POSTWAR PLANS OF THE UNITED NATIONS:* By Lewis L. Lorwin. 1943. 319 pp. Available at \$2.50 from The Twentieth Century Fund, 330 West 42nd Street, New York 18, N. Y.

# HONOR ROLL OF WAR BOND SALES

■ THE Fifth War Loan, largest financing operation of all time, will have come to an end by the time this REVIEW is published. At press date no final figure was available but a preliminary total of \$13,235,000,000 for sales through June indicated excellent progress toward the two goals set for this drive—\$6 billion in sales to individuals and an over-all goal of \$16 billion.

## Bond Activity in May

Sales by savings and loan associations during May slumped for the third successive month since February which included part of the Fourth War Loan drive. Only four districts, Topeka, Chicago, Cincinnati, and Pittsburgh, reported increased sales. The May total—\$11,693,000—represented a decline of \$1,231,000, or 9.5 percent, from the April volume of sales.

Reversing the usual trend, purchases by member associations during May fell appreciably below the sales volume. The Boston District was the only one to show purchases of bonds to be higher in May than April. The total of \$11,040,000, which was \$653,000 less than sales, represented a decrease of \$5,364,000 from April purchases. Anticipation of the Fifth War Loan in June probably accounts for the unusually small volume of purchases. The cumulative total since January 1943 now stands at \$1,044,615,000.

The decline in sales and purchases was reflected in the number of associations reporting May bond activity—only 2,499 compared with 2,544 in April. The *Honor Roll*, also, shrank from 151 in April to 123 in May.

## Fifth War Loan Report

No *Honor Roll* will be published in August. Instead, the September REVIEW will contain a special *Fifth War Loan Honor Roll* which will present a report including savings and loan bond-selling activity during the entire campaign. As announced in May, this will be based on sales equal to 10 percent of assets of member institutions. The period covered in the September issue will include sales reported during June and July.

### NO. 1—BOSTON

Bristol Federal Savings and Loan Association, Bristol, Conn.  
East Hartford Federal Savings and Loan Association, East Hartford, Conn.  
Taunton Co-operative Bank, Taunton, Mass.  
Windsor Federal Savings and Loan Association, Windsor, Vt.

### NO. 2—NEW YORK

Berkeley Savings and Loan Association, Newark, N. J.  
Boiling Springs Savings and Loan Association, Rutherford, N. J.  
Cranford Savings and Loan Association, Cranford, N. J.  
First Federal Savings and Loan Association, New York, N. Y.  
First Federal Savings and Loan Association, Rochester, N. Y.  
Maywood Savings and Loan Association, Maywood, N. J.  
Reliance Federal Savings and Loan Association, Queens Village, N. Y.

### NO. 3—PITTSBURGH

Alvin Progressive Federal Savings and Loan Association, Philadelphia, Pa.  
Brentwood Federal Savings and Loan Association, Brentwood, Pa.  
Burton C. Simon Building and Loan Association, Philadelphia, Pa.  
First Federal Savings and Loan Association, Logan, W. Va.  
First Federal Savings and Loan Association, Wilkes-Barre, Pa.  
Investment Building and Loan Association, Altoona, Pa.  
Matoaca Building and Loan Association, Philadelphia, Pa.  
Mid-City Federal Savings and Loan Association, Philadelphia, Pa.  
Montour Valley Savings, Building and Loan Association, Imperial, Pa.  
North Philadelphia Federal Savings and Loan Association, Philadelphia, Pa.  
Somerton Building and Loan Association, Philadelphia, Pa.  
St. Edmond's Building and Loan Association, Philadelphia, Pa.  
United Federal Savings and Loan Association, Morgantown, W. Va.  
West View Building and Loan Association, West View, Pa.

### NO. 4—WINSTON-SALEM

Asheville Federal Savings and Loan Association, Asheville, N. C.  
Atlantic Federal Savings and Loan Association, Baltimore, Md.  
First Federal Savings and Loan Association, Cordele, Ga.  
First Federal Savings and Loan Association, Decatur, Ala.  
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, Montgomery, Ala.  
First Federal Savings and Loan Association, Phenix City, Ala.  
Fort Hill Federal Savings and Loan Association, Clemson, S. C.  
Gate City Building and Loan Association, Greensboro, N. C.  
Hamlet Building and Loan Association, Hamlet, N. C.  
Home Building and Loan Association, Easley, S. C.  
Home Building and Loan Association, Spray, N. C.  
Lexington County Building and Loan Association, West Columbia, S. C.  
Lithuanian Federal Savings and Loan Association, Baltimore, Md.  
Mutual Building and Loan Association, Martinsville, Va.  
Perpetual Building and Loan Association, Anderson, S. C.  
Southern Pines Building and Loan Association, Southern Pines, N. C.  
Tifton Federal Savings and Loan Association, Tifton, Ga.  
Tryon Federal Savings and Loan Association, Tryon, N. C.  
Virginia Beach Federal Savings and Loan Association, Virginia Beach, Va.

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

[Dollar amounts are shown in thousands]

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



NO. 5—CINCINNATI

Brookville Building and Savings Association, Brookville, Ohio  
Citizens Federal Savings and Loan Association, Dayton, Ohio  
Eagle Savings and Loan Association, Cincinnati, Ohio  
Fidelity Building Association, Dayton, Ohio  
First Federal Savings and Loan Association, St. Bernard, Ohio  
Fulton Building and Loan Association, Fulton, Ky.  
Home Builders Loan and Savings Company, Cincinnati, Ohio  
Home Federal Savings and Loan Association, Cincinnati, Ohio  
Mutual Federal Savings and Loan Association, Sidney, Ohio

NO. 6—INDIANAPOLIS

Buchanan Federal Savings and Loan Association, Buchanan, Mich.  
First Federal Savings and Loan Association, Michigan City, Ind.  
Griffith Federal Savings and Loan Association, Griffith, Ind.  
Logansport Building and Loan Association, Logansport, Ind.  
Marshall County Building and Loan Association, Plymouth, Ind.  
Peoples Federal Savings and Loan Association, Monroe, Ind.

NO. 7—CHICAGO

Abraham Lincoln Savings and Loan Association, Chicago, Ill.  
Avondale Building and Loan Association, Chicago, Ill.  
Central Federal Savings and Loan Association, Milwaukee, Wis.  
Columbus Federal Savings and Loan Association, Columbus, Wis.  
Community Building and Loan Association, Milwaukee, Wis.  
East Side Federal Savings and Loan Association, Milwaukee, Wis.  
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 Federal Savings and Loan Association, Lansing, Ill.  
Grand Crossing Savings and Building Loan Association, Chicago, Ill.  
Kinnickinnic Federal Savings and Loan Association, Milwaukee, Wis.  
Lawndale Savings and Loan Association, Chicago, Ill.  
Merchants and Mechanics Building and Loan Association, Springfield, Ill.  
Merrill Federal Savings and Loan Association, Merrill, Wis.  
Mt. Vernon Loan and Building Association, Mt. Vernon, Ill.  
Narodni Savings and Loan Association, Chicago, Ill.  
New City Savings and Loan Association, Chicago, Ill.  
New London Savings and Loan Association, New London, Wis.  
Ogden Federal Savings and Loan Association, Berwyn, Ill.  
Peoples Savings and Loan Association, Milwaukee, Wis.  
Prairie State Savings and Loan Association, Chicago, Ill.  
Reliance Building and Loan Association, Milwaukee, Wis.  
Springfield City Building and Loan Association, Springfield, Ill.  
Universal Savings and Loan Association, Chicago, Ill.  
Uptown Federal Savings and Loan Association, Chicago, Ill.

NO. 8—DES MOINES

Fidelity Building and Loan Association, Winona, Minn.  
Home Building and Loan Association Hardin, Mo.  
Home Building and Loan Association, Joplin, Mo.  
Public Service Company's Savings and Loan Association, Kansas City, Mo.

NO. 9—LITTLE ROCK

Amory Federal Savings and Loan Association, Amory, Miss.  
Beaumont Federal Savings and Loan Association, Beaumont, Tex.  
Davy Crockett Federal Savings and Loan Association, Crockett, Tex.  
Electra Federal Savings and Loan Association, Electra, Tex.  
El Paso Federal Savings and Loan Association, El Paso, Tex.  
First Federal Savings and Loan Association, Belzoni, Miss.  
First Federal Savings and Loan Association, Big Spring, Tex.  
First Federal Savings and Loan Association, Corpus Christi, Tex.  
Greater New Orleans Homestead Association, New Orleans, La.  
Guaranty Savings and Homestead Association, New Orleans, La.  
Nashville Federal Savings and Loan Association, Nashville, Ark.  
Natchez Building and Loan Association, Natchez, Miss.  
Pioneer Building and Loan Association, Waco, Tex.  
Ponchatoula Homestead Association, Ponchatoula, La.  
Rapides Building and Loan Association, Alexandria, La.  
Union Federal Savings and Loan Association, Baton Rouge, La.  
Waxahachie Federal Savings and Loan Association, Waxahachie, Tex.

NO. 10—TOPEKA

Century Building and Loan Association, Trinidad, Colo.  
Citizens Federal Savings and Loan Association, Wichita, Kans.  
Columbia Building and Loan Association, Emporia, Kans.  
First Federal Savings and Loan Association of Sumner County, Wellington, Kans.  
Home Federal Savings and Loan Association, Tulsa, Okla.  
Morgan County Federal Savings and Loan Association, Fort Morgan, Colo.  
State Savings and Loan Association, Beatrice, Nebr.

NO. 11—PORTLAND

Commercial Savings and Loan Association, Kelso, Wash.  
First Federal Savings and Loan Association, Sheridan, Wyo.  
Lakeview Federal Savings and Loan Association, Lakeview, Oreg.

NO. 12—LOS ANGELES

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

To the Members of the Bank System:

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

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

Blandford Report

(Continued from p. 269)

importance of adequate housing to the Nation as a whole and from the impact of success or failure in the housing industry upon national economic conditions.

Through these contacts the need for more complete information in a number of broad areas has been identified as one of the primary requirements for effective preparations for post-war. These include:

Facts on the over-all national need for new housing and on the employment and investment potentials of a full-scale housing industry.

Facts on community housing needs and community housing markets to provide the foundation for effective planning by communities and the housing industry.

Examination of the land problem as related to housing.

Examination of new technical developments in materials and construction methods, with the goal of producing better housing at lower costs; conservation of the present housing supply.

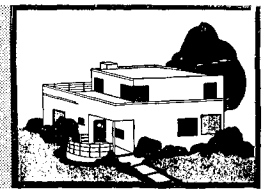
Study of possible measures to broaden the market for privately financed housing and to capitalize on the wartime experience of private builders with large-scale building operations and with the construction and operation of rental housing.

Analysis of the factual experience with subsidy aid to communities for low-rent housing for families of very low income, and appraisal of proposals to strengthen that program.

Through this research by communities, private industry and the NHA, the factual basis for lines of action in post-war housing can be developed. These facts will be available for consideration by the Congress, supplementing its own inquiries into problems of the demobilization and post-war periods, and the public policies required for a post-war economy aimed at full production and full employment.



# THE HOME FRONT



## FHA celebrates 10th anniversary

The Federal Housing Administration is entering its second decade of operation with \$81,000,000 in reserves. FHA income in 1943 amounted to \$26,574,000, of which \$11,101,000 went toward operating expenses and the remaining \$15,472,000 was to be added to insurance funds as protection against future possible losses. This income is chiefly gained from premiums on the insurance of mortgages and loans supplied by private lending institutions for home financing, from interest on investments, and from fees collected from appraisals.

Congress authorized \$10,000,000 to be used to meet possible losses on the insurance of home mortgages when the FHA was established in 1934. This amount is still intact. When wartime activities were instituted, in 1941, another \$10,000,000 was authorized, to be used as a special fund to cover possible losses involved in construction of housing for war workers, since this type of operation involves extra risk. Although there has not been sufficient time to permit a forecast of this phase of FHA insurance, so far losses have been very low.

Through the FHA program, which has included \$7,500,000,000 of private lending institution funds, close to 6,000,000 families have obtained better housing. Out of 1,055,000 small homes on which mortgages have been insured under the peacetime program, only 4,087 have been foreclosed and turned over to FHA; of these, all but 26 have been sold. Losses incurred on properties sold have been more than balanced by prepayment premiums on mortgages paid in full prior to maturity.

## Manufacturers' inventories declining

Declining manufacturers' inventories are interpreted by the U. S. Department of Commerce as an indicator of a trend that could hold down the surplus stocks after the war.

At the end of April, inventories (of all manufacturing firms) totaled \$10 billion. This figure is \$500 million lower than the peak of last September. Of this \$10 billion figure, stocks of raw materials and goods in process amounted to \$7.7 billion, a reduction from the \$8.3 billion registered 6 months ago.

"The closer manufacturers hold their inventories to current production needs, the less will be the surplus stocks to be liquidated upon contract terminations or cancellations," says the Department.

## New guide for post-war planning

The Association of Consulting Management Engineers has prepared, for the Committee for Economic Development, a *Handbook No. 1 for Industry: Planning the Future of Your Business*. The booklet provides a guide for planning post-war production and industrial employment techniques. It sets down the steps to be taken and the problems for management to review in forming its post-war program. Al-

though this plan has no immediate application to the savings and loan field, it indicates the careful groundwork being laid for the post-war future.

The basis for the recommendations is a Department of Commerce estimate, made at the request of the CED (which is now collaborating with 1,350 communities on post-war production and employment). This projects the total expenditures in the United States in the post-war year 1947—at 1940 prices—at \$142 billion.

The Committee's suggestions cover six fields: (1) definition and placement of responsibility for post-war planning; (2) development of products for the post-war market; (3) preparations for an extensive marketing and sales program; (4) determination of facilities for manufacturing; (5) estimation and planning of employment requirements, jobs and training, with particular study of that done by the Army and Navy so that veteran applicants may be selected more easily, and (6) consideration of operating funds and sources of capital.

### ECONOMY IN CRITICAL MATERIALS

**ESTIMATED SAVING:**  
OVERALL TOTAL

**PRIVATELY-FINANCED:**  
3 BILLION LBS.

**PUBLICLY-FINANCED:**  
PERMANENT AND DEMOUNTABLE—  
1 BILLION, 100 MILLION LBS.

TEMPORARY CONSTRUCTION—  
2 BILLION LBS.

CONVERSIONS—  
400 MILLION LBS.

THIS CRITICAL MATERIAL SAVING HELPED TO BUILD:

SHIPS

PLANES

TANKS

GUNS

NATIONAL HOUSING AGENCY

### **Jobs Incorporated— Albert Lea project**

As reported in the January, 1944 *Home Front*, the town of Albert Lea, Minnesota, has made a famous post-war community survey, which has now become a model for post-war planning. Now, Albert Lea has taken the second step in its programming of the post-war future. This project is Jobs Incorporated, a company formed by 16 business men of the town, for the purpose of expanding employment. The capitalization of Jobs Incorporated is \$100,000, represented by 1,000 shares of common stock offered at \$100 a share.

In conjunction with its aim of providing jobs for the returning soldier, and others, Jobs Incorporated intends to encourage the entry of new business; to aid in the expansion and development of the established industries; to provide capital, if it is not available elsewhere; and to counsel, coordinate, and guide industrial enterprise in Albert Lea.

### **New policy announced for payments in lieu of taxes**

A new uniform policy of increased payments in lieu of taxes, which will bring greater revenues from low-rent public housing projects to more than 175 communities, was announced by Philip M. Klutznick, Commissioner of the Federal Public Housing Authority. Previously, payments were generally made on the basis of approximately 50 percent of shelter rent; this figure, however, was not uniformly applied. Now, provided the community meets the requirements for local contributions on the project, payments equal 10 percent of shelter rents.

This policy is effective at once for all local housing authorities which have not terminated their current fiscal year. War-housing projects owned by the Federal government are not affected, as payments in lieu of taxes on these approximate tax amounts.

On the basis of shelter rents collected last year, 284 local housing projects containing 89,240 dwelling accommodations, would increase their payments by about \$715,000. (Shelter rents exclude utilities charges.)

Under the United States Housing Act, the FPHA is authorized to make

subsidy payments which go toward making up the difference between the cost of operating the public housing and the rentals collected from the low income tenants. The community must contribute not less than 20 percent of the amount annually, the municipal contribution taking the form of tax exemption.

Payments made on low-rent projects in lieu of taxes do not equal tax revenue which could be obtained from equally good privately owned housing, said Mr. Klutznick. "The cost of a public housing project to a community is the difference between the revenue it gets from payments in lieu of taxes, and the revenue obtained from slum properties in which the public housing tenants formerly lived."

### **Population increases and tax receipts**

On the basis of a nation-wide survey, the Federation of Tax Administrators has found that the effects of population changes have begun to show in state tax revenue figures. Regional shifts, especially, affect receipts; and the Federation concludes that fiscal planners would do well to take these changes into account, as they will have an important bearing on future revenues and expenditures.

States registering population increases, largely speaking, led in income gains, including unemployment compensation, between 1940 and 1943. The greatest rises were reported in the Northwest—74.7 percent in Oregon and 73.7 percent in Washington. Although the percentage of gain varied, only two states, New Hampshire and South Dakota, showed decreases in total tax revenue during the period under consideration.

However, in some states where population loss was the order, increases in intake were shown. In these cases, other factors, such as stepped-up industrial activity without a proportional population gain, presence of military personnel, and the nature of some state tax systems which do not reflect heightened business activity, must be considered. Alabama, with a drop of 1.8 percent in population, reported a 51.8 rise in tax receipts. Florida, on the other hand, registered a large population gain without a proportionate increase in tax collection.

### **Savings bank money orders increase**

The Savings Banks Trust Company, paying agent for the 40 savings banks, offering savings bank money order service, reports an increase of more than 30 percent in volume of orders sold in the past 4 months. (This figure excludes the increased volume during the weeks when income tax payments increased sales, in the case of one bank at least, to 10 times the normal.)

The uniform money order system was first put into operation in 1940, and public acceptance of it has grown steadily since that date, especially after rates on postal money orders were revised upward on March 26, 1944. The former are now cheaper than postal orders for any amount over \$2.50, since they are sold for a flat rate.

Some 20 additional banks are expected to offer savings bank money order service shortly. Lobby display and newspaper advertisement will assist in acquainting the public with the economy, safety and convenience of this method of paying bills or sending money.

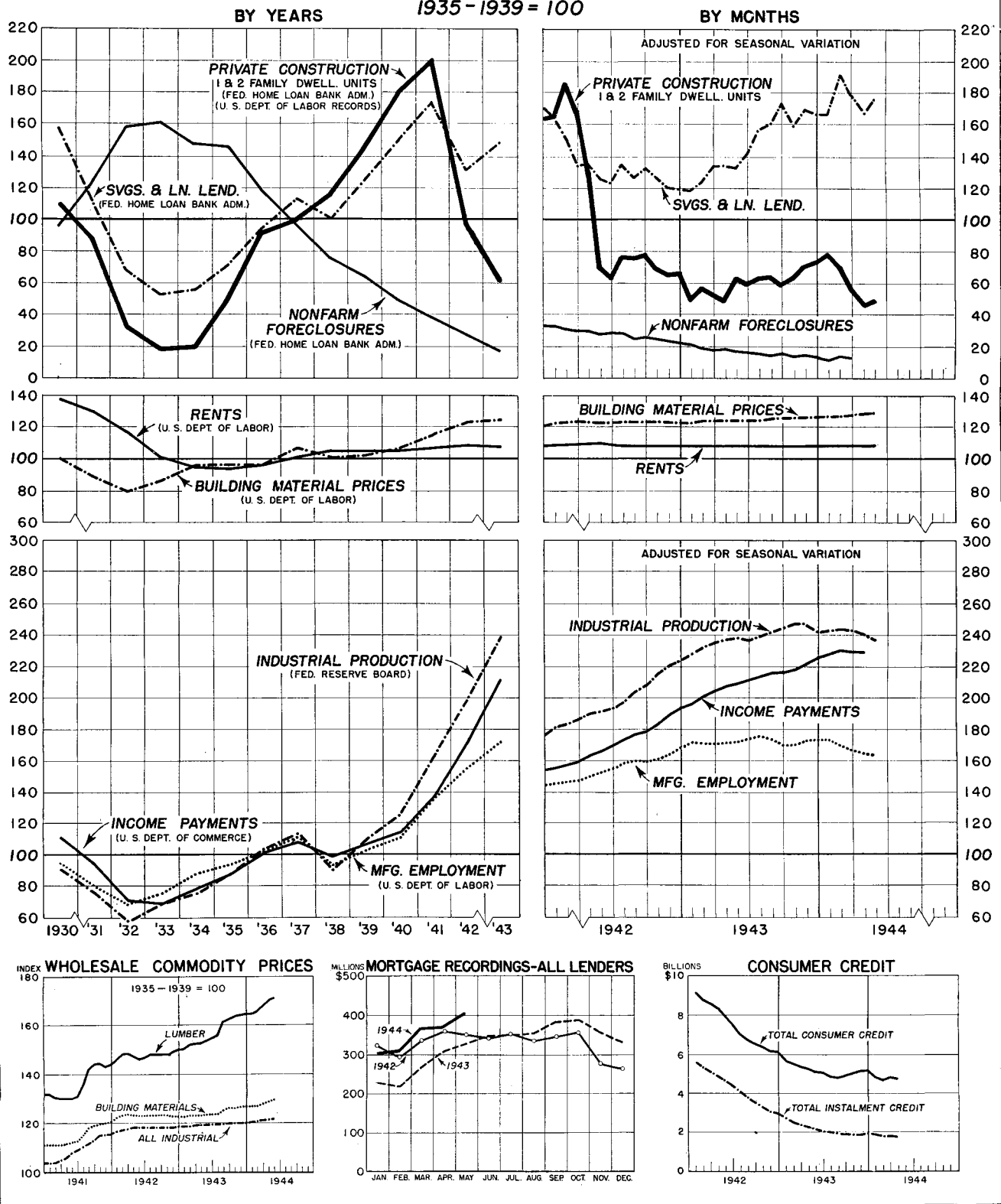
### **Gross savings reach record high**

Savings in this country have been increased to a total of \$128 billion, compared with the pre-war peak of \$10 billion, it was reported to the House Special Post-War Planning Committee by A. E. Taylor, director of the Bureau of Foreign and Domestic Commerce. However, he pointed out, in order to maintain the national economy, a healthy current income must supplement this backlog of spending power.

Of the total, \$95 billion is individual savings, largely in bank savings and war bonds. Some is invested in insurance and savings and loan associations. The savings of non-financial corporations are over \$29 billion, estimated Mr. Taylor; and the accumulations of foreigners on sales of goods in this country since the war approximated \$4 billion.

Mr. Taylor testified that the liquid portion of the savings of the individual—estimated at \$66 billion—is the big question of post-war economy. He said that people are less hesitant to spend their current income if they have a backlog of savings.

# RESIDENTIAL BUILDING ACTIVITY AND SELECTED INFLUENCING FACTORS



# MONTHLY SURVEY

## HIGHLIGHTS

- I. Industrial production continued its gradual decline in May and unemployment increased by more than 14 percent above the low point recorded in April.
  - A. The WPB announced that invasion requirements would make the period through the end of August a critical one for war production.
  - B. The War Manpower Commission announced that 200,000 more workers would be needed in addition to those in the labor force as of April 1.
- II. Mortgage recordings showed an increase of 10 percent over the April level, the May volume exceeding \$400,000,000 for the first time since October 1941.
  - A. All types of mortgagees increased their recordings in May, gains varying from 21 percent for mutual savings banks to 7 percent for individuals.
  - B. Savings and loan associations accounted for 34.5 percent of the total, making up the largest portion of recording activity.
- III. Building permits issued during May rose 18 percent over the April number, but the total for the first 5 months of this year was 46 percent less than during the corresponding period of 1943.
- IV. The cost of constructing the standard 6-room frame house rose fractionally in May, reflecting gains in both labor and material prices.
- V. New mortgage lending by savings and loan associations advanced over 8 percent above the April total, with Federal and State members reaching new peaks.
  - A. New construction loans declined to \$7,000,000.
  - B. New lending by insured associations increased 7 percent.
- VI. Assets of Federal associations increased despite a decline in borrowings from the Federal Home Loan Banks.



## BUSINESS CONDITIONS—Production down, employment up

As military fronts continue to open on a widening scale and the demand for the replacement of expended matériel increases war-production requirements, it becomes increasingly apparent that any major change in the pattern of business activity cannot be expected until the success of the conflict in Europe is assured. However, Donald Nelson, Chairman of the War Production Board, recently pointed out that in the interest of war production and for the protection of the entire economy, it is essential to plan now for the return to civilian production.

During May, the monthly volume of war spending reached a new peak of almost \$7,880,000,000, exceeding by more than \$154,000,000 the previous record attained last March. This brought the total of such expenditures in the first 11 months of the fiscal year to approximately \$79,472,000,000, compared with about \$64,640,000,000 for the same period of 1943.

Industrial production continued its gradual decline from the November peak of 247 percent of the 1935-1939 index and in May amounted to 237 percent compared with 239 percent in April according to the seasonally adjusted figures of the Federal Reserve Board.

Department store sales in May stood at 173 percent of the 1935-1939 average, as measured by the

seasonally adjusted index of the Federal Reserve Board, continuing the level of the preceding month.

Unemployment in May rose to 880,000 from 770,000 in April which represented the lowest level recorded by the Bureau of the Census. However, much of this was apparently due to more workers shifting jobs. The War Manpower Commission estimates that there is need for the addition of 200,000 workers to the labor force above the number as of April 1, 1944.

Wholesale commodity prices, as converted from the U. S. Department of Labor figures, in May continued at approximately the same level as in the preceding month, showing a fractional gain to 129.1 percent of the 1935-1939 average. At the same time, the Labor Department's combined cost-of-living index registered an increase of one-half point from the April level, rising to 125.0 percent of the 1935-1939 average.

[1935-1939=100]

| Type of index                                  | May 1944 | April 1944 | Percent change | May 1943 | Percent change |
|--|----------|------------|----------------|----------|----------------|
| Home construction (private) <sup>1</sup> ..... | 49.5     | 45.4       | +9.0           | 62.2     | -20.4          |
| Rental index (BLS).....                        | 108.1    | 108.1      | 0.0            | 108.0    | +0.1           |
| Building material prices.....                  | 129.2    | 128.6      | +0.5           | 123.4    | +4.7           |
| Savings and loan lending <sup>1</sup> .....    | 175.3    | 166.3      | +5.4           | 132.9    | +31.9          |
| Industrial production <sup>1</sup> .....       | 237.0    | 239.0      | -0.8           | 239.0    | -0.8           |
| Manufacturing employment <sup>1</sup> .....    | 163.4    | 164.3      | -0.5           | 172.1    | -5.1           |
| Income payments <sup>1</sup> .....             | 230.7    | 229.4      | +0.6           | 209.3    | +10.2          |

<sup>p</sup> Preliminary.

<sup>r</sup> Revised.

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

Increases in the working capital of American corporations over the 1939-1943 period, as reported by the Securities and Exchange Commission, amounted to about \$17,000,000,000, 70 percent, bringing the total working capital of these concerns to \$41,600,000,000. More than half of this gain was recorded after the United States entered the war.

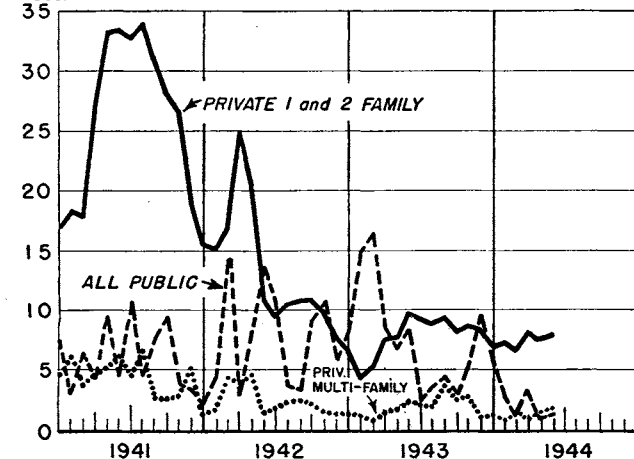
### BUILDING ACTIVITY—Private and public construction rise

During May building permits were issued for 11,145 dwelling units, an increase of 18 percent over the April number. Private construction rose from 8,519 in April to 9,743 in May and publicly financed units advanced from 945 to 1,402. However, May permits for all types of dwellings were substantially below the volume in the corresponding month of 1943. Private building dropped 21 percent and public construction was 83 percent below May of last year.

During the first 5 months of this year, permits were issued for 53,050 dwelling units, only 54 percent of the volume in the corresponding period of 1943. A drop of 82 percent in publicly financed construction accounted for practically all of the decrease. Privately financed construction showed very little change as declines in the volume of 2-or-more family dwellings were offset by an increase of 10 percent in 1-family structures.

Privately financed 1-family homes appear to be more securely stabilized at the present level than other types of dwellings. In contrast to 1943 when construction of 1-family dwellings increased steadily from a low point of 3,600 in January to 8,300 in May, permits in 1944 have remained between 6,000 and 7,000 each month. Availability of materials

### NEW RESIDENTIAL CONSTRUCTION



rather than seasonal demand dictates the present trend. Construction of 2-or-more family dwellings tends to reflect an erratic movement while publicly financed construction continues to oscillate in a general downward direction as the final war-housing projects are approved. [TABLES 1 and 2.]

### BUILDING COSTS—Labor and materials increase

The combined cost of constructing the standard 6-room frame house rose fractionally in May and at the end of the month the index stood at 133.0 (1935-1939=100). Both labor and material prices shared in this slight increase. During the past year, material prices have climbed 6.6 percent, raising that index to 130.3 while labor charges have risen 3.1 percent to 138.3.

Of the 27 cities reporting building costs for May, 19 registered increases, seven showed no change, while one city reported a decline.

Wholesale building material prices, as reported by the U. S. Department of Labor, moved upward slightly during May carrying the composite index (1935-1939=100) to 129.2. This was an increase of 0.5 percent from the previous month and 4.7 percent over May 1943. The price of all commodities included in the index, except structural steel, rose during the month. The largest rise was in cement prices which advanced 2.6 percent over April due to an increase in the OPA ceiling price. [TABLES 3, 4, and 5.]

### Construction costs for the standard house

[Average month of 1935-1939=100]

| Element of cost | May 1944 | April 1944 <sup>r</sup> | Per-<br>cent<br>change | May 1943 | Per-<br>cent<br>change |
|-----------------|----------|-------------------------|------------------------|----------|------------------------|
| Material.....   | 130.3    | 129.8                   | +0.4                   | 122.2    | +6.6                   |
| Labor.....      | 138.3    | 138.0                   | +0.2                   | 134.2    | +3.1                   |
| Total.....      | 133.0    | 132.5                   | +0.4                   | 126.2    | +5.4                   |

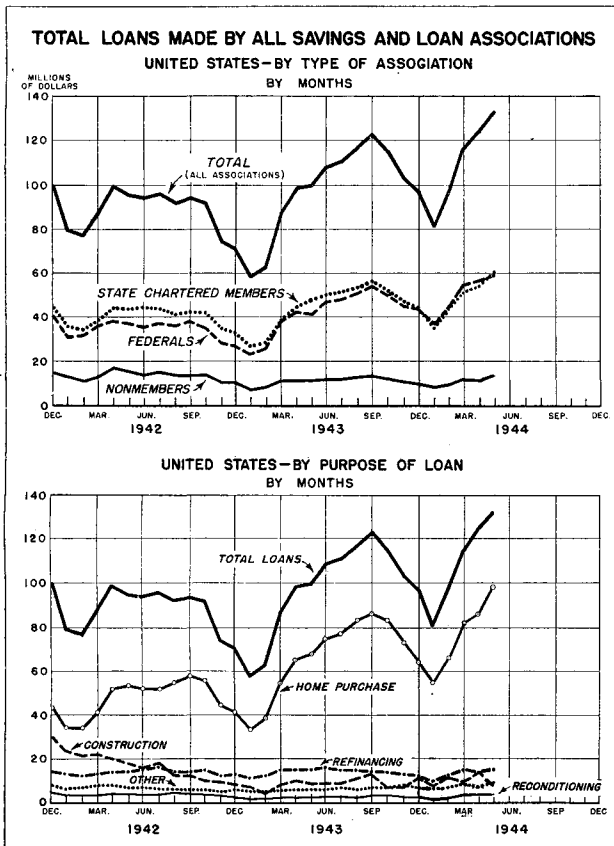
<sup>r</sup> Revised.

### MORTGAGE LENDING—Volume goes up in May

New loans made by savings and loan associations advanced to \$133,000,000 in May, compared with \$123,000,000 in April and \$100,000,000 in May 1943. All types of savings and loan associations reported gains during the month but the volume of mortgage loans closed by Federal and State members reached

new peaks, exceeding any other month on record. The total for Federals, \$59,000,000, was more than their previous high of \$58,000,000 in August 1941; while loans closed by State members amounted to \$60,000,000, compared with their previous peak of \$56,000,000 in September 1943.

The volume of loans for new construction was reduced to \$7,000,000 from more than \$13,000,000 in April. All other types of loans were increased with loans for the purchase of existing structures rising to \$99,000,000 and accounting for about 75 percent of the total. Pittsburgh, Little Rock and Los Angeles were the only Federal Home Loan Bank Districts to show a decline in the monthly total.



New loans financed during the first 5 months of 1944 amounted to \$550,000,000—an increase of 35 percent over the \$408,000,000 for the same period during 1943. Federals showed a 46-percent rise while State members were up 32 percent and nonmembers, 11 percent. The Los Angeles, Chicago, New York and Des Moines Districts registered gains greater than 50 percent, while other regional increases ranged from 11 percent for Portland to 48 percent for Little Rock. [TABLES 6 and 7.]

## New mortgage loans distributed by purpose

[Dollar amounts are shown in thousands]

| Purpose             | May 1944 | April 1944 | Percent change | May 1943 | Percent change |
|---------------------|----------|------------|----------------|----------|----------------|
| Construction.....   | \$7,338  | \$13,484   | -45.6          | \$9,039  | -18.8          |
| Home purchase.....  | 98,872   | 85,568     | +15.5          | 67,826   | +45.8          |
| Refinancing.....    | 14,415   | 13,491     | +6.8           | 14,843   | -2.9           |
| Reconditioning..... | 2,967    | 2,679      | +10.8          | 2,606    | +13.9          |
| Other purposes..... | 8,931    | 7,421      | +20.3          | 6,176    | +44.6          |
| Total.....          | 132,523  | 122,643    | +8.1           | 100,490  | +31.9          |

## MORTGAGE RECORDINGS—Monthly and seasonal gain shown

Mortgage-financing operations continued to increase during May as the volume exceeded \$400,000,000 for the first time since October 1941, reaching a new level 10 percent above the previous month and 24 percent over May of last year. The estimated volume of nonfarm mortgages of \$20,000 or less was \$405,000,000 in May compared with \$369,000,000 in April and \$327,000,000 in May 1943.

All types of mortgagees increased their recordings in May over April, the gains ranging from nearly 21 percent for mutual savings banks to 7 percent for individuals. Savings and loan associations with 34.5 percent of the monthly total continued to hold their position.

All mortgagees except insurance companies loaned more in May than in the corresponding month last year, with individuals showing the largest gain, 37 percent, followed by savings and loan associations with a rise of 30 percent.

## Mortgage recordings by type of mortgagee

[Dollar amounts are shown in thousands]

| Type of lender                     | Percent change from April 1944 | Percent of May 1944 amount | Cumulative recordings (5 months) | Percent of total recordings |
|------------------------------------|--------------------------------|----------------------------|----------------------------------|-----------------------------|
| Savings and loan associations..... | +9.7                           | 34.5                       | \$579,979                        | 33.1                        |
| Insurance companies.....           | +10.8                          | 5.4                        | 103,463                          | 5.9                         |
| Banks, trust companies.....        | +9.2                           | 19.5                       | 344,617                          | 19.6                        |
| Mutual savings banks.....          | +20.6                          | 3.7                        | 57,500                           | 3.3                         |
| Individuals.....                   | +7.0                           | 23.6                       | 419,178                          | 23.9                        |
| Others.....                        | +12.4                          | 13.3                       | 249,459                          | 14.2                        |
| Total.....                         | +9.7                           | 100.0                      | 1,754,196                        | 100.0                       |

Cumulative recordings for the first 5 months of this year aggregated \$1,754,000,000, a gain of 30 percent over the same period last year. Individuals showed the largest percentage rise, 42 percent, while savings and loan associations were close behind with an advance of 37 percent. Insurance companies, the only class of mortgagee to show a decline, dropped 5 percent below the corresponding period of 1943. [TABLES 8 and 9.]

**FHLB SYSTEM—Large drop in advances outstanding**

On May 31, 1944, the volume of advances outstanding of the 12 Federal Home Loan Banks stood at \$71,606,000—the lowest point reached since September 1933. The May total represented a decline of \$11,039,000 from April and \$7,615,000 from May 1943. This downward movement during May was nationwide with the exception of the Los Angeles Bank which gained \$27,000 in outstanding advances.

Advances made during May increased \$470,000 over April to \$3,939,000. Although this amount was \$1,229,000 in excess of the May 1943 volume, it was not comparable to pre-war advances made during that month which reflected high seasonal construction-lending activity. Gains during May were largely confined to the Middle West. Only the New York Bank, in addition to Indianapolis, Chicago, Des Moines and Topeka showed increases in monthly advances. For the second successive month no advances were reported in the Portland District.

In spite of an April-to-May decline of \$5,223,000 in repayments received, the volume of \$14,978,000 was the highest on record for May. It exceeded by almost \$4,000,000 the previous high figure for that month which was established in 1942, and was \$4,120,000 above the same month last year. Repayments declined during May in all Bank Districts except New York, Chicago and Topeka.

At the end of May, member institutions of the Bank System totaled 3,717; their assets amounted to \$6,636,376,000. [TABLE 12.]

**FLOW OF PRIVATE REPURCHASABLE CAPITAL**

Savings and loan associations received \$141,000,000 from private investors and paid out \$64,000,000 in withdrawals during May, resulting in a net increase of \$77,000,000 in private repurchasable capital. Insured associations recorded an advance of \$64,000,000, uninsured members, \$9,000,000; and nonmember associations, \$4,000,000. The 1944 growth represents a substantial gain over the same

**Share investments and repurchases, May 1944**

[Dollar amounts are shown in thousands]

| Item and period                    | All associations | All insured associations | Uninsured members | Non-members |
|------------------------------------|------------------|--------------------------|-------------------|-------------|
| <b>Share investments:</b>          |                  |                          |                   |             |
| 1st 5 mos. 1944                    | \$732, 932       | \$565, 363               | \$100, 029        | \$67, 540   |
| 1st 5 mos. 1943                    | 595, 613         | 438, 317                 | 85, 725           | 71, 571     |
| Percent change                     | +23              | +29                      | +17               | -6          |
| May 1944                           | 141, 024         | 109, 049                 | 19, 623           | 12, 352     |
| May 1943                           | 104, 821         | 78, 294                  | 16, 078           | 10, 449     |
| Percent change                     | +35              | +39                      | +22               | +18         |
| <b>Repurchases:</b>                |                  |                          |                   |             |
| 1st 5 mos. 1944                    | \$426, 517       | \$314, 217               | \$65, 920         | \$46, 380   |
| 1st 5 mos. 1943                    | 382, 346         | 256, 506                 | 67, 986           | 57, 854     |
| Percent change                     | +12              | +22                      | -3                | -20         |
| May 1944                           | 63, 676          | 44, 403                  | 10, 881           | 8, 392      |
| May 1943                           | 50, 168          | 33, 684                  | 9, 799            | 6, 685      |
| Percent change                     | +27              | +32                      | +11               | +26         |
| <b>Repurchase ratio: (percent)</b> |                  |                          |                   |             |
| 1st 5 mos. 1944                    | 58. 2            | 55. 6                    | 65. 9             | 68. 7       |
| 1st 5 mos. 1943                    | 64. 2            | 58. 5                    | 79. 3             | 80. 8       |
| May 1944                           | 45. 2            | 40. 7                    | 55. 5             | 67. 9       |
| May 1943                           | 47. 9            | 43. 0                    | 60. 9             | 64. 0       |

month last year when the net advance totaled \$55,000,000.

The ratio of repurchases to new investments during May 1944 was 45 percent for all associations compared with 48 percent in the corresponding month of 1943. By type of association, the ratio for May of this year was: insured associations, 41 percent; uninsured members, 56 percent; and nonmembers 68 percent.

During the first 5 months of 1944, the net growth in private capital of savings and loan association was approximately \$306,000,000, exceeding by 44 percent the corresponding figure for the comparable period last year. Of this net gain, \$251,000,000 was in insured associations, \$34,000,000 in uninsured member associations, and \$21,000,000 in nonmembers. The repurchase ratio for the January-May period was reduced from 64 percent in 1943 to 58 percent in 1944.

**INSURED ASSOCIATIONS—Repurchases exceed new investments**

At the close of May there were 2,459 insured savings and loan associations with total resources of \$4,440,000,000. Ten associations received insurance and there were four cancelations during the month. New loans totaling \$97,500,000 were made, a 7-per-  
(Continued on p. 288)



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

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

| Federal Home Loan Bank District and State | All residential structures      |          |                  |          | All private 1- and 2-family structures |          |                  |          |
|---|---------------------------------|----------|------------------|----------|--|----------|------------------|----------|
|   | Number of family dwelling units |          | Permit valuation |          | Number of family dwelling units        |          | Permit valuation |          |
|   | May 1944                        | May 1943 | May 1944         | May 1943 | May 1944                               | May 1943 | May 1944         | May 1943 |
| UNITED STATES.....                        | 11,145                          | 20,682   | \$34,080         | \$54,865 | 7,937                                  | 9,972    | \$24,953         | \$31,449 |
| No. 1—Boston.....                         | 176                             | 1,016    | 499              | 2,908    | 124                                    | 289      | 358              | 1,147    |
| Connecticut.....                          | 90                              | 570      | 302              | 1,590    | 46                                     | 206      | 193              | 894      |
| Maine.....                                | 22                              | 36       | 48               | 87       | 14                                     | 20       | 16               | 39       |
| Massachusetts.....                        | 60                              | 405      | 144              | 1,221    | 60                                     | 58       | 144              | 204      |
| New Hampshire.....                        | 2                               | 2        | 1                | 1        | 2                                      | 2        | 1                | 1        |
| Rhode Island.....                         | 2                               | 3        | 4                | 9        | 2                                      | 3        | 4                | 9        |
| Vermont.....                              |                                 |          |                  |          |  |          |                  |          |
| No. 2—New York.....                       | 209                             | 326      | 964              | 1,004    | 39                                     | 206      | 140              | 624      |
| New Jersey.....                           | 42                              | 254      | 130              | 808      | 22                                     | 134      | 80               | 428      |
| New York.....                             | 167                             | 72       | 834              | 196      | 17                                     | 72       | 60               | 196      |
| No. 3—Pittsburgh.....                     | 457                             | 1,969    | 1,472            | 6,814    | 445                                    | 1,961    | 1,458            | 6,798    |
| Delaware.....                             | 16                              | 409      | 48               | 1,467    | 16                                     | 400      | 48               | 1,467    |
| Pennsylvania.....                         | 424                             | 1,555    | 1,413            | 5,345    | 412                                    | 1,547    | 1,399            | 5,329    |
| West Virginia.....                        | 17                              | 5        | 11               | 2        | 17                                     | 5        | 11               | 2        |
| No. 4—Winston-Salem.....                  | 1,379                           | 2,732    | 3,579            | 7,198    | 818                                    | 1,548    | 1,843            | 3,976    |
| Alabama.....                              | 86                              | 296      | 89               | 757      | 82                                     | 96       | 78               | 232      |
| District of Columbia.....                 | 58                              | 176      | 164              | 465      | 23                                     | 2        | 95               | 8        |
| Florida.....                              | 424                             | 488      | 1,149            | 1,235    | 256                                    | 432      | 630              | 1,117    |
| Georgia.....                              | 348                             | 400      | 800              | 1,092    | 261                                    | 400      | 522              | 1,092    |
| Maryland.....                             | 22                              | 537      | 65               | 1,369    | 18                                     | 121      | 56               | 258      |
| North Carolina.....                       | 40                              | 146      | 22               | 624      | 40                                     | 113      | 22               | 410      |
| South Carolina.....                       | 18                              | 32       | 8                | 51       | 18                                     | 32       | 8                | 51       |
| Virginia.....                             | 383                             | 657      | 1,282            | 1,605    | 120                                    | 352      | 432              | 808      |
| No. 5—Cincinnati.....                     | 908                             | 1,318    | 3,532            | 4,332    | 802                                    | 728      | 3,130            | 2,666    |
| Kentucky.....                             | 45                              | 44       | 75               | 92       | 41                                     | 24       | 63               | 40       |
| Ohio.....                                 | 611                             | 1,133    | 2,676            | 3,955    | 509                                    | 563      | 2,286            | 2,341    |
| Tennessee.....                            | 252                             | 141      | 781              | 285      | 252                                    | 141      | 781              | 285      |
| No. 6—Indianapolis.....                   | 1,181                           | 1,903    | 4,208            | 7,625    | 753                                    | 1,362    | 3,279            | 6,106    |
| Indiana.....                              | 266                             | 214      | 1,014            | 593      | 266                                    | 180      | 1,014            | 493      |
| Michigan.....                             | 915                             | 1,686    | 3,194            | 7,032    | 487                                    | 1,182    | 2,265            | 5,613    |
| No. 7—Chicago.....                        | 751                             | 542      | 3,217            | 2,229    | 743                                    | 506      | 3,190            | 2,131    |
| Illinois.....                             | 692                             | 381      | 2,966            | 1,709    | 688                                    | 373      | 2,948            | 1,689    |
| Wisconsin.....                            | 59                              | 161      | 251              | 520      | 55                                     | 133      | 242              | 442      |
| No. 8—Des Moines.....                     | 87                              | 49       | 144              | 72       | 67                                     | 49       | 94               | 72       |
| Iowa.....                                 | 18                              | 5        | 32               | 2        | 18                                     | 5        | 32               | 2        |
| Minnesota.....                            | 21                              | 21       | 43               | 18       | 21                                     | 21       | 43               | 18       |
| Missouri.....                             | 32                              | 3        | 58               | 1        | 12                                     | 3        | 8                | 1        |
| North Dakota.....                         | 6                               |          | 8                |          | 6                                      |          | 8                |          |
| South Dakota.....                         | 10                              | 20       | 3                | 51       | 10                                     | 20       | 3                | 51       |
| No. 9—Little Rock.....                    | 2,686                           | 2,543    | 5,977            | 4,673    | 1,405                                  | 1,217    | 2,382            | 1,874    |
| Arkansas.....                             | 34                              | 78       | 44               | 68       | 34                                     | 78       | 44               | 68       |
| Louisiana.....                            | 971                             | 144      | 2,868            | 282      | 239                                    | 144      | 575              | 282      |
| Mississippi.....                          | 121                             | 527      | 53               | 689      | 121                                    | 113      | 53               | 82       |
| New Mexico.....                           | 22                              | 41       | 8                | 64       | 22                                     | 13       | 8                | 14       |
| Texas.....                                | 1,538                           | 1,753    | 3,004            | 3,570    | 989                                    | 869      | 1,702            | 1,428    |
| No. 10—Topeka.....                        | 367                             | 757      | 1,052            | 1,779    | 343                                    | 415      | 998              | 1,060    |
| Colorado.....                             | 78                              | 121      | 229              | 363      | 62                                     | 59       | 195              | 228      |
| Kansas.....                               | 68                              | 565      | 210              | 1,255    | 68                                     | 301      | 210              | 700      |
| Nebraska.....                             | 63                              | 20       | 262              | 72       | 55                                     | 20       | 242              | 72       |
| Oklahoma.....                             | 158                             | 51       | 351              | 89       | 158                                    | 35       | 351              | 60       |
| No. 11—Portland.....                      | 599                             | 2,135    | 2,147            | 4,711    | 557                                    | 469      | 1,955            | 1,512    |
| Idaho.....                                | 47                              | 17       | 140              | 18       | 47                                     | 5        | 140              | 3        |
| Montana.....                              | 25                              | 17       | 119              | 54       | 25                                     | 17       | 119              | 54       |
| Oregon.....                               | 151                             | 226      | 507              | 798      | 139                                    | 112      | 447              | 422      |
| Utah.....                                 | 161                             | 55       | 592              | 153      | 131                                    | 55       | 460              | 1        |
| Washington.....                           | 214                             | 1,759    | 788              | 3,558    | 214                                    | 219      | 788              | 750      |
| Wyoming.....                              | 1                               | 61       | 1                | 130      | 1                                      | 61       | 1                | 130      |
| No. 12—Los Angeles.....                   | 2,345                           | 5,392    | 7,289            | 11,520   | 1,841                                  | 1,222    | 6,126            | 3,483    |
| Arizona.....                              | 30                              | 62       | 62               | 244      | 30                                     | 68       | 62               | 231      |
| California.....                           | 2,312                           | 5,265    | 7,217            | 11,111   | 1,808                                  | 1,099    | 6,054            | 3,087    |
| Nevada.....                               | 3                               | 55       | 10               | 165      | 3                                      | 55       | 10               | 165      |

**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-May totals |        | Monthly totals   |            |          | January-May totals |           |
|   | May 1944                        | April 1944 | May 1943 | 1944               | 1943   | May 1944         | April 1944 | May 1943 | 1944               | 1943      |
| Private construction.....                       | 9,743                           | 8,519      | 12,346   | 43,308             | 43,498 | \$29,791         | \$26,931   | \$38,006 | \$136,725          | \$130,509 |
| 1-family dwellings.....                         | 6,981                           | 6,350      | 8,326    | 32,671             | 29,712 | 21,801           | 20,138     | 27,304   | 103,663            | 94,208    |
| 2-family dwellings <sup>1</sup> .....           | 956                             | 1,003      | 1,646    | 4,510              | 5,567  | 3,152            | 3,504      | 4,145    | 15,272             | 14,990    |
| 3- and more-family dwellings <sup>2</sup> ..... | 1,806                           | 1,166      | 2,374    | 6,127              | 8,219  | 4,838            | 3,289      | 6,557    | 17,790             | 21,311    |
| Public construction.....                        | 1,402                           | 945        | 8,336    | 9,742              | 55,603 | 4,289            | 1,841      | 16,859   | 22,865             | 117,989   |
| Total urban construction.....                   | 11,145                          | 9,464      | 20,682   | 53,050             | 99,101 | 34,080           | 28,772     | 54,865   | 159,590            | 248,498   |

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

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

[Average month of 1935-1939=100]

| Federal Home Loan Bank District and city | 1944  |         | 1943    |         | 1942    | 1941    | 1940    | 1939    | 1938    |
|--|-------|---------|---------|---------|---------|---------|---------|---------|---------|
|  | June  | Mar.    | Dec.    | Sept.   | June    | June    | June    | June    | June    |
| <b>No. 1—Boston:</b>                     |       |         |         |         |         |         |         |         |         |
| Hartford, Conn.....                      | 135.1 | 134.6   | 134.5   | 130.3   | 128.2   | 128.6   | 114.4   | 103.1   | 100.1   |
| New Haven, Conn.....                     | 140.6 | * 138.3 | * 135.9 | 132.5   | 130.0   | 130.9   | 117.8   | 103.9   | 99.1    |
| Portland, Me.....                        | 126.5 | * 126.1 | * 126.1 | 117.7   | 117.8   | * 108.8 | 102.0   | 98.9    | 99.6    |
| Boston, Mass.....                        | 132.5 | * 130.2 | * 130.0 | 128.5   | 126.8   | 123.9   | 112.4   | 104.0   | 100.9   |
| Manchester, N. H.....                    | 118.7 | * 118.1 | * 116.2 | * 115.4 | * 114.3 | 108.4   | 101.5   | 98.1    | 98.8    |
| Providence, R. I.....                    | 138.8 | * 136.3 | * 135.7 | * 132.1 | * 128.5 | 120.3   | 111.7   | 105.2   | 104.0   |
| Rutland, Vt.....                         | 127.0 | 126.8   | 126.0   | 125.4   | 125.2   | 121.7   | 107.7   | 97.0    | 98.8    |
| <b>No. 4—Winston-Salem:</b>              |       |         |         |         |         |         |         |         |         |
| Birmingham, Ala.....                     | 127.4 | * 126.9 | 125.2   | * 122.7 | * 119.9 | 117.0   | 108.2   | 91.2    | 95.5    |
| Washington, D. C.....                    | 149.8 | * 146.9 | * 146.8 | * 144.9 | * 143.5 | 136.7   | 119.4   | 104.3   | 102.9   |
| Tampa, Fla.....                          | 138.2 | 130.2   | 130.2   | -----   | -----   | 114.0   | 111.4   | 102.8   | 101.0   |
| Atlanta, Ga.....                         | 142.5 | * 140.1 | * 137.7 | 134.8   | 130.1   | 122.7   | 113.9   | 96.5    | 95.5    |
| Baltimore, Md.....                       | 151.8 | 150.1   | 149.4   | 145.7   | 144.2   | 132.3   | 117.8   | 98.4    | 98.3    |
| Cumberland, Md.....                      | 141.0 | 138.4   | -----   | * 126.8 | 126.8   | 120.5   | 109.1   | -----   | 100.6   |
| Asheville, N. C.....                     | 134.1 | 134.1   | 133.4   | -----   | -----   | 120.1   | 114.2   | 99.6    | 97.5    |
| Raleigh, N. C.....                       | 131.1 | * 131.1 | * 131.1 | -----   | -----   | 125.3   | 105.5   | 96.1    | 95.0    |
| Columbia, S. C.....                      | 139.1 | 139.1   | * 138.3 | -----   | -----   | 132.2   | 120.6   | 98.0    | 100.6   |
| Richmond, Va.....                        | 125.4 | * 122.9 | * 122.5 | 119.9   | 117.7   | 115.1   | 106.5   | 95.7    | 98.0    |
| Roanoke, Va.....                         | 137.6 | 136.6   | -----   | 127.2   | 127.3   | 130.4   | 120.7   | 105.8   | 104.7   |
| <b>No. 7—Chicago:</b>                    |       |         |         |         |         |         |         |         |         |
| Chicago, Ill.....                        | 111.2 | 112.2   | 111.2   | 110.2   | 109.4   | 107.1   | 100.3   | 99.6    | 100.6   |
| Peoria, Ill.....                         | 125.6 | 125.6   | 125.6   | 124.1   | 124.1   | 119.8   | 113.0   | 109.8   | 101.6   |
| Springfield, Ill.....                    | 123.7 | 123.7   | 123.7   | * 123.5 | * 123.0 | * 116.1 | * 110.7 | * 106.0 | * 100.7 |
| Milwaukee, Wis.....                      | 152.0 | 152.0   | 149.0   | 146.7   | 146.7   | 139.8   | 123.5   | 108.4   | 107.0   |
| Oshkosh, Wis.....                        | 133.6 | * 133.6 | * 133.6 | 133.6   | 133.6   | 125.2   | 112.6   | 101.1   | 102.7   |
| <b>No. 10—Topeka:</b>                    |       |         |         |         |         |         |         |         |         |
| Denver, Colo.....                        | 120.6 | 117.8   | 117.0   | 115.6   | 112.7   | 112.0   | 103.5   | 96.8    | 101.4   |
| Wichita, Kans.....                       | 134.7 | 133.4   | 130.1   | 129.0   | 128.9   | 123.5   | 114.7   | 104.7   | 108.0   |
| Omaha, Nebr.....                         | 129.8 | * 128.2 | * 127.3 | 122.2   | 122.2   | * 120.0 | 109.1   | 106.4   | 100.3   |
| Oklahoma City, Okla.....                 | 156.3 | * 155.1 | * 154.0 | * 151.2 | * 138.1 | * 130.5 | * 120.9 | * 108.8 | * 104.3 |

\* Revised.

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

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

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

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

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

**Table 4.—BUILDING COSTS—Index of building cost for the standard house<sup>1</sup>**

[Average month of 1935-1939=100]

| Element of cost | May 1944 <sup>a</sup> | Apr. 1944 | Mar. 1944 | Feb. 1944 | Jan. 1944 | Dec. 1943 | Nov. 1943 | Oct. 1943 | Sept. 1943 | Aug. 1943 | July 1943 | June 1943 | May 1943 |
|-----------------|-----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|-----------|-----------|-----------|----------|
| Material.....   | 130.3                 | 129.8     | 129.2     | 128.8     | 127.8     | 127.6     | 126.8     | 126.0     | 124.4      | 123.4     | 123.7     | 123.0     | 122.2    |
| Labor.....      | 138.3                 | 138.0     | 137.7     | 136.5     | 136.1     | 136.0     | 135.6     | 135.0     | 133.8      | 134.2     | 134.3     | 134.3     | 134.3    |
| Total cost..... | 133.0                 | 132.5     | 132.1     | 131.4     | 130.6     | 130.5     | 129.8     | 129.1     | 127.6      | 127.1     | 127.3     | 126.8     | 126.2    |

<sup>1</sup> Figures prior to May 1944 are revised.  
<sup>a</sup> Preliminary.

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

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

[Source: U. S. Department of Labor]

| Period                   | All building materials | Brick and tile | Cement | Lumber <sup>c</sup> | Paint and paint materials | Plumbing and heating | Structural steel | Other |
|--------------------------|------------------------|----------------|--------|---------------------|---------------------------|----------------------|------------------|-------|
| 1942: May.....           | 122.9                  | 107.9          | 103.4  | 146.4               | 123.7                     | 129.4                | 103.5            | 112.3 |
| 1943: May.....           | 123.4                  | 108.8          | 103.1  | 153.8               | 125.7                     | 118.8                | 103.5            | 109.9 |
| June.....                | 123.5                  | 109.0          | 102.7  | 154.6               | 125.4                     | 118.8                | 103.5            | 110.0 |
| July.....                | 123.6                  | 109.0          | 102.7  | 155.6               | 125.4                     | 118.8                | 103.5            | 109.5 |
| August.....              | 125.3                  | 109.0          | 102.7  | 161.5               | 126.4                     | 118.8                | 103.5            | 109.7 |
| September.....           | 125.6                  | 109.0          | 102.7  | 162.7               | 126.1                     | 118.5                | 103.5            | 110.3 |
| October.....             | 125.8                  | 109.0          | 102.7  | 163.3               | 126.4                     | 118.5                | 103.5            | 110.5 |
| November.....            | 126.3                  | 110.1          | 102.7  | 164.1               | 126.9                     | 120.6                | 103.5            | 110.5 |
| December.....            | 126.6                  | 110.1          | 102.7  | 164.3               | 127.0                     | 120.6                | 103.5            | 111.2 |
| 1944: January.....       | 126.7                  | 110.3          | 102.7  | 164.4               | 127.2                     | 120.6                | 103.5            | 111.2 |
| February.....            | 126.9                  | 110.2          | 102.7  | 165.3               | 127.7                     | 120.6                | 103.5            | 111.2 |
| March.....               | 127.5                  | 110.4          | 102.7  | 167.8               | 128.4                     | 120.6                | 103.5            | 111.2 |
| April.....               | 128.6                  | 110.4          | 103.1  | 170.8               | 128.4                     | 120.6                | 103.5            | 111.2 |
| May.....                 | 129.2                  | 110.6          | 105.8  | 171.5               | 128.7                     | 121.4                | 103.5            | 111.4 |
| Percent change:          |                        |                |        |                     |                           |                      |                  |       |
| May 1944-April 1944..... | +0.5                   | +0.2           | +2.6   | +0.4                | +0.2                      | +0.7                 | 0.0              | +0.2  |
| May 1944-May 1943.....   | +4.7                   | +1.7           | +2.6   | +11.5               | +2.4                      | +2.2                 | 0.0              | +1.4  |

<sup>c</sup> Figures since August 1942 are on a revised basis.

**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 |               |             |
|------------------|------------------|----------------|--------------|-----------------|------------------------------|-------------|----------------------|---------------|-------------|
|                  | Construc-tion    | Home pur-chase | Refinanc-ing | Recondi-tioning | Loans for all other purposes |             | Federals             | State members | Nonmem-bers |
| 1942.....        | \$190,438        | \$573,732      | \$165,816    | \$41,695        | \$78,820                     | \$1,050,501 | \$412,828            | \$476,080     | \$161,593   |
| January-May..... | 103,463          | 214,117        | 66,519       | 17,824          | 35,789                       | 437,712     | 174,836              | 194,223       | 68,653      |
| May.....         | 17,610           | 53,095         | 13,607       | 3,866           | 6,831                        | 95,009      | 36,966               | 43,005        | 15,038      |
| 1943.....        | 106,497          | 802,371        | 167,254      | 30,441          | 77,398                       | 1,183,961   | 511,757              | 539,299       | 132,905     |
| January-May..... | 39,231           | 260,053        | 68,675       | 11,087          | 28,544                       | 407,590     | 172,358              | 185,959       | 49,273      |
| 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      |
| November.....    | 6,928            | 73,053         | 12,767       | 2,638           | 7,670                        | 103,056     | 44,804               | 47,108        | 11,144      |
| December.....    | 10,904           | 64,656         | 12,550       | 2,290           | 7,172                        | 97,572      | 43,647               | 43,972        | 9,953       |
| 1944:            |                  |                |              |                 |                              |             |                      |               |             |
| January-May..... | 49,916           | 387,424        | 64,259       | 11,393          | 38,346                       | 550,438     | 251,377              | 244,634       | 54,427      |
| January.....     | 7,872            | 55,000         | 9,976        | 1,521           | 6,609                        | 80,978      | 37,076               | 35,456        | 8,446       |
| February.....    | 11,195           | 66,138         | 11,955       | 1,960           | 6,916                        | 98,164      | 44,144               | 44,139        | 9,881       |
| March.....       | 9,127            | 81,846         | 14,422       | 2,266           | 8,469                        | 116,130     | 53,883               | 50,686        | 11,561      |
| April.....       | 13,484           | 85,568         | 13,491       | 2,679           | 7,421                        | 122,643     | 57,045               | 54,212        | 11,386      |
| May.....         | 7,338            | 98,872         | 14,415       | 2,967           | 8,931                        | 132,523     | 59,229               | 60,141        | 13,153      |



**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                         | Per cent | Total               | Per cent | Total                     | Per cent | Total                | Per cent | Total       | Per cent | Total            | Per cent | Total          | Per cent |
| 1943: January-May | \$425,871                     | 31.4     | \$109,155           | 8.1      | \$275,172                 | 20.3     | \$49,538             | 3.7      | \$295,960   | 21.9     | \$197,937        | 14.6     | \$1,353,633    | 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      | 74,575                    | 19.4     | 15,023               | 3.9      | 87,430      | 22.6     | 61,002           | 15.8     | 386,303        | 100.0    |
| November          | 111,818                       | 31.6     | 23,115              | 6.5      | 64,877                    | 18.3     | 15,141               | 4.3      | 82,307      | 23.3     | 56,415           | 16.0     | 353,673        | 100.0    |
| December          | 101,176                       | 30.6     | 22,188              | 6.7      | 66,699                    | 20.1     | 12,227               | 3.7      | 76,432      | 23.1     | 52,267           | 15.8     | 330,989        | 100.0    |
| 1944: January-May | 579,979                       | 33.1     | 103,463             | 5.9      | 344,617                   | 19.6     | 57,500               | 3.3      | 419,178     | 23.9     | 249,459          | 14.2     | 1,754,196      | 100.0    |
| January           | 89,887                        | 29.8     | 20,585              | 6.8      | 62,180                    | 20.6     | 9,731                | 3.2      | 72,600      | 24.0     | 46,966           | 15.6     | 301,949        | 100.0    |
| February          | 101,705                       | 32.8     | 18,753              | 6.1      | 60,346                    | 19.5     | 9,294                | 3.0      | 72,246      | 23.3     | 47,300           | 15.3     | 309,644        | 100.0    |
| March             | 121,210                       | 32.9     | 22,660              | 6.1      | 70,570                    | 19.2     | 11,255               | 3.1      | 89,136      | 24.2     | 53,409           | 14.5     | 368,240        | 100.0    |
| April             | 127,429                       | 34.5     | 19,671              | 5.3      | 72,438                    | 19.6     | 12,338               | 3.4      | 89,466      | 24.2     | 47,926           | 13.0     | 369,268        | 100.0    |
| May               | 139,748                       | 34.5     | 21,794              | 5.4      | 79,083                    | 19.5     | 14,882               | 3.7      | 95,730      | 23.6     | 53,858           | 13.3     | 405,095        | 100.0    |

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

[Thousands of dollars]

| Period            | Series E    | Series F  | Series G    | Total       | Redemptions |
|-------------------|-------------|-----------|-------------|-------------|-------------|
| 1941 <sup>2</sup> | \$1,622,496 | \$207,681 | \$1,184,868 | \$3,015,045 | \$13,601    |
| 1942              | 5,988,849   | 652,044   | 2,516,065   | 9,156,958   | 245,547     |
| 1943              | 10,344,369  | 745,123   | 2,639,908   | 13,729,402  | 1,506,894   |
| 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     |
| November          | 665,293     | 23,449    | 109,404     | 798,146     | 164,412     |
| December          | 727,558     | 24,081    | 101,378     | 853,017     | 200,840     |
| 1944              | 1,084,637   | 126,825   | 486,942     | 1,698,404   | 180,965     |
| January           | 2,102,345   | 157,422   | 521,702     | 2,781,469   | 177,980     |
| February          | 575,714     | 22,933    | 110,347     | 709,054     | 261,549     |
| April             | 605,709     | 19,306    | 113,528     | 738,543     | 230,614     |
| May               | 624,253     | 15,287    | 111,088     | 750,628     | 271,597     |

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

**Table 11.—SAVINGS—Held by institutions**

[Thousands of dollars]

| End of period | Insured savings and loans <sup>1</sup> | Mutual savings banks <sup>2</sup> | Insured commercial banks <sup>3</sup> | Postal savings <sup>4</sup> |
|---------------|--|-----------------------------------|---------------------------------------|-----------------------------|
| 1942: June    | \$2,736,258                            | \$10,354,533                      | \$13,030,610                          | \$1,315,523                 |
| December      | 2,983,310                              | 10,620,957                        | 13,820,000                            | 1,417,406                   |
| 1943: May     | 3,194,029                              |                                   |                                       | 1,546,397                   |
| June          | 3,270,834                              | 11,104,706                        | 14,870,000                            | 1,577,526                   |
| July          | 3,318,900                              |                                   |                                       | 1,620,194                   |
| August        | 3,362,380                              |                                   |                                       | 1,659,545                   |
| September     | 3,389,891                              |                                   |                                       | 1,683,381                   |
| October       | 3,435,798                              |                                   |                                       | 1,715,579                   |
| November      | 3,488,270                              |                                   |                                       | 1,752,439                   |
| December      | 3,573,896                              | 11,707,000                        | 16,157,993                            | 1,787,879                   |
| 1944: January |  |                                   |                                       | 1,833,145                   |
| February      |  |                                   |                                       | 1,866,563                   |
| March         | 3,710,356                              |                                   |                                       | 1,905,748                   |
| April         |  |                                   |                                       | 1,946,372                   |
| May           |  |                                   |                                       | 1,993,697                   |

<sup>1</sup> Private repurchasable capital as reported to the FHLB Administration.  
<sup>2</sup> *Month's Work*. All deposits.  
<sup>3</sup> FDIC. Time deposits evidenced by saving passbooks. Estimated since June 1942.  
<sup>4</sup> Balance on deposit to credit of depositors, including unclaimed accounts. Totals since April 1944 are unaudited.

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

[Thousands of dollars]

| Federal Home Loan Bank | Lending operations, May 1944 |            | Principal assets, May 31, 1944 |                   |                       | Capital and principal liabilities, May 31, 1944 |            |                 | Total assets, May 31, 1944 <sup>1</sup> |
|------------------------|------------------------------|------------|--------------------------------|-------------------|-----------------------|---|------------|-----------------|---|
|                        | Advances                     | Repayments | Advances outstanding           | Cash <sup>1</sup> | Government securities | Capital <sup>2</sup>                            | Debentures | Member deposits |   |
| Boston                 | \$85                         | \$617      | \$5,598                        | \$3,884           | \$15,913              | \$19,782  | \$3,000    | \$1,687         | \$25,488                                |
| New York               | 847                          | 2,340      | 10,506                         | 1,575             | 28,566                | 27,273  | 9,000      | 4,458           | 40,793                                  |
| Pittsburgh             | 553                          | 586        | 9,324                          | 3,134             | 12,494                | 16,537  | 8,000      | 458             | 25,045                                  |
| Winston-Salem          | 50                           | 2,216      | 4,564                          | 2,913             | 10,436                | 17,680  | 0          | 289             | 17,970                                  |
| Cincinnati             | 68                           | 625        | 5,006                          | 4,177             | 25,272                | 25,445  | 3,500      | 5,640           | 34,608                                  |
| Indianapolis           | 185                          | 1,064      | 7,393                          | 929               | 18,430                | 14,121  | 8,000      | 4,707           | 26,863                                  |
| Chicago                | 912                          | 4,050      | 9,511                          | 6,045             | 17,030                | 22,442  | 4,000      | 6,229           | 32,688                                  |
| Des Moines             | 55                           | 1,577      | 2,332                          | 3,911             | 15,091                | 12,500  | 7,000      | 1,883           | 21,416                                  |
| Little Rock            | 140                          | 436        | 4,457                          | 2,039             | 10,629                | 12,499  | 3,000      | 200             | 17,212                                  |
| Topeka                 | 139                          | 230        | 3,286                          | 976               | 8,667                 | 10,891  | 1,500      | 594             | 12,993                                  |
| Portland               | 0                            | 359        | 743                            | 702               | 9,778                 | 8,484   | 1,800      | 989             | 11,281                                  |
| Los Angeles            | 905                          | 878        | 8,886                          | 1,712             | 22,539                | 15,560  | 15,500     | 2,136           | 33,266                                  |
| May 1944 (All Banks)   | 3,939                        | 14,978     | 71,606                         | 31,997            | 194,845               | 203,214   | 64,300     | 29,270          | 299,623                                 |
| April 1944             | 3,468                        | 20,201     | 82,645                         | 27,174            | 185,218               | 202,493   | 64,300     | 26,336          | 295,948                                 |
| May 1943               | 2,710                        | 10,858     | 79,221                         | 22,170            | 156,266               | 195,656   | 35,000     | 26,985          | 258,763                                 |

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

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

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

[Dollar amounts are shown in thousands]

| Period and class of association | Number of associations | Total assets | Operations         |                         |                     |                   |
|---------------------------------|------------------------|--------------|--------------------|-------------------------|---------------------|-------------------|
|                                 |                        |              | New mortgage loans | New private investments | Private repurchases | Re-purchase ratio |
| <b>ALL INSURED</b>              |                        |              |                    |                         |                     |                   |
| 1943: May.....                  | 2,422                  | \$3,811,473  | \$69,471           | \$78,294                | \$33,684            | 43.0              |
| June.....                       | 2,428                  | 3,880,999    | 76,899             | 103,939                 | 33,704              | 32.4              |
| July.....                       | 2,435                  | 3,875,269    | 77,994             | 134,065                 | 97,117              | 72.4              |
| Aug.....                        | 2,433                  | 3,920,852    | 83,068             | 94,229                  | 50,250              | 53.3              |
| Sept.....                       | 2,440                  | 4,037,926    | 87,878             | 83,970                  | 60,019              | 71.5              |
| Oct.....                        | 2,439                  | 4,081,472    | 81,929             | 87,692                  | 45,104              | 51.4              |
| Nov.....                        | 2,453                  | 4,127,212    | 72,936             | 90,023                  | 43,137              | 47.9              |
| Dec.....                        | 2,447                  | 4,182,728    | 70,973             | 118,496                 | 37,885              | 32.0              |
| 1944: Jan.....                  | 2,451                  | 4,218,521    | 59,704             | 153,276                 | 104,839             | 68.4              |
| Feb.....                        | 2,453                  | 4,287,788    | 73,164             | 94,831                  | 59,890              | 63.2              |
| March.....                      | 2,452                  | 4,327,868    | 87,163             | 104,494                 | 56,693              | 54.3              |
| Apr.....                        | 2,453                  | 4,374,338    | 91,344             | 103,713                 | 48,392              | 46.7              |
| May.....                        | 2,459                  | 4,442,608    | 97,454             | 109,049                 | 44,403              | 40.7              |
| <b>FEDERAL</b>                  |                        |              |                    |                         |                     |                   |
| 1943: May.....                  | 1,466                  | 2,380,241    | 41,835             | 50,732                  | 20,045              | 39.5              |
| June.....                       | 1,468                  | 2,426,079    | 46,730             | 68,235                  | 19,586              | 28.7              |
| July.....                       | 1,468                  | 2,408,687    | 48,370             | 87,444                  | 64,073              | 73.3              |
| Aug.....                        | 1,466                  | 2,438,803    | 51,172             | 61,351                  | 31,253              | 50.9              |
| Sept.....                       | 1,471                  | 2,523,737    | 54,100             | 53,138                  | 37,274              | 70.1              |
| Oct.....                        | 1,468                  | 2,550,973    | 50,576             | 56,490                  | 26,825              | 47.5              |
| Nov.....                        | 1,467                  | 2,580,481    | 44,804             | 57,915                  | 24,373              | 42.1              |
| Dec.....                        | 1,466                  | 2,617,431    | 43,647             | 76,677                  | 21,569              | 28.1              |
| 1944: Jan.....                  | 1,467                  | 2,637,410    | 37,076             | 100,496                 | 68,509              | 68.2              |
| Feb.....                        | 1,467                  | 2,685,310    | 44,144             | 61,545                  | 37,548              | 61.0              |
| March.....                      | 1,466                  | 2,709,897    | 53,883             | 68,276                  | 36,182              | 53.0              |
| April.....                      | 1,466                  | 2,737,017    | 57,045             | 68,549                  | 30,279              | 44.2              |
| May.....                        | 1,466                  | 2,775,665    | 59,229             | 72,413                  | 27,676              | 38.2              |
| <b>STATE</b>                    |                        |              |                    |                         |                     |                   |
| 1943: May.....                  | 956                    | 1,431,232    | 27,636             | 27,562                  | 13,639              | 49.5              |
| June.....                       | 960                    | 1,454,920    | 30,169             | 35,704                  | 14,118              | 39.5              |
| July.....                       | 967                    | 1,466,582    | 29,624             | 46,621                  | 33,044              | 70.9              |
| Aug.....                        | 967                    | 1,482,049    | 31,896             | 32,878                  | 18,997              | 57.8              |
| Sept.....                       | 969                    | 1,514,189    | 33,778             | 30,832                  | 22,745              | 73.8              |
| Oct.....                        | 971                    | 1,530,499    | 31,353             | 31,202                  | 18,279              | 58.6              |
| Nov.....                        | 975                    | 1,546,731    | 28,132             | 32,108                  | 18,764              | 58.4              |
| Dec.....                        | 981                    | 1,565,297    | 27,326             | 41,819                  | 16,316              | 39.0              |
| 1944: Jan.....                  | 984                    | 1,581,111    | 22,628             | 52,780                  | 36,330              | 68.8              |
| Feb.....                        | 986                    | 1,602,478    | 29,020             | 33,286                  | 22,342              | 67.1              |
| March.....                      | 986                    | 1,617,971    | 33,280             | 36,218                  | 20,511              | 56.6              |
| April.....                      | 987                    | 1,637,321    | 34,299             | 35,164                  | 18,113              | 51.5              |
| May.....                        | 993                    | 1,666,943    | 38,225             | 36,636                  | 16,727              | 45.7              |

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

**Table 14.—FHA—Home mortgages insured<sup>1</sup>**

[Premium paying; thousands of dollars]

| Period             | Title II |          | Title VI | Total insured at end of period <sup>2</sup> |
|--------------------|----------|----------|----------|---|
|                    | New      | Existing |          |   |
| 1943: April.....   | \$ 3,463 | \$12,704 | \$35,878 | \$4,907,749                                 |
| May.....           | 2,894    | 15,248   | 39,511   | 4,965,402                                   |
| June.....          | 2,606    | 16,759   | 41,629   | 5,026,396                                   |
| July.....          | 2,424    | 18,502   | 43,445   | 5,090,767                                   |
| August.....        | 1,563    | 18,519   | 49,518   | 5,160,367                                   |
| September.....     | 1,479    | 18,737   | 46,365   | 5,226,948                                   |
| October.....       | 818      | 18,856   | 48,571   | 5,295,193                                   |
| November.....      | 833      | 20,499   | 48,421   | 5,364,946                                   |
| December.....      | 747      | 17,401   | 42,979   | 5,426,073                                   |
| 1944: January..... | 592      | 18,397   | 49,003   | 5,494,065                                   |
| February.....      | 249      | 13,795   | 40,616   | 5,548,725                                   |
| March.....         | 250      | 12,729   | 41,620   | 5,603,324                                   |
| April.....         | 130      | 13,200   | 36,793   | 5,653,447                                   |
| May.....           | 81       | 18,319   | 37,739   | 5,709,586                                   |

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

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

## Insured Associations

(Continued from p. 282)

cent increase in financing activity for the month. The balance of private capital accounts was increased nearly \$72,000,000 due primarily to the \$65,000,000 excess of repurchases over new investments and also to \$7,000,000 added by newly insured associations. For each \$100 invested by the public, \$41 was withdrawn, compared with \$43 for the same month of 1943. [TABLE 13.]

### FEDERAL SAVINGS AND LOAN ASSOCIATIONS

The assets of the 1,466 associations operating under Federal charter, after increasing \$38,600,000 during the month reached \$2,776,000,000 even though borrowings from the Federal Home Loan Banks declined \$8,600,000. Private investors increased their accounts by \$45,000,000 to \$2,430,000,000.

### Progress in Number and Assets of Federals

[Dollar amounts are shown in thousands]

| Class of association | Number       |               | Approximate assets |               |
|----------------------|--------------|---------------|--------------------|---------------|
|                      | May 31, 1944 | Apr. 30, 1944 | May 31, 1944       | Apr. 30, 1944 |
| New.....             | 636          | 637           | \$916,336          | \$901,892     |
| Converted.....       | 830          | 829           | 1,859,329          | 1,835,125     |
| Total.....           | 1,466        | 1,466         | 2,775,665          | 2,737,017     |

## Ten Years of the Insurance Corporation

(Continued from p. 266)

participating actively in an increasingly competitive market, the services of the Insurance Corporation assume added significance. Above and beyond the specific protection afforded to share-account holders, 66,640 of whom to date have received the direct benefits of such coverage, is the stabilizing influence to be noted among the accounts of insured institutions. This greater stability which comes from the added confidence arising in part from the Corporation's faith in the integrity and ability of management, may in many cases forestall the development of needless demands for sudden liquidity, which frequently are caused by psychological factors.

Federal Home Loan Bank Review

## Temporary Housing to Replace Damaged British Units

■ LAST March, Winston Churchill announced that the British Government would provide a half million all-steel houses for returning servicemen, bombed-out war workers, and others in need. A scale model of the proposed unit was put on public display early in May.

This all-steel home will probably be the first completely factory-made house to be put into mass production. Its assured market will make possible a volume of manufacture sufficient to support assembly line techniques. Also, the physical stability of steel is particularly well suited to this type of work. However, the shortage of lumber was the principal reason for the selection of this material.

This choice of steel may provide interesting possibilities for American exports, particularly in view of the expected surplus of metal-working machinery after the war, and the fact that steel output has been geared to a tremendous demand to satisfy wartime needs.

These British homes are intended as purely temporary accommodations. Leased by local authorities, their life span will be limited by government license to a period not longer than 10 years. Each unit, which can comfortably meet the requirements of a family of four, covers 616 square feet, and consists of a living room, two bedrooms, kitchen and bath. The structure is devoid of corridors and has but one door. A central storage wall, however, runs the width of the house, opening as a wardrobe and linen closet in the bedrooms and holding a folding table and pantry on the kitchen side. An open stove in the living room provides heating for the unit and also furnishes hot water. Interiors are insulated and finished in steel and plywood.

### Manufacture

Building time has been reduced to the minimum, requiring only five simple operations on the site. These include the laying of a concrete slab, installation of services and drains, the placement and bolting of floor sections, the location of the central storage wall and the bathroom-kitchen unit, and, finally, the erection of the walls and roofing.

Popularly known as "Churchill Villa," these standard homes will contain approximately 5 tons of pressed steel and will cost the government about £550 (\$2,219) including £100 for furniture and fixtures. This total cost figure excludes land. A

large number of sites have been previously acquired by the government which has been carefully studying the problems of land utilization on a nation-wide scale.

It is expected that "tooling up" in jigs and dies will require about 6 months and that production will attain a weekly volume of 2,500 units. By straight line projection, therefore, it would take almost 4 years to meet estimated demand for this type of housing.

Every part of the house can be made in one factory and it is hoped that production may begin before the end of the war. Plants and materials have already been tagged for the fabrication of these dwellings.



## DIRECTORY CHANGES



MAY 16—JUNE 15, 1944

### Key to Changes

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

### DISTRICT No. 2

#### NEW JERSEY:

- Jersey City:
  - \*\*Hudson County Caledonian Building and Loan Association.
- Pitman:
  - \*\*Pitman Building and Loan Association, Pitman National Bank and Trust Company Building.

#### NEW YORK:

- Potsdam:
  - \*The Potsdam Savings and Loan Association, 4 Elm Street.

### DISTRICT No. 3

#### PENNSYLVANIA:

- Beaver Falls:
  - §The Peoples Building and Loan Association, 1411 Seventh Avenue.
- Lancaster:
  - #First Federal Savings and Loan Association of Lancaster.
  - \*\*\*The Home Building and Loan Association. (merged with First Federal Savings and Loan Association of Lancaster).
  - \*\*\*Union Building and Loan Association (merged with First Federal Savings and Loan Association of Lancaster).
- Philadelphia:
  - §Crusader Savings and Loan Association, 5011 Baltimore Avenue.
  - \*\*The Kirlin Building and Loan Association.
- Pittsburgh (Millvale):
  - \*\*Grant Building and Loan Association of Millvale, 322 Grant Avenue.

### DISTRICT No. 5

#### KENTUCKY:

- Ashland:
  - \*\*American Building Association, 1601 Greenup Street (transfer of stock and sale of assets to the First Federal Savings and Loan Association of Ashland).

#### OHIO:

- Portsmouth:
  - \*\*The Royal Savings and Loan Company, 828 Gallia Street.

### DISTRICT No. 7

#### ILLINOIS:

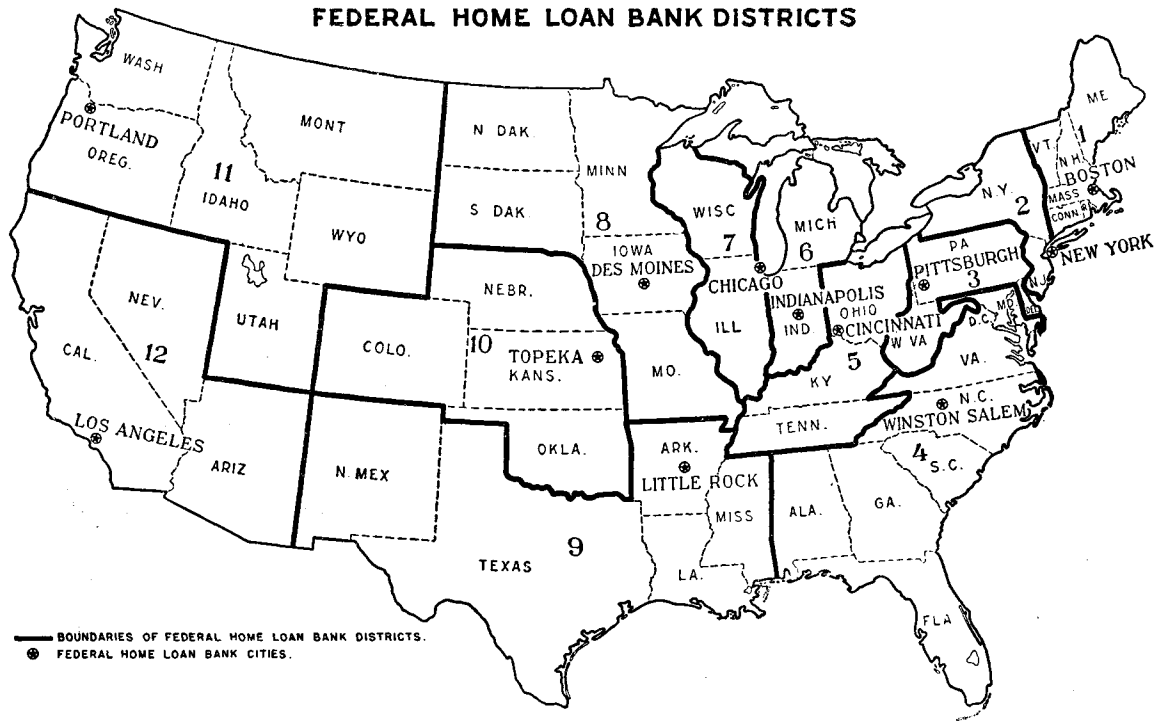
- Chicago:
  - §Savanna Building and Loan Association, 301 Main Street.
  - §Swedish Home Savings and Loan Association, 111 West Washington Street.

### DISTRICT No. 10

#### KANSAS:

- Topeka:
  - \*\*¶¶The State Savings and Loan Association, 931 Kansas Avenue.

## FEDERAL HOME LOAN BANK DISTRICTS



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APPROVED BY THE BUREAU OF THE BUDGET.