FEDERAL HOME LOAN BANK

REVIEW

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

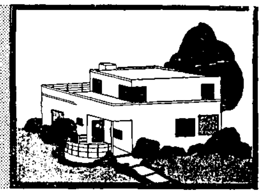
FEDERAL HOME LOAN BANK ADMINISTRATION
John H. Fahey, Commissioner

FEDERAL HOME LOAN BANK SYSTEM
FEDERAL SAVINGS AND LOAN ASSOCIATIONS
FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION
HOME OWNERS' LOAN CORPORATION
UNITED STATES HOUSING CORPORATION

REGULAR FEATURES

TABLES

THE HOME FRONT



Lumber priorities or emergencies

Only real emergencies—like leaks in the roof—will qualify home-owners for lumber priorities, the War Production Board has announced. Applicants for preference ratings must show that their dwellings would be unfit for use unless repaired, or that damage caused by fire, flood, tornado, storms and so on, has rendered the dwelling unfit for continued occupancy. Broken joists or risers, weakening of the framework, separation of lateral supports from the main supports, were given as examples of such damage. Lumber deterioration caused by wear will not be considered an emergency if the parts will function without repair for another three months at least.

Those desiring lumber for non-emergency purposes must take a chance on buying it without a rating. Dealers have been allotted small quantities of lumber to meet these "essential" demands.

Syracuse plans with its citizens

Syracuse, New York, has an original plan for bringing problems and post-war planning issues straight to the public. A radio program, "Syracuse on Trial," has been presented weekly for five months; the sponsors, the Syracuse-Onondaga Postwar Planning Council, have chosen a novel method of airing the controversies. Both sides of such subjects as housing, taxes, sewerage and other civic problems are examined in a "courtroom" discussion. Public officials present their viewpoints before a judge and jury. The program was chosen as the medium of bringing public interest to bear on these problems after the more usual methods like direct mail and public meetings had proved ineffective.

Previously, a questionnaire survey, "Be the Mayor for a Minute," had crystallized public opinion. It emphasized that Syracusians believed in post-war planning. Traffic and housing improvements were rated as most important, with city services, schools, flood control, playgrounds, and agriculture following in that order. The findings served as the basis for the Planning Council's studies and proposals, but after its plans had been drawn up, no way could be found to interest the citizenry in its conclusions.

The new method of allowing local authorities to thresh out their differing opinions before the public attracted instant attention. A survey taken during the program showed a listening audience of about 20,000 in the city alone—33.7 percent of all the radio sets which were turned on. Newspaper publicity grew enormously, bringing the program more into the forefront. Editorial discussions and the printing of letters from Syracuse citizens proved that the issues kept alive.

Although no definite blue prints have been outlined for Syracuse's post-war future, the program has served its purpose. Selected by Ohio State University as the best in the public discussion class, it has enlisted the necessary popular support.

Modern design favored by homemakers

A comprehensive market survey, taken by *McCall's* magazine, has found that there is a definite demand for modern design. A wealth of specific data was gleaned from the replies submitted which covered market trends for most item of living-room and bedroom equipment.

Of the 13,549 women polled, 57.1 percent voted for a modern interior design. Approximately one-half of those polled planned to buy or build a home; of this group, 61.2 percent chose modern. The vote went decisively for that type, except for people planning to spend more than $10,000 for a new home. Here, traditional style won out.

Of those choosing a modern design, most based their choice, in part, on the fact that these rooms are easier to clean. This emphasizes the income correlation. Almost all voters want both fireplaces and large windows.

Sixty-four percent of the vote for modern came from women under 36. Traditional design won a majority vote only in the over-60 age group. The geographic breakdown, too, is interesting. Where an urban vote prevailed—in the East, South Central and Middle Atlantic regions—opinion favored the traditional style. In New England and the South, modern interiors led by a small margin, while the West showed a distinct preference for this type.

Public expects miracle house

A survey, conducted by a New York research bureau, covering middle class families in nine major cities, whose average income is about $3,000, finds that 45 percent of them are ready to build a home or buy one soon after the war's end. However, more than half of these potential customers want a house complete with innovations like air conditioning, electronic controls, plastic plumbing, or movable walls and partitions. And all this for $52 monthly, with FHA insurance.

The National Association of Home Builders is alarmed by this new turn of events. In an effort to combat it, they are planning a publicity program to inform the public that such things are not necessary to comfortable and efficient housing

Exhibit of savings and loan planning

A permanent display of ideas for post-war planning has been opened in Chicago by the *American Savings and Loan News*. Inaugurated in conjunction with the *News'* "Construction" Section, the exhibit includes tested plans to interest mortgage loan officers, publicity suggestions for the advertising men, and other varied items which will prove of value.

The library of booklets and brochures is extensive. This new service was prompted by reports of many forward-looking savings and loan executives who make it a practice to mail pertinent literature to shareholders.

HOME-MORTGAGE DEBT DECLINES AGAIN

A reduction in the 1943 outstanding debt on 1- to 4-family nonfarm homes resulted from the second year of wartime operation of mortgage lenders. Heavy loan prepayments and the character of new lending last year made the increased volume insufficient to add to the balance of mortgage holdings.

■ DURING 1943, in spite of a volume of mortgage lending comparable to that of the past several years, the total home-mortgage debt last year showed its second consecutive decline. An estimated loan balance of $19,512,000,000 at the end of 1943 was $396,000,000, or 2 percent, below the total recorded in 1942.

This situation is attributable to the accentuation of trends which developed during the first year of war. With home construction still rigidly restricted, loans for that purpose which normally add substantially to the loan balance, were correspondingly curtailed last year. The increased over-all volume of lending was composed chiefly of home-purchase loans. In many cases these represented cancelation of previous mortgages and to that extent did not appear as additions to the net mortgage debt. Also, the substantial volume of refinancing loans written last year, unless re-cast for higher amounts, did not increase the outstanding balance.

Heavy prepayments on loan accounts also contributed in great measure to rapid debt liquidation. Lending institutions have continued to encourage this practice, in many instances waiving the penalty provisions previously imposed on payments in advance of contract terms.

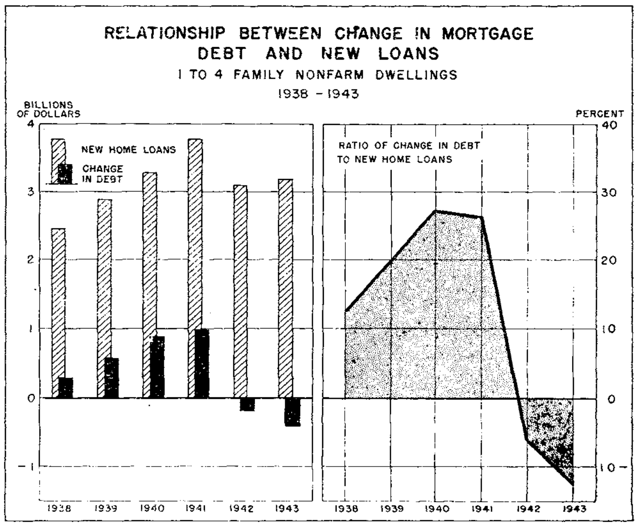
The reduction of the home-mortgage debt, however, is only one instance of the anti-inflationary use of currently increased consumer income. According to a recent study of the farm-mortgage debt, made by the Bureau of Agricultural Economics, the same heavy prepayment trend resulted in a decrease of 8 percent during last year.

As a result of these factors, a comparison of the 1943 volume of new lending with the net change in mortgage debt shows that the substantial volume of new loans written ($3,183,000,000) was insufficient to add a single dollar to the mortgage portfolio. That is, in 1943 for each $100 of new loans made, $112 was received in repayments on outstanding debt balances. It will be seen from the accompanying chart that 1942 was the first year in which such a condition prevailed. Prior to that, for each $100 in new loans written there was a substantial increase in the outstanding mortgage debt.

Distribution of Mortgages Held

The relative importance of the various types of lenders in relation to the total outstanding debt on 1- to 4-family homes was not changed last year by the declines in mortgage balances experienced by all classes of mortgagees, except life insurance companies; nor did their proportionate shares of total holdings vary appreciably. Individuals and miscellaneous lenders continued to hold first place. Among the remaining types of lenders, savings and loan associations continued in a dominant position followed by mutual savings banks, commercial banks, life insurance companies and the Home Owners' Loan Corporation.

The HOLC again accounted for a large portion of the 1943 reduction in mortgage holdings, reporting a drop of $229,000,000 during last year compared with a net decline of $167,000,000 for other lenders. A total of $1,338,000,000 was carried on the books of this organization at the close of last year—15 percent less than in 1942. This amount represented 6.9 percent of the total home-mortgage debt last year as against 7.9 percent in 1942 and 16.5 percent in



Estimated balance of outstanding mortgage loans on 1- to 4-family nonfarm homes [1]

[Millions of dollars]

Type of lender	1943	1942	1941	1940	1939	1938
Savings and loan associations	$4,554	r $4,556	$4,552	$4,084	$3,758	$3,555
Life insurance companies	2,410	2,255	1,976	1,758	1,490	1,320
Mutual savings banks	2,660	2,700	2,730	2,700	2,680	2,670
Commercial banks	2,450	2,480	2,470	2,095	1,810	1,600
Home Owners' Loan Corporation	1,338	1,567	1,777	1,956	2,038	2,169
Individuals and others [2]	6,100	6,350	6,590	6,510	6,440	6,332
Total	19,512	r 19,908	20,095	19,103	18,216	17,646

r Revised.

[1] For a detailed description of the source of these estimates see FHLB Review, November 1939, p. 51; September 1940, p. 410; September 1941, p. 412.

[2] Includes fiduciaries, trust departments of commercial banks, real-estate bond companies, title and mortgage companies, philanthropic and educational institutions, fraternal organizations, construction companies, RFC Mortgage Company, etc.

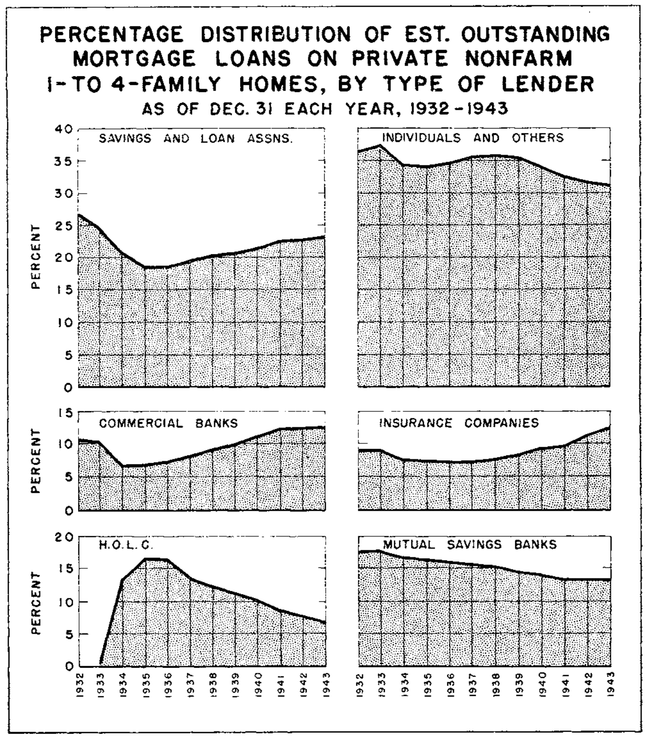
1935, the last year preceding the commencement of liquidation of the Corporation.

Again, as in 1942, the miscellaneous group of lenders—"individuals and others"—showed the only other substantial drop in mortgage holdings. Their balance by the end of 1943 had declined by 4 percent (as it had in 1942) and stood at $6,100,000,000, according to the best available estimates. Despite this reduction in balance, these lenders continued to account for 31.3 percent of the total mortgage debt, only slightly less than the 32 percent reported in 1942.

Savings and loan associations, with a decrease of 0.04 percent showed the least change during last year and accounted for 23.3 percent of the outstanding debt on the basis of a dollar volume of $4,554,-000,000. In 1942 their holdings of $4,556,000,000 represented 22.9 percent of the total.

Other classes of mortgagees showing declines during 1943—mutual savings banks and commercial banks—reported 1.5 percent and 1.2 percent less, respectively. The former institutions, with an outstanding volume of $2,660,000,000 in 1943, accounted for 13.6 percent of the outstanding home-mortgage debt, while the balance reported by the latter group—$2,450,000,000—represented 12.6 percent of the total. Both of these types of lenders accounted for approximately the same proportions of the 1942 total of mortgages held on 1- to 4-family non-farm homes.

Life insurance companies alone finished the year with an increased balance of loans outstanding, reporting a 7-percent gain compared to an advance of 14 percent in 1942.[1] Their share of total holdings increased from 11.3 percent in 1942 to 12.3 percent last year, the dollar amount increasing from $2,255,000,000 to $2,410,000,000 during the same period. This resulted from the fact that these organizations have been the largest purchasers of loans originated by the various other types of mortgagees.



New Lending Operations

Although wartime restrictions on new construction kept down the volume of loans made for that purpose, other types of home-mortgage lending activity were sufficient to result in a 1-percent increase in 1943 over 1942. The total volume of new lending (excluding sales contracts) last year was $3,183,000,000 compared with $3,155,000,000 in 1942. Changes reflected in the participation by the various classes of lenders in the total volume of business were not sufficient to affect their relative positions.

Savings and loan associations were the leading lenders with respect to annual volume of money loaned, dollar increase over 1942 and the proportion of total lending done during 1943. Their aggregate loans last year amounted to $1,184,000,000, an increase of $133,000,000, or 13 percent, during the year. They accounted for 37.2 percent of all 1943 lending. In 1942, these associations showed a total of

[1] *See* "Survey of Life Insurance Company Investments in Mortgages," page 325 of this issue.

$1,051,000,000 in new lending—33.3 percent of the yearly aggregate.

Next in line with respect to the proportion of total lending was the miscellaneous group—"individuals and others"—which accounted for 32.6 percent of the volume of loans made. The $1,038,000,000 estimated for this group was $84,000,000 (8.8 percent) more than in 1942. The HOLC, the only other type of mortgagee to record an increase, showed $14,000,000, or 35 percent, more loans made than in 1942. This gain was the result of the Corporation's accelerated sales of real estate and the taking of purchase money mortgages in return. Despite this increase, HOLC lending represented only 1.7 percent of the year's activity compared with 1.3 percent in 1942.

Life insurance companies recorded the greatest decline in home-mortgage lending in 1943. This recession, in comparison with the increased mortgage holdings of these organizations, is due to the fact that new lending operations do not reflect mortgage purchases. The volume of loans written last year decreased $102,000,000 (27.3 percent) to $272,000,000 thus dropping their proportion of total lending volume from 11.9 percent in 1942 to 8.5 percent last year. This is in sharp contrast to the 1942 picture when these institutions were the only class to show any increase over 1941.

Commercial banks made home-mortgage loans in the amount of $515,000,000 during 1943—$91,000,000 less than in the previous year. By reason of this 15-percent drop, their share of total business declined to 16.2 from 19.2 percent in 1942. Mutual savings banks recorded a somewhat smaller decline last year. The $120,000,000 in lending volume was $10,000,000 (7.7 percent) less than during 1942, representing a drop from 4.1 percent of total lending activity in 1942 to 3.8 percent last year.

Estimated amounts loaned on 1- to 4-family nonfarm dwellings, 1943 and 1942

[Dollar amounts are shown in millions]

Type of lender	Loans made during 1943	Loans made during 1942	Dollar change from 1942	Percent change from 1942
Savings and loan associations	$1,184	$1,051	+$133	+12.7
Individuals and others	1,038	r 954	+84	+8.8
Commercial banks and their trust departments	515	606	−91	−15.0
Life insurance companies	272	374	−102	−27.3
Mutual savings banks	120	130	−10	−7.7
Home Owners' Loan Corporation	54	40	+14	+35.0
Total	3,183	r 3,155	+28	+0.9

r Revised.

FHA Activity Declines

Last year, for the first time, the annual volume of FHA mortgage insurance written showed a decline—a drop of $447,000,000 in Title II loans more than offsetting a $251,000,000 increase in Title VI activity. This decrease reflects the fact that 1943 was the first full calendar year in which no loans on new construction were insured under Title II provisions of the National Housing Act. It will be recalled that this activity was confined to loans on existing properties in the spring of 1942 and that the insurance of mortgages on new homes was channeled into the war-housing section, Title VI.

The net decline, which was proportionately greater than that for all new residential lending, produced a corresponding decrease in the ratio of insured loans to the total volume of lending. Of the estimated $3,183,000,000 in home mortgages written, $762,000,000, or 23.9 percent, represented FHA-insured lending. In 1942, these loans amounted to $958,000,000, or 30.4 percent.

According to FHA records, all classes of lenders, except savings and loan associations, shared in the decline in last year's insured-lending activity. Although insurance companies and commercial banks made a smaller volume of *uninsured* loans in 1943 than in 1942, the ratio of such loans to total home-mortgage loans made increased for each type of mortgagee. The proportion of insured lending to total lending by savings and loan associations continued far below that of other types of lenders. Although the dollar amount of FHA small-home mortgages written by these institutions increased slightly, a relatively smaller portion of their business—7.9 percent last year as against 8.8 percent the year before—was represented by this type of loan.

Insured Debt Outstanding

At the same time that this general decline in lending volume was in progress, the balance of debt outstanding represented by FHA loans increased. From a 1942 total of $3,666,000,000, or 18.4 percent of the total loan portfolio, premium-paying insured mortgages increased last year to $3,998,000,000—20.5 percent of the outstanding balance. This is undoubtedly accounted for in part by the fact that insured mortgages tend to be made for a longer term and that many are relatively young. That is to say, in the case of the many newer loans, a comparatively smaller proportion of monthly payments is applied to principal reduction and a larger amount is charged to interest.

The proportion of insured mortgages to total mortgage holdings increased for all types of lenders except the miscellaneous group. Likewise, the estimated unpaid balance of insured loans rose for each type with the exception of the same group. Life insurance companies[1] showed the greatest gain (20.3 percent) followed by mutual savings banks (19.8 percent), and savings and loan associations with a 15.8-percent increase. Holdings of commercial banks rose 7.2 percent while individuals and others declined an estimated 21.1 percent.

No published data are available on the institutional distribution of Title I, Class 3, loans outstanding.

Estimated holdings of FHA home mortgages, by type of institution, 1943 and 1942

[Titles II and VI, premium-paying; dollar amounts in millions]

Type of institution	Amount 1943	Percent of total home-mortgage portfolio	
		1943	1942
Commercial banks	$1,737	70.9	65.3
Insurance companies[1]	1,282	53.2	47.3
Savings and loan associations	322	7.1	6.1
Mutual savings banks	302	11.4	9.3
Others	355	5.8	7.1
Total	3,998	20.5	18.4

[1] As reported by FHA, insurance company figures include a small percentage for insurance companies other than "life".

DIRECTORY CHANGES

JULY 16–AUGUST 15, 1944

Key to changes

*Admission to Membership in Bank System
**Termination of Membership in Bank System
#Federal Charter Granted
##Cancelation of Federal Charter
ø Insurance Certificate Issued
øø Insurance Certificate Canceled

DISTRICT NO. 3

PENNSYLVANIA:
Pittsburgh:
**Thirteenth Ward Premium Building and Loan Association, 1729 Lawrie Street, N. S.

DISTRICT NO. 4

ALABAMA:
Mobile:
##øø Security Federal Savings and Loan Association of Mobile, 214 St. Francis Street.

NORTH CAROLINA:
Greensboro:
**Pilot Life Insurance Company.

Sixth District Members First to Gain Predominant Interest in FHL Bank

■ MEMBER savings and loan associations now own more than half of the capital stock of the FHL Bank of Indianapolis. As of last July 8, stock in the Bank owned by the Government was $6,577,400, in comparison with the $6,595,200 share of the member institutions. Of the 12 regional Banks, Indianapolis is the first to have Government holdings exceeded by the stock holdings of its members. "The significance of this announcement is that the Indianapolis Bank, serving the reserve credit needs of 220 member savings and loan associations in Indiana and Michigan, is now on the way to complete ownership by its members and the retirement of the original capital put up by the national Government," stated Fred T. Greene, president of the Bank.

With this achievement, Indianapolis has reached the goal set when the Bank System was established in 1932. The law prescribes that at such time as paid in subscriptions by members are equivalent to the Government investment in a Federal Home Loan Bank, one-half of all capital paid in thereafter shall be applied to the retirement of the Government shares outstanding.

When the System was created, the Government invested $124,741,000 in the capital of the 12 regional Banks; and it was provided that members hold stock in their District Bank equal to at least 1 percent of their net home mortgages. As member assets have increased, their growth has been translated into larger holdings of Bank stock. These stock purchases have also risen due to the investment of the surplus of member institutions above legal requirements.

The resources and reserves of the Indianapolis Bank have grown steadily, Mr. Greene asserts; on June 30, assets totaled $26,863,000, and reserves and undivided profits came to $1,144,000. Dividends paid by the Bank since its organization have amounted to $1,608,419 of which $1,101,178 has gone to the Government and $507,241 to the members.

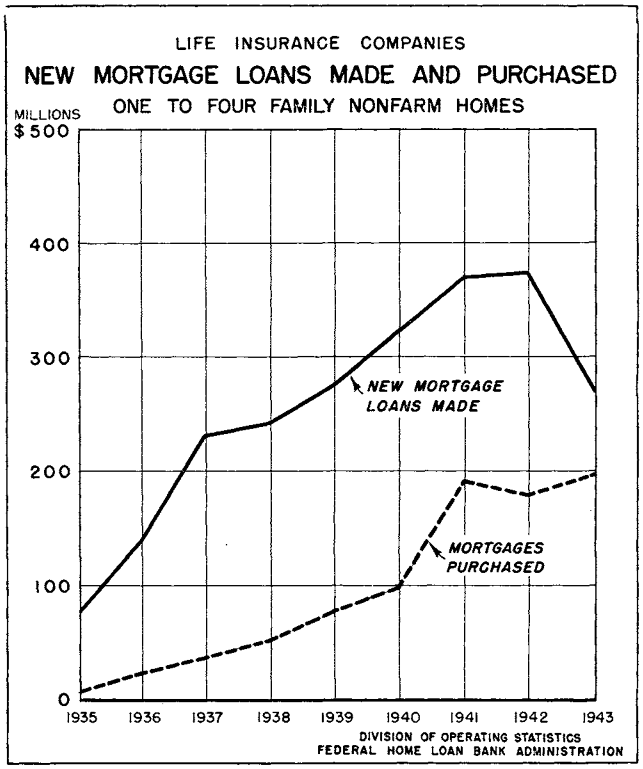
Member institutions, receiving a record flow of investment funds from the public during the past few years, have reduced their borrowings from the Bank. Accordingly, outstanding advances of the Indianapolis Bank have declined from their peak of $13,800,000 at the beginning of 1942 to $10,988,000 in July of this year.

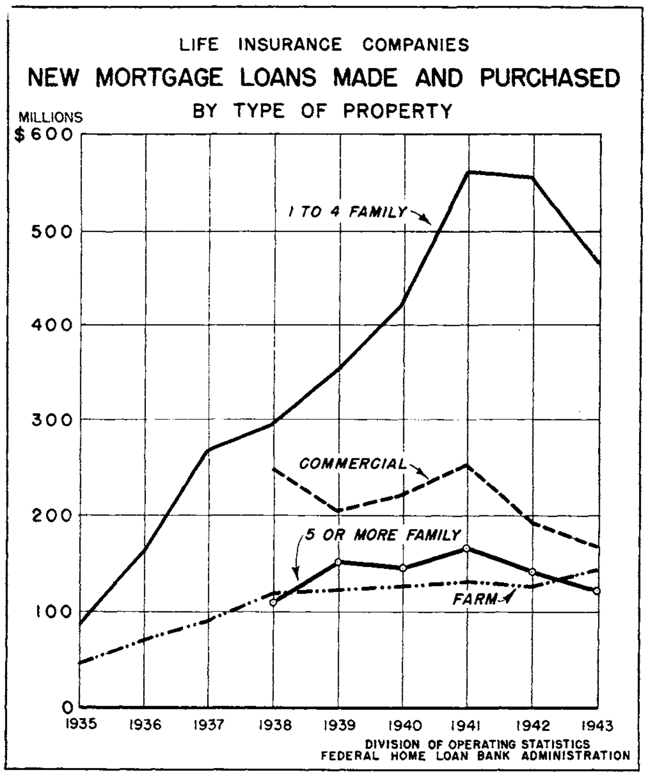
the average amount of new mortgages purchased during the year and from the repayment of loan balances outstanding.

Emphasis on FHA

Last year, for the first time, holdings of insured mortgages on 1- to 4-family homes by life insurance companies exceeded uninsured loan balances outstanding in this particular category. Insured loans, showing a 19-percent rise in 1943, accounted for 51 percent of the total compared with 46 percent on December 31, 1942, and only 14 percent at the close of 1938. Insured mortgages seem especially well suited to the widespread operations of life insurance companies, and the extensive use of this type of loan has played an important part in developing the trend toward a preponderance of home loans in the portfolios of these institutions. This is substantiated by reports of the FHA which indicate that as of the end of 1943, insurance companies of all kinds held 31.3 percent, or the second largest share of Title II loans and 35.3 percent, or the largest portion, of the loans insured under Title VI.[1] The unpaid balance of insured loans on 1- to 4-family homes in the portfolios of life insurance companies amounted to an estimated $1,230,000,000 at the end of 1943, accounting for about 94 percent of their holdings of insured mortgages on all types of properties.

[1] Data restricted to small-home loans under Title II, Section 203, and Title VI, Section 603.





Ratio to Assets

The ratio of mortgages on 1- to 4-family properties to total assets declined during 1943 from 6.5 to 6.4 percent, as assets showed a more rapid rate of gain (about 8 percent) than did mortgages of the aforementioned type. However, there was a much more pronounced drop in the ratio of the total mortgage portfolio to all assets, principally due to the declines in farm and commercial real-estate loans outstanding. For a number of years these investments had maintained a remarkably constant relationship at between 19 and 20 percent of total assets. During 1943, though, this ratio fell off to 17.9 percent from 19.3 at the close of the preceding year. This obviously reflects wartime restrictions on the volume of all types of building. However, the heavy proportionate share of Title VI loans currently held by these institutions certainly indicates no loss of interest in the acquisition of additional loans on small homes.

Lending in 1943

The gross volume of mortgage loans added to the portfolios of life insurance companies declined for the second consecutive year. The $899,000,000 of new

SURVEY OF LIFE INSURANCE COMPANY INVESTMENTS IN MORTGAGES

The annual study of mortgage investments by life insurance companies discloses a continued emphasis on small-home loans. During 1943, mortgages purchased by these institutions showed a marked increase and for the first time more than half of all small-home loans made or purchased were insured under the Federal Housing Administration.

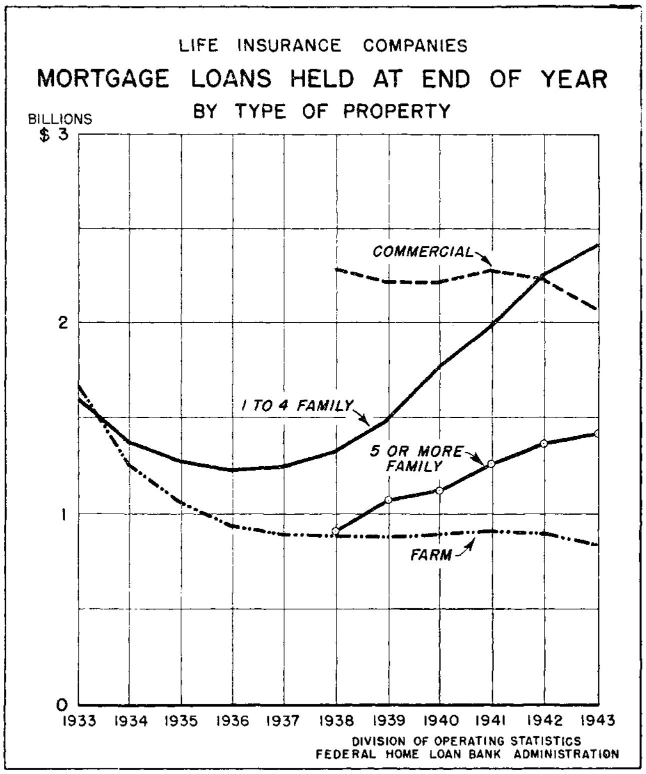
■ THE total volume of mortgages in the portfolios of life insurance companies was virtually unchanged in 1943, according to the annual survey conducted by the Division of Operating Statistics of the Federal Home Loan Bank Administration.

The fractional decline of 0.2 percent observed in these holdings followed six years of steady growth (1937 through 1942) as the combined mortgage portfolio receded to $6,748,000,000 at the end of last December. This slight drop reflects decreases in the holdings of farm and commercial mortgages which more than offset gains in the unpaid balance of loans on nonfarm dwellings. Correspondingly, the trend toward higher proportionate holdings of nonfarm residential mortgages, which has been consistently noticeable since the late thirties, continued. At the end of last year these holdings, including those on multi-family structures, constituted about 57 percent of all mortgages owned compared with 54 percent at the end of 1942 and 41 percent as of December 31, 1938. New mortgage lending on residential properties, although less than in the previous year, was sufficient to exceed the amount of loan balances liquidated. Consequently, this segment of their combined portfolio showed an increase of approximately 6 percent during the year, amounting to $3,834,000,000 as of December 31.

For the past seven years, a steady rise has been noticed in the dollar volume of mortgages on 1- to 4-family nonfarm homes held by these institutions. The increase over this period brings them to almost 194 percent of the 1936 level. At the end of last year, the unpaid balances of loans on this type of property totaled about $2,410,000,000, showing a gain of 7 percent over holdings as of December 31, 1942, and representing 36 percent of the total mortgage portfolio.

For the second consecutive year, life insurance companies were the only type of lender to register a substantial gain in mortgage holdings on 1- to 4-family homes. As a result, the proportion of total mortgage debt on 1- to 4-family nonfarm homes held by these concerns rose from 11 percent of the national total to 12 percent. However, this did not prove sufficient to alter their relative position, as life insurance companies stood fifth by type of mortgagee in proportion to their holdings, being led by individuals and others with 31 percent, savings and loan associations with 23 percent, mutual savings banks which held 14 percent, and commercial banks which accounted for 13 percent of the total small-home loans outstanding.

The average size of loans on 1- to 4-family nonfarm homes in the life insurance portfolio declined during 1943 to $4,045 from $4,114, a drop of about 2 percent. This resulted primarily from a 7-percent decline in



real-estate loans of all kinds made and purchased in 1943 represented a 12-percent drop from the total for 1942 and was 19 percent less than the post-depression high of $1,111,000,000 reached in 1941. However, despite restrictions on building which have reduced the outlets for mortgage funds, these institutions increased their volume of mortgages purchased above the figure reported for the year before. Of the aggregate amount of new loans acquired, $677,000,000 was originated by the insurance companies or their correspondents and $222,000,000 was purchased from other originators. Compared with the previous year, this was an increase of 9 percent in purchases as against a decrease of 15 percent in new loans made in their own name, and a decline of 25 percent in new loans made in the names of correspondents. The effect of these changes has been an increase in the proportion of purchases to total new mortgage investments from 20 percent in 1942 to 25 percent in 1943.

For three consecutive years mortgages on 1- to 4-family homes have constituted more than half of all new investments in real-estate loans. However, the $469,000,000 of these loans, amounting to 52 percent of the total reported in 1943, represented a decline in proportion from the 55 percent shown the year before. This also reflects a decrease of 16 percent in dollar volume from 1942. Loans on multifamily properties represented 14 percent of all mortgages added to the portfolios last year, while 19 percent of the new loans were on commercial properties and 16 percent were farm mortgages.

The volume of mortgages acquired during the year (originations and purchases) showed decreases for each group, with the exception of farm loans which registered a gain of 11 percent over the total loans of this type acquired by life insurance companies in 1942. To some extent this gain may reflect the increased turnover in farm properties which has been diagnosed by many as an incipient flight to equity as a hedge against inflation. However, in considering this possibility, it should be recalled that over the 11 years covered by the surveys of the Division of Operating Statistics, 1942 was the only year in which the volume of farm loans acquired registered a decline. Perhaps the most significant feature of the volume of new farm loans added to the portfolio in 1943 is the relatively abrupt increase to 15.7 percent of all acquisitions from 12.5 percent in 1942.

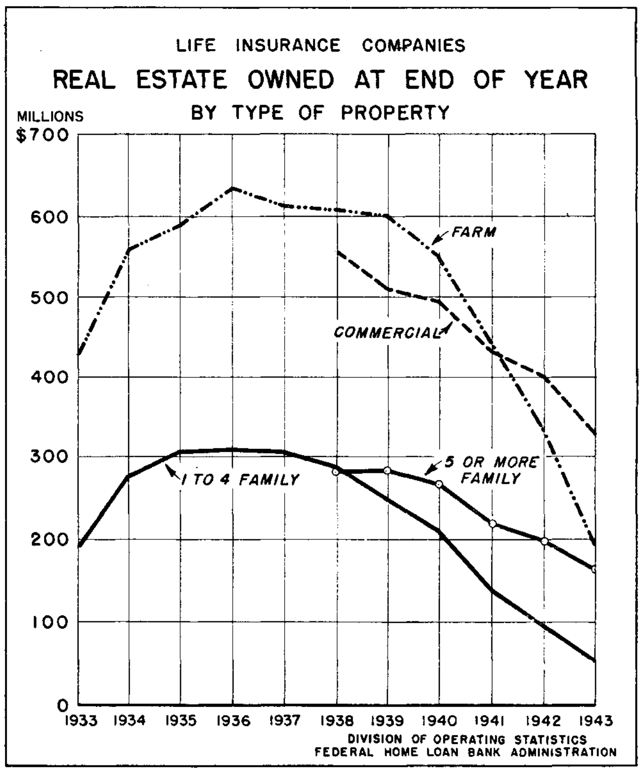
How have these institutions acquired new loans? As mentioned above, life insurance companies have been replenishing their portfolios more and more through the purchase of loans from other originators. The chart (top of page 326) graphically illustrates the growing importance of purchases as a source of new mortgages on 1- to 4-family properties. Except for a minor reversal in 1942, the amount of these mortgages purchased has increased each year, from less than $10,000,000 in 1935 to nearly $200,000,000 in 1943. The heavy volume of purchases by life insurance companies has been greatly facilitated by the utilization of FHA mortgage insurance. This is borne out by records of the FHA which indicate that during last year insurance companies of all kinds accounted for the greatest proportion of purchases of both Title II and Title VI loans, 44.9 percent and 43.7 percent, respectively.

Of the $469,000,000 in new mortgages on nonfarm homes acquired during 1943, $197,000,000, or 42 percent, were purchased by the insurance companies as compared with 1942 when only 33 percent were purchased and 67 percent were originated by insurance companies or their correspondents.

Owned Real Estate

Life insurance companies took full advantage of the favorable market conditions during 1943 by further reducing their holdings of acquired prop-

(*Continued on p. 337*)



BRITISH BUILDING SOCIETIES MERGE

■ A process of amalgamation has been evident among building societies in Great Britain for the past few years. The October 1943 REVIEW reported the merger of the Abbey Road and National Building Societies (two of the six leading organizations of this type in England) to form the Abbey National. The trend toward larger operating units continues with proposals for the combination of the Leeds Permanent and the Woolwich Equitable, with prospects for the inclusion of the Liverpool Investment and the Dunfermline Building Societies. This single unit would have assets of £86 million ($344 million[1]).

The Leeds Permanent and the Woolwich Societies were the third and fourth largest in Britain. The new British Building Society, the proposed title for the combination of the four, will be the second in respect to size, exceeded only by the Halifax Building Society, with £129 million in assets.

"The Leeds-Woolwich-Liverpool-Dunfermline project," says the *Building Societies' Gazette*, "would be the largest transaction of its kind in the history of the movement." If arrangements are on schedule, the new organization will begin operations early in October. At that time, the list of Britain's leading institutions of this kind will be:

Building Society	Assets in millions	
Halifax	£129	$516
British	86	344
Abbey National	82	328
Co-operative Permanent	35	140
Leicester Permanent	17	68

The announcement of the merger stated that "the combination of interests of the North and South will give the new Society the advantages of a nation-wide field of activity and will enable it to make an important contribution to the solution of the problems of post-war housing. The British Building Society will maintain local traditions and extend its influence by means of existing Branch Offices and by Local Boards."

The president of the Leeds Permanent, Mr. Ellis Thompson, commented that the amalgamation was intended to help the country with post-war housing problems, not only in the field of selling but that of renting. The combined resources of the new organization will probably enable them to do this better and more economically.

[1] 1£=$4.

When the merger is completed the "big three" will control approximately 40 percent of all capital invested in building societies.

According to the Memorandum of the Leeds Permanent Society, signed on behalf of the Board of Directors by Sir Charles Davies, general manager, "one of the most urgent tasks which will face the country on the conclusion of hostilities will be the provision of houses of approved standard and design. Building societies will undoubtedly be called upon to make a substantial contribution to the solution of this vital problem, and the directors . . . are anxious that, within the sphere of the building society movement, it (the new society) should take a still more prominent place in the post-war period . . ."

Advantages and Comments

The directors of the Leeds Permanent list six important advantages of the merger:

Mortgage investments will be spread over a wider field, making for added security. Combining the special knowledge of each society will increase efficiency.

As inflow of investments and the demand for mortgage loans varies, there is a benefit in a society which can take advantage of differing local conditions.

By pooling resources the society will be favorably placed to meet post-war financial demands.

The financial strength and resources of the new unit will augment its influence, enable it to keep high standards and safeguard the interests of borrowing members as well as of the shareholders. The combination of widely spread branch offices will prove of great help.

Economies in administration will result from the adoption of a common policy of operation.

The British press compared this merger with the recent one of the Abbey National, and went on to remark about the move toward larger units. For example, the *Daily Express* was inclined to think that this union was the possible beginning of a race for leadership within the building-society movement. The *News Chronicle* was of the opinion that it is time that integration begin to "permeate the lower ranges . . . for it is there that the need for consolidation and for the economies that go with it is

(Continued on p. 337)

HONOR ROLL OF THE FIFTH WAR LOAN

■ WITH 2,735 institutions reporting, the membership of the Federal Home Loan Bank System reached a record total for combined purchases and sales of Government securities during the Fifth War Loan, $538,866,000, or approximately 30 percent more than the previous peak reported during the Third Drive last winter. This raised the cumulative total of sales and purchases since May 1941, to $2,510,000,000. Thus, more than 21 percent of this cumulative figure was reported during the period of the Fifth Drive.

Total sales and purchases during this campaign amounted to about 9 percent of all assets of reporting institutions, only 1 percent less than the requirements for *Honor Roll* qualification for the Drive. In a special letter to the Governor of the Bank System, Mr. Ted Gamble, National Director of the War Finance Division, expressed the appreciation of the Treasury Department for the part that all members acting as issuing agents have played in making possible the success of the Fifth War Loan.

It is obvious that if the nearly 500 additional qualified members and another 500 which are not qualified to issue war bonds had filed reports of their activities with the regional Banks, the combined figure for the Fifth War Loan drive might have been reported conservatively at $561,000,000.

The high peak which members achieved during June and July was primarily due to an extraordinarily large volume of purchases which attained a record total of $380,245,000, or more than 43 percent above the previous peak reported during the Third War Loan. This rise in purchases was accompanied by a gain in sales to other investors, which reached new heights and superseded the former record volume of sales recorded in the campaign last winter. Sales of war bonds and stamps by members during the Fifth Drive amounted to $158,621,000, standing more than 7 percent higher than the former peak.

Reporting institutions indicated a combined portfolio of Government securities in the amount of $1,378,660,000, or 23 percent of assets. As compared with the 13.3 percent reported by all members at the end of 1943 this indicates phenomenal growth in this segment of the balance sheet.

Activities by States

A state-by-state breakdown shows that Ohio, with total sales and purchases of $69,659,000, accounted for the largest portion, followed by New York with $41,286,000, while California in third place reported $39,691,000. Texas was first in sales which amounted to $17,575,000, while Ohio ran a close second with an aggregate of $17,207,000. New York placed third, sales in this state totaling $14,514,000.

The highest volume of purchases of Government securities was reported in Ohio where it reached $52,452,000. Large purchases by Massachusetts members, $36,246,000, put that state in second place and raised the combined total of sales and purchases there to the fourth highest in the country. California had the third largest volume of purchases, accounting for $26,861,000.

The 220 associations listed below reported sales of war bonds and stamps during the months of June and July in excess of 10 percent of their reported assets. This is the highest standard for qualification yet established, the quota for the Fourth War Loan having been set at 7½ percent. In accordance with customary practice, qualifications will be lowered to monthly sales equal to 1 percent of assets for the August *Honor Roll* which will appear in the next issue of the REVIEW.

NO. 1—BOSTON

First Federal Savings and Loan Association, Providence, R. I.
Windsor Locks Building and Loan Association, Windsor Locks, Conn.

NO. 2—NEW YORK

Bankers Federal Savings and Loan Association, New York, N. Y.
Berkeley Savings and Loan Association, Newark, N. J.
Bronx Federal Savings and Loan Association, Bronx, N. Y.
Bronxville Federal Savings and Loan Association, Bronxville, N. Y.
Center Savings and Loan Association, Clifton, N. J.
First Federal Savings and Loan Association, New York, N. Y.
Haddon Heights Victory Savings and Loan Association, Haddon Heights, N. J.

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.

Long Beach Federal Savings and Loan Association, Long Beach, N. Y.
Maywood Savings and Loan Association, Maywood, N. J.
Oneida Federal Savings and Loan Association, Oneida, N. Y.
South Brooklyn Savings and Loan Association, Brooklyn, N. Y.
White Plains Federal Savings and Loan Association, White Plains, N. Y.

NO. 3—PITTSBURGH

Brentwood Federal Savings and Loan Association, Brentwood, Pa.
Cambria County Federal Savings and Loan Association, Cresson, Pa.
First Federal Savings and Loan Association, Logan, W. Va.
First Federal Savings and Loan Association, Wilkes-Barre, Pa.
Friendly City Federal Savings and Loan Association, Johnstown, Pa.
Matoaca Building and Loan Association, Philadelphia, Pa.
Mid-City Federal Savings and Loan Association, Philadelphia, Pa.
Polonia Building and Loan Association, Pittsburgh, Pa.
Roxborough-Manayunk Federal Savings and Loan Association, Philadelphia, Pa.
St. Edmond's Building and Loan Association, Philadelphia, Pa.
United Federal Savings and Loan Association, Morgantown, W. Va.
West View Building and Loan Association, West View, Pa.

NO. 4—WINSTON-SALEM

Atlantic Federal Savings and Loan Association, Baltimore, Md.
Bartow Federal Savings and Loan Association, Bartow, Fla.
Baxley Federal Savings and Loan Association, Baxley, Ga.
Bohemian American Building Association, Baltimore, Md.
Brevard Federal Savings and Loan Association, Brevard, N. C.
Canton Building and Loan Association, Canton, N. C.
Community Federal Savings and Loan Association, Winnsboro, S. C.
Donalsonville Federal Savings and Loan Association, Donalsonville, Ga.
Douglas Federal Savings and Loan Association, Douglas, Ga.
First Federal Savings and Loan Association, Andalusia, Ala.
First Federal Savings and Loan Association, Bainbridge, Ga.
First Federal Savings and Loan Association, Bessemer, Ala.
First Federal Savings and Loan Association, Cordele, Ga.
First Federal Savings and Loan Association, Decatur, Ala.
First Federal Savings and Loan Association, Hopewell, Va.
First Federal Savings and Loan Association, Lakeland, Fla.
First Federal Savings and Loan Association, Montgomery, Ala.
First Federal Savings and Loan Association, Panama City, Fla.
First Federal Savings and Loan Association, South Boston, Va.
First Federal Savings and Loan Association, Sumter, S. C.
First Federal Savings and Loan Association, Waycross, Ga.
Fitzgerald Federal Savings and Loan Association, Fitzgerald, Ga.
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 Federal Savings and Loan Association, Fayetteville, N. C.
Jefferson Federal Savings and Loan Association, Birmingham, Ala.
Lake City Federal Savings and Loan Association, Lake City, Fla.
Lake Worth Federal Savings and Loan Association, Lake Worth, Fla.
Lexington County Building and Loan Association, West Columbia, S. C.
Lithuanian Federal Savings and Loan Association, Baltimore, Md.
Mechanics Federal Savings and Loan Association, Rock Hill, S. C.
Miami Beach Federal Savings and Loan Association, Miami Beach, Fla.
Palatka Federal Savings and Loan Association, Palatka, Fla.
Piedmont Building and Loan Association, High Point, N. C.
Stephens Federal Savings and Loan Association, Toccoa, Ga.
Tifton Federal Savings and Loan Association, Tifton, Ga.
Union Federal Savings and Loan Association, Baltimore, Md.
Vermont Federal Savings and Loan Association, Baltimore, Md.
Wyman Park Federal Savings and Loan Association, Baltimore, Md.

NO. 5—CINCINNATI

Athens Federal Savings and Loan Association, Athens, Tenn.
Citizens Federal Savings and Loan Association, Covington, Ky.
Citizens Federal Savings and Loan Association, Dayton, Ohio
Cookeville Federal Savings and Loan Association, Cookeville, Tenn.
First Federal Savings and Loan Association, Bucyrus, Ohio
First Federal Savings and Loan Association, Canton, Ohio
First Federal Savings and Loan Association, Greenville, Tenn.
First Federal Savings and Loan Association, Hopkinsville, Ky.
First Federal Savings and Loan Association, Lexington, Ky.
First Federal Savings and Loan Association, Maryville, Tenn.
First Federal Savings and Loan Association, Pineville, Ky.
First Federal Savings and Loan Association, Russellville, Ky.
Fulton Building and Loan Association, Fulton, Ky.
Hancock Savings and Loan Company, Findlay, Ohio
Hickman Federal Savings and Loan Association, Hickman, Ky.
Home Federal Savings and Loan Association, Cincinnati, Ohio
Home Loan and Savings Company, Coshocton, Ohio
Indian Village Federal Savings and Loan Association, Gnadenhutten, Ohio
Linwood Savings and Loan Company, Cincinnati, Ohio
Louisville Home Federal Savings and Loan Association, Louisville, Ky.
McKinley Federal Savings and Loan Association, Niles, Ohio
Newport Federal Savings and Loan Association, Newport, Tenn.
Provident Building and Loan Association, Cleveland, Ohio
Rockwood Federal Savings and Loan Association, Rockwood, Tenn.
San Marco Building and Loan Association, Cincinnati, Ohio
Third Equitable Building and Loan Company, Cadiz, Ohio
Tri-County Savings and Loan Company, Galion, Ohio
Versailles Building and Loan Company, Versailles, Ohio
Wm. H. Evans Building and Loan Association, Akron, Ohio

NO. 6—INDIANAPOLIS

Capital Savings and Loan Company, Lansing, Mich.
Detroit Federal Savings and Loan Association, Detriot, Mich.
First Federal Savings and Loan Association, Detroit, Mich.
First Federal Savings and Loan Association, Gary, Ind.
First Federal Savings and Loan Association, Jeffersonville, Ind.
Griffith Federal Savings and Loan Association, Griffith, Ind.
Iron Savings and Loan Association, Iron River, Mich.
Logansport Building and Loan Association, Logansport, Ind.
Loogootee Federal Savings and Loan Association, Loogootee, Mich.
Midland Federal Savings and Loan Association, Midland Mich.
Monon Building, Loan and Savings Association, Monon, Ind.
Muncie Federal Savings and Loan Association, Muncie, Ind.
Ottawa County Building and Loan Association, Holland, Mich.
Peoples Federal Savings and Loan Association, Royal Oak, Mich.
Standard Savings and Loan Association, Detroit, Mich.
Three Rivers Building and Loan Association, Three Rivers, Mich.
Union Federal Savings and Loan Association, Evansville, Ind.
Wabash Federal Savings and Loan Association, Terre Haute, Ind.
Warsaw Building and Loan Association, Warsaw, Ind.

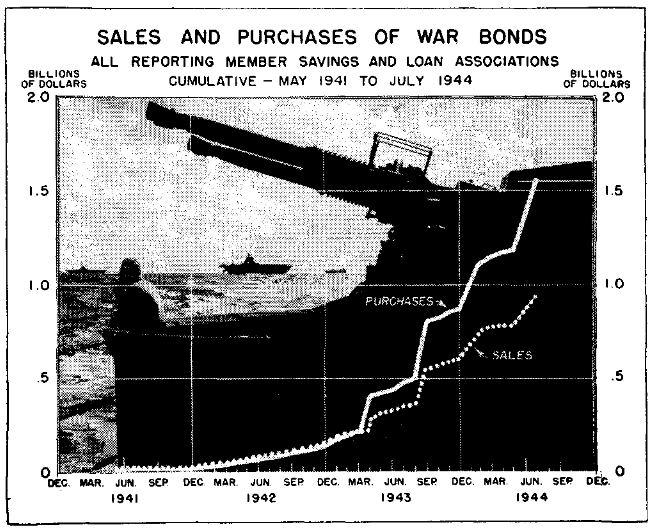
NO. 7—CHICAGO

Abraham Lincoln Savings and Loan Association, Chicago, Ill.
Auburn Building and Loan Association, Auburn, Ill.
Caseyville Building Association, Caseyville, Ill.
Central Federal Savings and Loan Association, Milwaukee, Wis.
Damen Savings and Loan Association, Chicago, Ill.
First Federal Savings and Loan Association, Barrington, Ill.
Haller Savings and Loan Association, Chicago, Ill.
Homewood Building and Loan Association, Homewood, Ill.
Jugoslav Savings and Loan Association, Chicago, Ill.
Libertyville Federal Savings and Loan Association, Libertyville, Ill.
Lombard Building and Loan Association of DuPage County, Lombard, Ill.
Morrisonville Building and Loan Association, Morrisonville, Ill.
Mt. Vernon Loan and Building Association, Mt. Vernon, Ill.
Naperville Building and Loan Association, Naperville, Ill.
National Savings and Loan Association, Chicago, Ill.
Peoples Federal Savings and Loan Association, Peoria, Ill.
Richland Center Federal Savings and Loan Association, Richland Center, Wis.
Standard Building and Loan Association, Wood River, Ill.
Uptown Federal Savings and Loan Association, Chicago, Ill.
West Highland Savings and Loan Association, Chicago, Ill.

NO. 8—DES MOINES

Aberdeen Federal Savings and Loan Association, Aberdeen, S. D.
Albert Lea Building and Loan Association, Albert Lea, Minn.
Butler Building and Loan Association, Butler, Mo.
Decorah Building and Loan Association, Decorah, Iowa
First Federal Savings and Loan Association, Jamestown, N. D.
First Federal Savings and Loan Association, St. Paul, Minn.
First Federal Savings and Loan Association, Thief River Falls, Minn.
Home Savings and Loan Association, Osage, Iowa

(*Continued on p. 345*)



★ ★ ★ WORTH REPEATING ★ ★ ★

FARM PRICES: "... The rate at which farm land prices are rising coupled with the large number of sales are unmistakable signs that an inflationary land spree is under way in many regions."

Claude Wickard, Secretary of Agriculture, *Wall Street Journal*, August 5, 1944.

TAX CONSIDERATIONS: "Giving particular attention to the impact of taxation upon production and payment does not mean neglecting other objectives of taxation, such as fairness or equity, or the adequacy of revenue yield. A sensible tax program must be based on a balance of all these considerations. Fairness, or equity, in taxation calls for reasonable classification and like treatment of those in like circumstances. Beyond this, the term is associated with the concept of ability to pay or with a frank interest in reducing inequalities in the distribution of income or wealth. It cannot be denied that the desire for 'equity' will at times conflict with concern for incentives . . . But there are a surprising number of important tax reforms that involve no clash of interests at all, and that can be recommended in the name of both equity and incentives. Usually there is no conflict between a tax program that nurtures production and one that seeks adequate revenues."

Harold M. Groves, Professor of Economics, University of Wisconsin, *The Constructor*, July 1944.

WHAT PRICE SLUMS? "Slums are a dead weight on the body politic—a drag from a financial and sociological viewpoint . . . They are a symbol of our apathy, lethargy, selfishness, ignorance and stupidity, a mockery to boasts of our high standards of living, our industrial capacity, and our system of free enterprise.

"The homes in the unhealthy portions of the city do not pay their fair share of the costs of city government, but, on the contrary, add to those costs and drive taxable citizens from the city because of lack of desirable dwelling space and living conditions. This process increases the per capita cost of taxation on those who remain."

Roland R. Randall, Chairman, Philadelphia Housing Authority, *American Savings and Loan News*, August 1944.

RATIONAL APPROACH: "Important among . . . economic considerations for housing are such factors as the anticipated post-war employment level, the distribution of family income, future population expectations, and its composition, particularly in respect to the number and size of families. It is extremely important to visualize the future geographical distribution of the population of an area with reference to sources of employment. For most localities, fortunately, the data for making these determinations are now more profuse than at any other time, and additional statistics are being made available at frequent intervals to governmental agencies and by public and private institutions and organizations. With a great proportion of needed raw material thus at hand, there appears to be no logical reason why local communities should not, to some extent at least, employ a rational, economic approach to their post-war housing."

Albert E. Dickens, Director of Research, Chicago Plan Commission, *National Real Estate Journal*, August 1944.

SABOTAGE: "We can no more tolerate idle dollars—than we can tolerate idle men We have come to a point where unnecessary spending is a form of sabotage and saving is not only common sense but a form of public service. By saving without stint, we not only provide for our own personal security—we become partners rather than competitors of our Government in its fight for life."

Peter Odegard, before Conference and Organization Meeting of the Council of Insured Savings Associations of New York State

POST-WAR BOOKSHELF

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

HOUSING AND PLANNING AFTER THE WAR: The [British] Labor Party's Post-War Policy: 1944. Available at 2d from Transport House, London, England.

POST-WAR CAPACITY AND CHARACTERISTICS OF THE CONSTRUCTION INDUSTRY: Reprint from *Monthly Labor Review*. May 1944. Bulletin No. 779. Available at 10¢ from Superintendent of Documents, Government Printing Office, Washington 25, D. C.

POPULATION AND HOUSING. FAMILIES: Income and Rent—For Regions and Metropolitan Districts of 1,000,000 or More: 1943. 242 pp. Available from the Bureau of the Census, U. S. Department of Commerce Washington 25, D. C.

PLATFORM FOR POST-WAR CONSTRUCTION; CONSTRUCTION IN THE POST-WAR ECONOMY: Available from the Producers' Council, Inc., 815 15th Street N W., Washington, D. C.

GOOD SHELTER FOR EVERYONE: 1944. 24 pp. Available at 10¢ from Congress of Industrial Organizations, 718 Jackson Place, N. W., Washington, D. C.

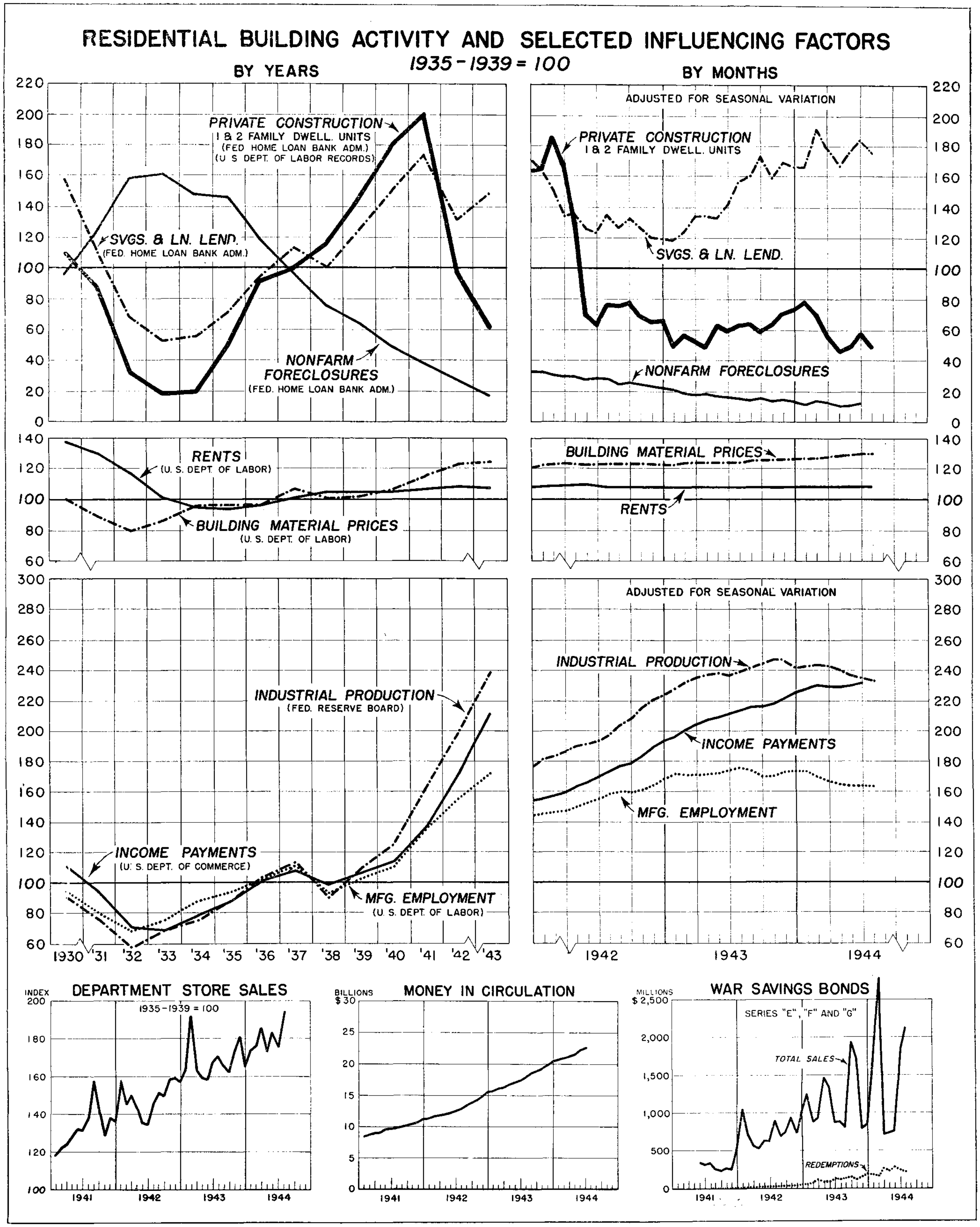
THESE ARE THE HOUSES SAM BUILT: first report of the Housing Authority of the City of Vallejo, California. 44 pp. illus. Available from the Authority, P. O. Box 1432, Vallejo, California.

CITIES OF LATIN AMERICA: Planning and Housing to the South. By Francis Violich. 240 pp. illus. Available at $3.50 from Reinhold Publishing Corporation, New York, N. Y.

THE WINNING PLANS IN THE PABST POST-WAR EMPLOYMENT AWARDS: Available from the Pabst Brewing Company, Chicago, Ill.

HOME OR SLUM: Post-war Homes for Post-war New York. 16 pp. illus. Available at 5¢ from Citizens' Council of New York, 470 Fourth Avenue, New York 16, N. Y.

JOBS AFTER THE WAR: By E. A. Goldenweiser and Everett E. Hagen. In the May 1944 issue of the *Federal Reserve Bulletin*, pp. 424–431. Available at 20¢.


RESIDENTIAL BUILDING ACTIVITY AND SELECTED INFLUENCING FACTORS
BY YEARS
1935-1939 = 100
BY MONTHS
ADJUSTED FOR SEASONAL VARIATION
PRIVATE CONSTRUCTION
1 & 2 FAMILY DWELL. UNITS
(FED HOME LOAN BANK ADM.)
(U S DEPT. OF LABOR RECORDS)
SVGS. & LN. LEND.
(FED. HOME LOAN BANK ADM.)
NONFARM FORECLOSURES
(FED. HOME LOAN BANK ADM.)
RENTS
(U. S. DEPT. OF LABOR)
BUILDING MATERIAL PRICES
(U. S. DEPT. OF LABOR)
INDUSTRIAL PRODUCTION
(FED. RESERVE BOARD)
INCOME PAYMENTS
(U. S. DEPT. OF COMMERCE)
MFG. EMPLOYMENT
(U. S. DEPT. OF LABOR)
1930 '31 '32 '33 '34 '35 '36 '37 '38 '39 '40 '41 '42 '43
1942 1943 1944
DEPARTMENT STORE SALES
INDEX
1935-1939 = 100
MONEY IN CIRCULATION
BILLIONS
WAR SAVINGS BONDS
MILLIONS
SERIES "E", "F" AND "G"
TOTAL SALES
REDEMPTIONS
1941 1942 1943 1944

« « « MONTHLY SURVEY » » »

HIGHLIGHTS

I. As new residential construction continued to decline, the more rapid rate of decrease in public war-housing construction produced a rise in the proportion of private building.

II. Mortgage recordings registered a slight decline in July following six months of steady increase.

III. New lending by all operating savings and loan associations during July declined 11 percent from the preceding month, registering a more-than-seasonal drop.

IV. Repurchases in all savings and loan associations during July were 18 percent over the level for the corresponding month last year while new investments were 11 percent higher than in July 1943.

A. General reserves and undivided profits of insured associations declined slightly during the year to 6.6 percent of resources.

B. Insured associations repurchased $12,000,000 of Government share capital in July, of which $10,000,000 was retired by Federals.

V. Advances by the 12 Federal Home Loan Banks were the highest recorded for July, amounting to $28,481,000. The balance of advances outstanding was over $7,800,000 above the total at the end of June.

VI. Changes in the war-production program resulted in continued declines in industrial production.

BUSINESS CONDITIONS—Declining production continues

The fiscal year 1945 opened with continued declines being reported by a number of industries, principally due to additional readjustments in the munitions program as well as shortages of manpower in various lines. As a result, the over-all index of industrial production (1935–1939 average), as reported by the Federal Reserve Board, dropped to 233 percent during July from 235 percent the preceding month. Thus, the steady, gradual recession, observable since last February, now leaves the index 7 points below its position in July 1943 and 14 points below the peak attained last fall. Despite the downward trend in manufactures, railroads and other carriers reported an unabated rise in freight traffic in July with indications of a sustained high level in the following month.

Employment trends during the month, as reported by the Bureau of Labor Statistics, generally substantiate these data as transportation and public utilities were the only categories other than the financial, service and miscellaneous group to show an increase in employees during July. Total employment in non-agricultural establishments, according to this source, declined by 136,000 to 38,607,000, and the number of wage earners in all lines of manufacture was 161.0 percent of the 1935–1939 average as compared with 161.8 percent in June and 173.2 percent in the corresponding month of last year.

The Federal Reserve Board's seasonally adjusted index for department store sales rose to 189 percent of the 1935–1939 base in July from 175 the month before as actual sales registered a less-than-seasonal decline. This followed a more-than-seasonal decline in June, while preliminary indications are that August sales are above the level reported for the corresponding month last year.

The cost-of-living index of the Department of Labor rose by more than one-half point in July when it was reported at 126.1 percent as compared with 123.9 percent in the same month of 1943. On the other hand, according to the same source, wholesale prices declined during the month to 129.2 percent from 129.4 percent of the 1935–1939 figure. In July of last year they were at 128.1 percent of this index. Building materials showed no change during the month.

War expenditures in the first month of the new fiscal year totaled $7,200,800,000, or about 12 percent more than was spent for that purpose in the same month the year before. An increase of more than $7,570,000,000 in the gross public debt brought the total, including guaranteed obligations, to more than $210,138,000,000.

[1935–1939=100]

Type of index	July 1944	June 1944	Percent change	July 1943	Percent change
Home construction (private) [1]	48.7	58.5	−16.8	62.6	−22.2
Rental index (BLS)	108.1	108.1	0.0	108.0	−0.1
Building material prices	129.4	129.4	0.0	123.6	+4.7
Savings and loan lending [1]	175.1	183.9	−4.8	156.0	+12.2
Industrial production [1]	233.0	235.0	−0.9	240.0	−2.9
Manufacturing employment [1]	163.1	[r] 163.7	−0.4	175.5	−7.1
Income payments [1]	232.4	[r] 232.6	−0.1	213.4	−8.9

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

BUILDING ACTIVITY—Low point reached in July

The rapid tapering off of the war-housing program was continued during July when building permits were issued for only 8,445 dwelling units in urban areas, the lowest number for any one month since early in 1936. This represents a decline of 25 percent from June of this year and a 43-percent drop from last July. Both public and private construction decreased during July. Private construction declined 23 percent from a volume of 9,973 units in June to 7,646 in July while publicly financed units dropped from 1,293 to 799, down 38 percent. Permits issued for all types of dwellings were substantially below the volume in the corresponding month of 1943. Private building dropped 31 percent and public construction was 78 percent less than in July of last year.

Of all the dwelling units started during the first seven months of this year, 84 percent were privately financed compared with 52 percent in the corresponding period of 1943. From January through July 1944, permits were issued for nearly 61,000 privately financed dwelling units compared with 66,000 during the same period in 1943, a decline of 8 percent, while units financed by public funds totaled nearly 12,000 as against 62,000 in the same period of 1943. [TABLES 1 and 2.]

BUILDING COSTS—Labor costs decline fractionally

For the first time since September 1943 a decline was registered during July in the labor charges incident to the cost of constructing the standard 6-room frame house. However, this fractional drop was not sufficient to offset an increase in material prices which carried the composite index to a point slightly above that recorded in June.

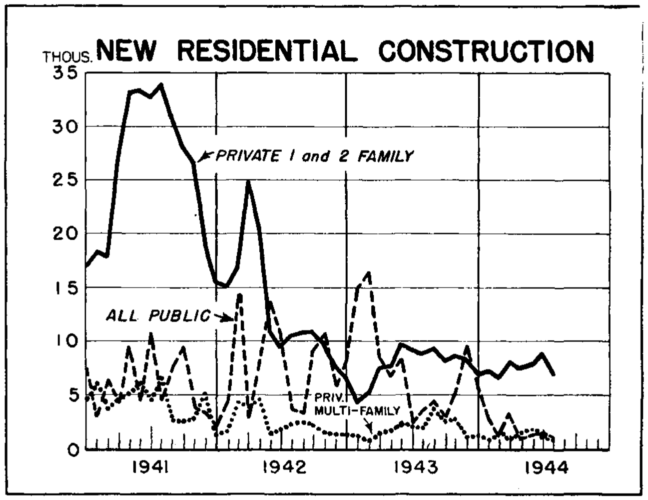
The total cost index now stands 33 percent above the average for the 1935–1939 period. Labor costs were 37 percent above this base level and material prices were 31 percent higher. During the past year, total construction costs increased 5 percent, with materials up 6 percent and labor 2 percent higher than a year ago.

The Department of Labor's composite index of wholesale building material prices remained unchanged from June to July. Fractional increases in lumber, brick and tile, and "other" building materials were offset by a reduction in the cost of paint and paint materials, leaving the total index at 129.4 (1935–1939=100). During the past year, the combined index has advanced approximately 5 percent. Lumber, which has increased 10 percent since July 1943, was the major contributing factor. [TABLES 3, 4 and 5.]

Construction cost for the standard house

[Average month of 1935–1939=100]

Element of cost	July 1944	June 1944	Percent change	July 1943	Percent change
Material	131.0	130.7	+0.2	123.7	+5.9
Labor	137.3	137.5	−0.1	134.3	+2.2
Total	133.1	133.0	+0.1	127.3	+4.6

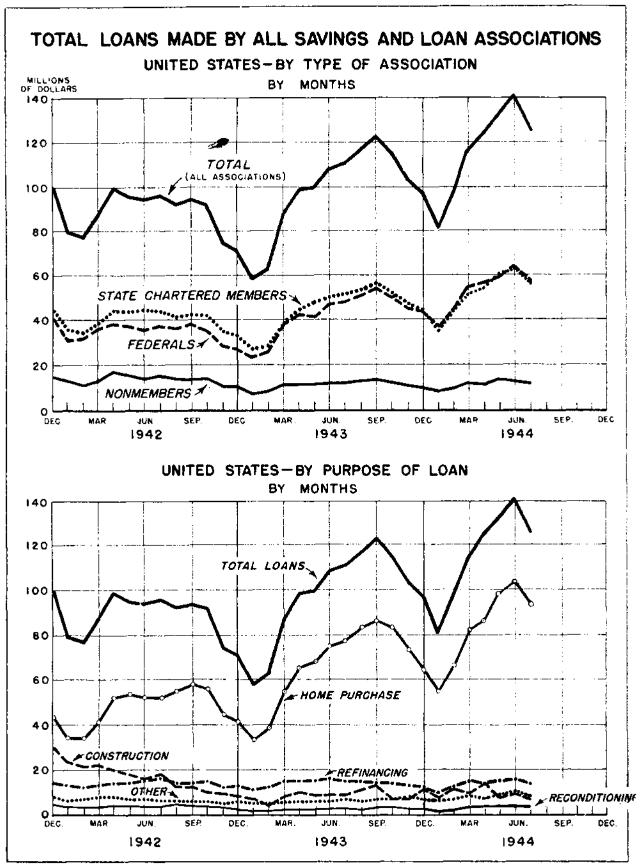


MORTGAGE LENDING—Greater-than-seasonal drop reported

New mortgage loans amounting to approximately $125,000,000 were made during July by all operating savings and loan associations. This was a decline of 11 percent from the previous month and, since it was somewhat greater than seasonally expected, reduced the adjusted index (1935–1939=100) from 183.9 to 175.1 between June and July.

Mortgage lending operations of both Federal and State-chartered members declined 11 percent from June to July while nonmembers showed 8 percent less. This contracting activity was general throughout the country, with drops ranging from 1 percent in the Topeka District to 19 percent in the New York region.

By loan-purpose categories, declines from June to July ranged from 4 percent for reconditioning to 27 percent for construction loans. Home-purchase lending, down 10 percent, amounted to $93,200,000 in July and accounted for 75 percent of total loans



made. Compared with July 1943, new mortgage lending was up 12 percent with all Federal Home Loan Bank Districts except Indianapolis contributing to the rise.

In the first seven months of this year, savings and loan associations made approximately $816,200,000 of new mortgage loans, an increase of $188,000,000, or 30 percent, over the same period in 1943. With the exception of loans for refinancing, which declined 6 percent, all types of lending registered gains: home purchase, 42 percent; "other purpose", 34 percent; construction, 15 percent; and reconditioning, 4 percent. [TABLES 6 and 7.]

New mortgage loans distributed by purpose

[Dollar amounts are shown in thousands]

Purpose	July 1944	June 1944	Percent change	July 1943	Percent change
Construction	$7, 078	$9, 663	−26. 8	$9, 209	−23. 1
Home purchase	93, 232	103, 276	−9. 7	77, 555	+20. 2
Refinancing	13, 871	14, 963	−7. 3	14, 925	−7. 1
Reconditioning	2, 841	2, 957	−3. 9	2, 807	+1. 2
Other purposes	8, 014	9, 850	−18. 6	6, 859	+16. 8
Total	125, 036	140, 709	−11. 1	111, 355	+12. 3

MORTGAGE RECORDINGS—Six-month climb ended

Mortgage-financing activity dropped off slightly in July after a steady advance during the first six months of this year to a near-record peak in June. The estimated $411,000,000 of nonfarm mortgages of $20,000 recorded in July represented a decline of $10,000,000, or 2 percent, from the preceding month but was about 17 percent higher than recordings in July 1942 and 1943.

Among the several types of mortgagees, June to July changes in recordings ranged from an increase of 11 percent for insurance companies to a decrease of 10 percent for the miscellaneous group—"individuals and others." Although savings and loan recordings declined 5 percent to $139,000,000, these institutions maintained leadership in the home-financing field by recording 34 percent of the total volume of business. Individuals, with 24 percent, accounted for the second largest share of recordings during the month.

Mortgage recordings by type of mortgagee

[Dollar amounts are shown in thousands]

Type of lender	Percent change from June 1944	Percent of July 1944 amount	Cumulative recordings (7 months)	Percent of total recordings
Savings and loan associations	−4. 9	33. 7	$864, 634	33. 4
Insurance companies	+11. 2	6. 0	150, 385	5. 8
Banks, trust companies	+1. 8	19. 7	504, 928	19. 5
Mutual savings banks	−1. 8	3. 7	88, 297	3. 4
Individuals	−1. 0	23. 9	616, 512	23. 9
Others	−10. 2	13. 0	362, 207	14. 0
Total	−2. 5	100. 0	2, 586, 963	100. 0

In the first seven months of this year, approximately 814,000 mortgages involving almost $2.6 billion of credit were filed for public record, an increase over the same period of last year of 18 percent in number and 26 percent in amount. Although the volume of recordings during January–July of this year was only 3 percent below the first seven months of 1941 which was a peak year in mortgage-financing activity, the number of mortgages has shown a much greater decline—from 930,000 to 814,000—a decrease of 12 percent during the period. [TABLES 8 and 9.]

SYSTEM—Highest July advances recorded

Monthly advances made by the 12 FHL Banks during July were the highest yet recorded in that month. In conformity with the usual seasonal trends, advances during July were lower than those of June. However this is contrary to July of last year, when advances were in excess of those reported for the preceding month. July advances this year were $28,481,000; approximately $36,400,000 below the all-time high established in June. Portland and Boston were the only Banks registering advances higher than those of the previous month.

Repayments of $20,641,000 were almost $12,500,000 above those received the month before, and about $3,340,000 more than the figure reported for July 1943. Only two Banks, Indianapolis and Little Rock, reported repayments lower in July than in June. All other Banks showed increases, ranging from $291,000 in Boston up to $4,551,000 in Chicago.

The balance of advances outstanding on July 31 was $136,118,000, an increase of $7,840,000 over June 30. The expanded scale of lending is evident from the fact that the July balance of advances outstanding was $44,577,000 above that of July of last year, and is larger than any monthly balance since September 1942. All Banks except Cincinnati and Chicago showed an increase during July over June in the balance of advances outstanding. [TABLE 12.]

FLOW OF PRIVATE REPURCHASABLE CAPITAL

July repurchases in all savings and loan associations increased 18 percent over last year while new investments gained only 11 percent over July of 1943 so that the withdrawal ratio rose 4 points. The net addition for the month was $40,600,000 against $43,600,000 for the same month of last year, with each type of association adding less to the private capital account than was added in July 1943.

All associations received approximately $1,092,000,000 in new money during the first seven months of 1944 while $905,000,000 was added to capital accounts in the same 1943 period. Withdrawals during January–July 1944 were $645,000,000 compared with $564,000,000 for the corresponding earlier period. So far this year $59 was withdrawn for each $100 invested compared with $62 for the first seven months of last year. Uninsured members and nonmembers each showed a 10-point drop in their repurchase ratios while insured associations had only a fractional decrease.

Share investments and repurchases, July 1944

[Dollar amounts are shown in thousands]

Item and period	All associations	All insured associations	Uninsured members	Nonmembers
Share investments:				
1st 7 mos. 1944	$1,092,128	$848,526	$147,774	$95,828
1st 7 mos. 1943	904,615	676,321	126,270	102,024
Percent change	+21	+25	+17	−6
July 1944	191,535	155,218	22,364	13,953
July 1943	172,033	134,065	21,748	16,220
Percent change	+11	+16	+3	−14
Repurchases:				
1st 7 mos. 1944	$645,198	$481,126	$99,068	$65,004
1st 7 mos. 1943	564,019	387,327	96,968	79,724
Percent change	+14	+24	+2	−18
July 1944	150,971	120,349	19,095	11,527
July 1943	128,445	97,117	17,638	13,690
Percent change	+18	+24	+8	−16
Repurchase ratio (percent):				
1st 7 mos. 1944	59.1	56.7	67.0	67.8
1st 7 mos. 1943	62.3	57.3	76.8	78.1
July 1944	78.8	77.5	85.4	82.6
July 1943	74.7	72.4	81.1	84.4

INSURED ASSOCIATIONS—Peak investments and withdrawals shown

At the end of July, 2,463 savings and loan associations with assets of more than $4,600,000,000 were insured by the Federal Savings and Loan Insurance Corporation. During the month these institutions repurchased more than $12,000,000 of Government share capital, thereby reducing to $38,479,000 the Government's investment in their shares.

According to the latest survey, insured associations had by mid-1944 accumulated in general reserves and undivided profits $304,000,000, an amount equivalent to 6.6 percent of their total resources. Percentagewise this represents a small decline from July 31, 1943 when 6.8 percent of the resources of these institutions were available to cover potential losses. At the end of July 1944 insured state-chartered associations had 7.8 percent of their resources in general reserves and undivided profits compared with 5.9 percent for Federals.

During January and July repurchases and new investments show marked seasonal increases since most insured associations declare dividends on June 30 and

December 31. In July both withdrawals and new investments reached new peaks. Although a total of $155,000,000 was invested during the month, repurchases amounted to $120,000,000, that is, for each $100 invested during the month $78 was withdrawn. The private repurchasable capital of insured associations amounted to $3,963,000,000 at the end of July. [TABLE 13.]

FEDERAL SAVINGS AND LOAN ASSOCIATIONS

At the close of July, 1,466 savings and loan associations with assets of $2,908,000,000 were operating under Federal charter. In addition to making $57,200,000 of new mortgage loans during the month and increasing their holdings of U. S. Government securities, Federal savings and loan associations retired $10,000,000 of Government share capital.

Progress in number and assets of Federals

[Dollar amounts are shown in thousands]

Class of association	Number		Approximate assets	
	July 31, 1944	June 30, 1944	July 31, 1944	June 30, 1944
New	635	635	$966, 433	$960, 001
Converted	831	830	1, 941, 541	1, 921, 275
Total	1, 466	1, 465	2, 907, 974	2, 881, 276

Life Insurance Company Mortgage Holdings

(*Continued from p. 327*)

erties. Sales during the year totaled $345,000,000, being far in excess of new acquisitions. As a result, the book value of real estate owned outright (exclusive of office buildings, real estate sold on contract and housing projects built and held for investment purposes) declined 28 percent from $1,033,000,000 in December 1942 to $747,000,000 at the end of 1943. Thus, since 1938 when acquired real estate reached a peak of almost $1,731,000,000, there has been a cumulative reduction of more than $983,000,000, or 57 percent.

Perhaps the most interesting aspect of the record of property owned is the exceedingly favorable experience that life insurance companies have had with respect to the 1- to 4-family category. Despite relatively large holdings of loans on this type of property, they have been consistently at the bottom of the list of real estate owned by life institutions. By the end of 1943, 1- to 4-family dwellings accounted for less than 7 percent of the total holdings of properties acquired as the result of defalcations on loans. As of December 31, 1942, the proportion was 9.3 percent. Over the 11-year period (1933–1943) covered by the Division's studies, this ratio has consistently diminished, its downward movement being unbroken even by the mounting acquisitions of the depression years.

On the other hand, commercial properties, a section of the portfolio which accounted for 30.7 percent of all real-estate loans held as against 35.7 percent for the 1- to 4-family group, constituted 44 percent of the acquired real estate owned outright. Farms represented 27.5 percent of this combined account, while multi-family nonfarm properties were 21.6 percent.

Building Societies

(*Continued from p. 328*)

greatest." The *Star* commented that the concentration should be "all to the good" for the public, since it would increase the security of shares and deposits and enable the societies to play "a more active part in financing the building programme after the war, and to do so at cheaper rates than they would otherwise have charged." The *Daily Herald* stated that the societies are trying to tighten their organizations in order to meet changed conditions, the government's direct participation in post-war housing, and the fact that the returning serviceman and the civilians who have been bombed out will probably want to rent their homes, rather than buy them.

The financial press, too, commented widely upon the merger. The *Economist* found little to be gained in organizational economies, but geographical spread, if real, was thought to be "presumably an advantage." *The Investors' Chronicle* hoped that the movement toward combination was not merely a race for bigness' sake. The case for reduction of the number of societies would seem to rest on the fact that many of the small units are not economical. Some figures quoted by the *Investors' Chronicle* showed that operating expense ratios rose with the society's size. For this reason, among others, the "emergence of building societies 'empires' along the lines of vast industrial enterprises" is not to be accepted without question."

Table 1.—BUILDING ACTIVITY—Estimated number and valuation of new family dwelling units provided in all urban areas in July 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 valuations	
	July 1944	July 1943	July 1944	July 1943	July 1944	July 1943	July 1944	July 1943
UNITED STATES	8,445	14,798	$27,350	$43,286	6,929	8,905	$21,537	$29,965
No. 1—Boston	78	545	211	2,055	78	365	211	1,565
Connecticut	31	362	124	1,493	31	274	124	1,251
Maine	1	77	1	192	1	13	1	44
Massachusetts	36	106	63	370	36	78	63	270
New Hampshire	----	----	----	----	----	----	----	----
Rhode Island	10	----	23	----	10	----	23	----
Vermont	----	----	----	----	----	----	----	----
No. 2—New York	42	559	114	1,858	42	459	114	1,619
New Jersey	27	397	75	1,176	27	297	75	937
New York	15	162	39	682	15	162	39	682
No. 3—Pittsburgh	182	733	451	2,816	118	664	318	2,659
Delaware	----	94	----	364	----	94	----	364
Pennsylvania	159	636	438	2,451	95	567	305	2,294
West Virginia	23	3	13	1	23	3	13	1
No. 4—Winston-Salem	1,360	3,704	4,707	7,708	660	826	1,331	1,864
Alabama	120	74	110	22	112	74	86	22
District of Columbia	115	992	388	2,381	88	7	328	30
Florida	301	317	737	859	243	305	549	826
Georgia	78	1,935	79	3,545	75	215	75	471
Maryland	626	151	3,158	371	26	139	70	329
North Carolina	39	17	34	8	39	17	34	7
South Carolina	32	62	73	128	28	2	61	1
Virginia	49	156	128	394	49	67	128	17
No. 5—Cincinnati	738	1,429	2,689	4,865	645	718	2,362	2,782
Kentucky	13	35	12	81	13	35	12	81
Ohio	539	1,267	2,324	4,518	446	556	1,997	2,436
Tennessee	186	127	353	266	186	127	353	265
No. 6—Indianapolis	685	1,961	2,784	7,330	494	1,460	2,171	6,178
Indiana	195	166	765	373	189	115	753	295
Michigan	490	1,795	2,019	6,957	305	1,345	1,418	5,883
No. 7—Chicago	442	732	1,958	3,029	415	605	1,883	2,653
Illinois	354	682	1,562	2,820	349	567	1,548	2,479
Wisconsin	88	50	396	209	66	38	335	174
No. 8—Des Moines	110	89	213	199	110	89	213	199
Iowa	22	8	49	6	22	8	49	6
Minnesota	23	5	37	5	23	5	37	5
Missouri	58	63	115	165	58	63	115	165
North Dakota	2	----	5	----	2	----	5	----
South Dakota	5	13	7	23	5	13	7	23
No. 9—Little Rock	1,389	1,477	2,795	2,404	1,280	1,229	2,497	1,969
Arkansas	62	27	20	6	62	27	20	6
Louisiana	29	228	8	419	29	92	8	189
Mississippi	79	127	40	176	79	127	40	176
New Mexico	90	51	263	110	90	43	263	103
Texas	1,129	1,044	2,464	1,693	1,020	940	2,166	1,495
No. 10—Topeka	147	538	326	1,673	147	385	326	1,319
Colorado	12	17	23	37	12	4	23	2
Kansas	24	238	40	546	24	102	40	237
Nebraska	43	73	194	230	43	73	194	230
Oklahoma	68	210	69	860	68	206	69	850
No. 11—Portland	477	1,323	1,725	5,169	469	1,033	1,703	4,213
Idaho	20	7	22	8	20	3	22	1
Montana	4	4	11	2	4	4	11	2
Oregon	78	263	129	1,150	78	133	129	513
Utah	225	482	1,037	2,031	225	482	1,037	2,030
Washington	137	554	490	1,941	129	398	468	1,630
Wyoming	13	13	36	37	13	13	36	37
No. 12—Los Angeles	2,795	1,708	9,377	4,180	2,471	1,072	8,408	2,945
Arizona	27	67	47	117	27	13	47	2
California	2,761	1,640	9,316	4,062	2,437	1,058	8,347	2,942
Nevada	7	1	14	1	7	1	14	1

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-July totals		Monthly totals			January-July totals	
	July 1944	June 1944	July 1943	1944	1943	July 1944	June 1944	July 1943	1944	1943
Private construction	7,646	9,973	11,086	60,927	66,006	$23,686	$31,676	$35,574	$192,087	$201,722
1-family dwellings	6,537	7,554	7,497	46,762	44,649	20,174	23,692	26,013	147,529	145,520
2-family dwellings [1]	392	1,393	1,408	6,295	8,661	1,363	4,910	3,952	21,545	23,368
3- and more family dwellings [2]	717	1,026	2,181	7,870	12,696	2,149	3,074	5,609	23,013	32,834
Public construction	799	1,293	3,712	11,834	62,025	3,664	3,502	7,712	30,031	131,513
Total urban construction	8,445	11,266	14,798	72,761	128,031	27,350	35,178	43,286	222,118	333,235

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

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

[Average month of 1935-1939=100]

Federal Home Loan Bank District and city	1944			1943		1942	1941	1940	1939	1938
	Aug.	May	Feb.	Nov.	Aug.	Aug.	Aug.	Aug.	Aug.	Aug.
No. 3—Pittsburgh:										
Wilmington, Del*	135.3	134.6	133.8	131.2	130.4	130.1	115.9	93.9	97.5	106.2
Philadelphia, Pa*	149.9	150.2	148.7	148.4	145.8	139.3	120.2	110.0	103.8	102.5
Pittsburgh, Pa	134.2	134.0	133.5	131.9	131.9	[r] 126.1	[r] 118.7	[r] 100.1	[r] 104.7	[r] 105.5
Charleston, W. Va*	125.3	123.8	122.1	122.1	121.8	122.2	108.2	[r] 101.3	101.4	103.0
Wheeling, W. Va		129.7	129.7	122.9	122.1	122.7	109.7	[r] 105.1	104.1	99.6
No. 5—Cincinnati:										
Louisville, Ky*	139.9	139.2	133.1	132.8	128.6	125.3	119.0	104.4	100.7	99.9
Cincinnati, Ohio		133.9	131.2	130.7	112.3	111.9	103.4	97.4	96.3	102.2
Cleveland, Ohio*	142.1	142.1	140.4	139.3	137.7	127.3	121.3	108.4	102.1	100.8
Columbus, Ohio		129.6	129.7	132.1	117.7	117.2	111.4	100.6	98.3	103.5
Memphis, Tenn*	137.3	137.4	137.4	136.4	126.9	126.4	117.6	102.8	101.2	101.8
Nashville, Tenn		130.6	127.9			121.4	114.0	95.1	96.6	99.2
No. 9—Little Rock:										
Little Rock, Ark*	126.1	125.5	123.3	123.7	123.4	123.6	106.3	98.9	100.6	99.2
New Orleans, La*	138.6	138.6	138.6	138.4	131.4	131.9	123.9	102.5	101.4	105.4
Jackson, Miss*	136.5	136.8	132.3	129.2	125.4	122.7	118.9	106.3	103.0	106.2
Albuquerque, N. Mex*	123.2	121.9	120.9	118.4	116.3	116.8	102.5	[r] 100.8	[r] 104.7	[r] 104.7
Dallas, Tex		[r] 136.0	[r] 136.0			128.0	119.2	94.6	94.9	102.9
Houston, Tex*	124.3	123.6	123.1	121.5	116.5	115.9	108.9	96.8	100.2	102.1
San Antonio, Tex		[r] 137.6	[r] 137.8			127.4	115.5	94.5	101.2	104.5
No. 12—Los Angeles:										
Phoenix, Ariz*	116.0	115.7	115.7	113.2	112.0	111.8	107.7	99.0	97.9	103.6
Los Angeles, Calif*	144.2	144.3	143.1	142.0	133.9	128.5	105.5	95.4	95.0	103.6
San Diego, Calif						126.3	111.9	93.2	98.2	102.3
San Francisco, Calif						121.6	112.3	101.5	102.5	101.3
Reno, Nev*	127.6	127.6	124.7	120.0	120.5	118.0	110.6	105.5	102.3	102.1

* Indexes of August 1941 and thereafter have been revised in order to use retail material prices collected by the Bureau of Labor Statistics.

[r] Revised.

[1] The house on which costs are reported is a detached 6-room home of 24,000 cubic feet volume. Living room, dining room, kitchen, and lavatory on first floor; three bedrooms and bath on second floor. Exterior is 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* incude architect's fee, cost of building permit, financing charges, nor sales costs.

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

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

[Average month of 1935–1939=100]

Element of cost	July 1944	June 1944	May 1944	Apr. 1944	Mar. 1944	Feb. 1944	Jan. 1944	Dec. 1943	Nov. 1943	Oct. 1943	Sept. 1943	Aug. 1943	July 1943
Material	131.0	130.7	r 130.3	129.7	129.1	128.8	127.8	127.6	126.8	126.0	124.4	123.4	123.7
Labor	137.3	137.5	137.3	137.0	r 136.8	136.5	136.1	136.0	135.6	135.0	133.8	134.2	134.3
Total cost	133.1	133.0	r 132.7	132.2	1 131.7	131.4	130.6	130.5	129.8	129.1	127.6	127.1	127.3

r Revised.

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

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

[Source: U. S. Department of Labor]

Period	All building materials	Brick and tile	Cement	Lumber	Paint and paint materials	Plumbing and heating	Structural steel	Other
1942: July	123.2	107.9	103.4	148.0	123.8	123.6	103.5	112.3
1943: 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
June	129.4	110.7	105.8	171.5	130.0	121.4	103.5	111.4
July	129.4	110.8	105.8	171.7	129.7	121.4	103.5	111.5
Percent change:								
July 1944–June 1944	0.0	+0.1	0.0	+0.1	−0.2	0.0	0.0	+0.1
July 1944–July 1943	+4.8	+1.7	+3.0	+10.3	+3.4	+2.2	0.0	+1.8

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

[Thousands of dollars]

Period	Purpose of loans					Total loans	Class of association		
	Construction	Home purchase	Refinancing	Reconditioning	Loans for all other purposes		Federals	State members	Nonmembers
1942	$190,438	$573,732	$165,816	$41,695	$78,820	$1,050,501	$412,828	$476,080	$161,593
January-July	137,102	318,419	97,800	25,061	49,222	627,604	247,122	282,153	98,329
July	17,709	52,190	16,097	3,671	6,130	95,797	37,007	43,665	15,125
1943	106,497	802,371	167,254	30,441	77,398	1,183,961	511,757	539,299	132,905
January-July	57,386	412,493	99,513	16,601	41,828	627,821	267,458	286,789	73,574
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-July	65,757	583,932	93,093	17,171	56,210	816,183	373,015	365,024	78,144
January	7,872	55,000	9,976	1,521	6,609	80,978	37,076	35,456	8,446
February	11,195	66,138	11,955	1,960	6,916	98,164	44,144	44,139	9,881
March	9,127	81,846	14,422	2,266	8,469	116,130	53,883	50,686	11,561
April	13,484	85,568	13,491	2,679	7,421	122,643	57,045	54,212	11,386
May	7,338	98,872	14,415	2,967	8,931	132,523	59,229	60,141	13,153
June	9,663	103,276	14,963	2,957	9,850	140,709	64,474	63,851	12,384
July	7,078	93,232	13,871	2,841	8,014	125,036	57,164	56,539	11,333

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

[Thousands of dollars]

Federal Home Loan Bank District and class of association	New loans			Cumulative new loans (7 months)		
	July 1944	June 1944	July 1943	1944	1943	Percent change
UNITED STATES	$125,036	$140,709	$111,355	$816,183	$627,821	+30.0
Federal	57,164	64,474	48,370	373,015	267,458	+39.5
State member	56,539	63,851	50,648	365,024	286,789	+27.3
Nonmember	11,333	12,384	12,337	78,144	73,574	+6.2
Boston	10,079	12,085	9,377	59,044	49,768	+18.6
Federal	3,949	4,609	2,640	21,365	14,306	+49.3
State member	4,863	6,010	5,294	29,923	27,235	+9.9
Nonmember	1,267	1,466	1,443	7,756	8,227	−5.7
New York	11,259	13,864	8,036	68,613	45,162	+51.9
Federal	3,757	4,691	2,109	20,582	10,771	+91.1
State member	5,507	6,968	4,115	35,767	23,352	+53.2
Nonmember	1,995	2,205	1,812	12,264	11,039	+11.1
Pittsburgh	10,095	11,129	9,475	67,514	54,750	+23.3
Federal	4,593	5,072	3,897	30,918	21,381	+44.6
State member	3,901	3,969	3,168	22,966	17,294	+32.8
Nonmember	1,601	2,088	2,410	13,630	16,075	−15.2
Winston-Salem	14,072	16,888	13,532	97,939	75,848	+29.1
Federal	6,710	9,115	6,778	52,173	38,284	+36.3
State member	6,449	6,718	5,417	39,861	29,532	+35.0
Nonmember	913	1,055	1,337	5,905	8,032	−26.5
Cincinnati	21,325	23,804	19,852	138,848	119,173	+16.5
Federal	9,300	9,819	7,937	56,842	45,036	+26.2
State member	10,374	12,314	10,483	70,140	64,563	+8.6
Nonmember	1,651	1,671	1,432	11,866	9,574	+23.9
Indianapolis	7,061	7,635	8,033	45,058	38,501	+17.0
Federal	3,453	3,918	4,977	21,930	20,320	+7.9
State member	3,290	3,382	2,708	21,030	16,001	+31.4
Nonmember	318	335	348	2,098	2,180	−3.8
Chicago	14,938	16,052	11,458	92,638	62,254	+48.8
Federal	5,840	6,623	4,157	37,919	23,957	+58.3
State member	8,065	8,296	5,877	46,956	31,077	+51.1
Nonmember	1,033	1,133	1,424	7,763	7,220	+7.5
Des Moines	8,187	8,754	6,151	49,864	33,973	+46.8
Federal	4,365	4,733	2,916	25,254	16,873	+49.7
State member	2,758	3,000	2,337	17,920	12,139	+47.6
Nonmember	1,064	1,021	898	6,690	4,961	+34.9
Little Rock	6,144	7,077	5,656	45,424	32,540	+39.6
Federal	2,884	2,712	2,442	18,577	13,559	+37.0
State member	3,192	4,299	3,119	26,353	18,449	+42.8
Nonmember	68	66	95	494	532	−7.1
Topeka	6,287	6,354	5,510	39,428	31,648	+24.6
Federal	3,164	3,593	2,888	20,403	18,145	+12.4
State member	1,926	1,725	1,694	11,006	9,184	+19.8
Nonmember	1,197	1,036	928	8,019	4,319	+85.7
Portland	4,220	4,739	4,198	26,162	24,100	+8.6
Federal	2,796	2,917	2,721	17,494	15,381	+13.7
State member	1,264	1,572	1,327	7,576	7,750	−2.2
Nonmember	160	250	150	1,092	969	+12.7
Los Angeles	11,369	12,328	10,077	85,651	60,104	+42.5
Federal	6,353	6,672	4,908	49,558	29,445	+68.3
State member	4,950	5,598	5,109	35,526	30,213	+17.6
Nonmember	66	58	60	567	446	+27.1

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

JULY 1944

[Thousands of dollars]

Federal Home Loan Bank District and State	Savings and loan associations	Insurance companies	Banks and trust companies	Mutual savings banks	Individuals	Other mortgagees	Total
UNITED STATES	$138,762	$24,707	$80,858	$15,261	$98,194	$53,354	$411,136
Boston	13,295	648	3,681	8,005	6,437	3,068	35,134
Connecticut	1,496	426	1,606	1,375	1,891	1,074	7,868
Maine	695	20	225	775	517	36	2,268
Massachusetts	9,485	200	1,123	4,626	2,974	1,782	20,190
New Hampshire	329	------	142	544	340	17	1,372
Rhode Island	1,092	2	500	358	510	149	2,611
Vermont	198	------	85	327	205	10	825
New York	10,338	1,864	5,096	5,438	13,775	5,928	42,439
New Jersey	3,252	669	2,296	739	3,540	1,874	12,370
New York	7,086	1,195	2,800	4,699	10,235	4,054	30,069
Pittsburgh	10,109	2,603	6,574	528	5,807	3,542	29,163
Delaware	193	129	149	28	278	105	882
Pennsylvania	9,016	2,230	5,262	500	4,909	3,202	25,119
West Virginia	900	244	1,163	------	620	235	3,162
Winston-Salem	16,019	4,077	5,168	150	12,825	4,265	42,504
Alabama	487	2,185	325	------	838	200	4,035
District of Columbia	2,718	229	396	------	1,249	417	5,009
Florida	1,590	664	1,090	------	4,504	1,627	9,475
Georgia	1,678	103	910	------	1,098	411	4,200
Maryland	4,760	92	932	150	1,758	284	7,976
North Carolina	2,217	495	368	------	1,009	501	4,590
South Carolina	376	160	342	------	565	244	1,687
Virginia	2,193	149	805	------	1,804	581	5,532
Cincinnati	26,175	1,828	9,316	533	6,412	4,472	48,736
Kentucky	2,557	253	744	------	254	150	3,958
Ohio	23,097	918	7,958	533	5,493	2,212	40,211
Tennessee	521	657	614	------	665	2,110	4,567
Indianapolis	7,868	3,183	7,418	30	3,259	3,486	25,244
Indiana	5,211	897	2,796	30	1,012	1,242	11,188
Michigan	2,657	2,286	4,622	------	2,247	2,244	14,056
Chicago	15,582	1,368	5,774	13	6,584	8,013	37,334
Illinois	11,694	987	3,872	------	3,575	7,524	27,652
Wisconsin	3,888	381	1,902	13	3,009	489	9,682
Des Moines	8,486	2,105	5,977	123	5,420	3,901	26,012
Iowa	1,768	126	1,448	------	865	267	4,474
Minnesota	3,268	488	1,053	123	1,497	738	7,167
Missouri	2,993	1,417	3,175	------	2,787	2,843	13,215
North Dakota	299	38	105	------	96	35	573
South Dakota	158	36	196	------	175	18	583
Little Rock	7,782	3,051	1,615	------	6,609	2,329	21,386
Arkansas	461	36	201	------	379	27	1,104
Louisiana	2,312	161	108	------	1,203	299	4,083
Mississippi	318	192	177	------	409	76	1,172
New Mexico	149	1	114	------	225	30	519
Texas	4,542	2,661	1,015	------	4,393	1,897	14,508
Topeka	6,983	919	2,087	------	4,730	1,928	16,647
Colorado	941	127	353	------	2,333	712	4,466
Kansas	2,195	130	508	------	523	211	3,567
Nebraska	1,250	330	271	------	502	194	2,547
Oklahoma	2,597	332	955	------	1,372	811	6,067
Portland	3,990	390	4,017	441	2,925	2,558	14,321
Idaho	275	38	130	------	203	84	730
Montana	294	7	98	------	263	11	673
Oregon	1,113	153	430	41	1,310	368	3,415
Utah	571	124	937	------	205	866	2,703
Washington	1,600	68	2,240	400	746	1,199	6,253
Wyoming	137	------	182	------	198	30	547
Los Angeles	12,135	2,671	24,135	------	23,411	9,864	72,216
Arizona	151	14	208	------	894	38	1,305
California	11,905	2,654	23,876	------	22,299	9,817	70,551
Nevada	79	3	51	------	218	9	360

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

[Dollar amounts are shown in thousands]

Period	Savings and loan associations		Insurance companies		Banks and trust companies		Mutual savings banks		Individuals		Other mortgagees		All mortgagees	
	Total	Percent	Total	Percent	Total	Percent	Total	Percent	Total	Percent	Total	Percent	Total	Percent
1943: January-July	$655,708	31.9	$161,345	7.9	$405,594	19.7	$79,585	3.9	$449,737	21.9	$302,217	14.7	$2,054,195	100.0
July	116,406	33.1	25,586	7.3	64,766	18.4	15,329	4.4	78,594	22.3	50,835	14.5	351,516	100.0
August	119,385	33.6	24,072	6.8	68,043	19.1	15,061	4.2	78,455	22.1	50,416	14.2	355,432	100.0
September	126,586	33.2	23,996	6.3	72,140	19.0	15,332	4.0	83,320	21.9	59,435	15.6	380,809	100.0
October	122,832	31.8	25,141	6.5	74,875	19.4	15,023	3.9	87,430	22.6	61,002	15.8	386,303	100.0
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-July	864,634	33.4	150,385	5.8	504,928	19.5	88,297	3.4	616,512	23.9	362,207	14.0	2,586,963	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
June	145,893	34.6	22,215	5.3	79,453	18.8	15,536	3.7	99,140	23.5	59,394	14.1	421,631	100.0
July	138,762	33.7	24,707	6.0	80,858	19.7	15,261	3.7	98,194	23.9	53,354	13.0	411,163	100.0

Table 10.—SAVINGS—Sales of war bonds[1]

[Thousands of dollars]

Period	Series E	Series F	Series G	Total	Redemptions
1941[2]	$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
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					
January	1,084,637	126,825	486,942	1,698,404	180,965
February	2,102,345	157,422	521,702	2,781,469	177,980
March	575,714	22,933	110,347	709,054	261,549
April	605,709	19,306	113,528	738,543	230,614
May	624,253	15,287	111,088	750,628	271,597
June	1,349,794	115,119	377,284	1,842,197	241,278
July	1,686,509	101,082	337,459	2,125,051	220,145

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

Table 11.—SAVINGS—Held by institutions

[Thousands of dollars]

End of period	Insured savings and loans[1]	Mutual savings banks[2]	Insured commercial banks[3]	Postal savings[4]
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: 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				1,994,268
June	3,922,705	12,428,026		2,034,137
July				2,081,946

[1] Private repurchasable capital as reported to the FHLB Administration.
[2] *Month's Work*. All deposits.
[3] FDIC. Time deposits evidenced by saving passbooks. Estimated since June 1942.
[4] Balance on deposit to credit of depositors, including unclaimed accounts. July total is unaudited.

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

[Thousands of dollars]

Federal Home Loan Bank	Lending operations July 1944		Principal assets July 31, 1944			Capital and principal liabilities July 31, 1944			Total assets July 31, 1944[1]
	Advances	Repayments	Advances outstanding	Cash[1]	Government securities	Capital[2]	Debentures	Member deposits	
Boston	$5,972	$1,204	$12,903	$1,076	$9,913	$19,812	$3,000	$1,172	$23,988
New York	3,241	2,859	20,504	1,233	18,645	27,335	10,000	3,219	40,583
Pittsburgh	1,131	1,612	12,041	2,231	8,573	16,700	6,000	235	22,949
Winston-Salem	2,016	1,861	9,091	869	8,003	17,751	0	286	18,037
Cincinnati	1,350	1,523	8,992	1,966	22,984	25,476	5,000	3,625	34,111
Indianapolis	2,022	984	10,988	760	11,118	14,306	6,500	2,161	22,982
Chicago	4,309	5,096	18,427	3,987	11,291	22,683	7,000	4,131	33,826
Des Moines	1,927	1,366	9,245	1,499	8,037	12,574	5,000	1,287	18,868
Little Rock	545	285	5,136	2,092	8,168	12,447	3,000	25	15,475
Topeka	1,297	613	5,728	927	7,566	10,633	3,000	659	14,296
Portland	2,085	885	3,736	595	5,979	8,481	1,000	874	10,357
Los Angeles	2,586	2,353	19,327	1,419	5,778	15,821	8,500	1,274	26,608
(All Banks) July 1944	28,481	20,641	136,118	18,654	126,055	204,019	58,000	18,948	282,080
June 1944	64,833	8,162	128,278	22,657	131,973	203,479	58,000	21,360	283,693
July 1943	18,650	17,301	91,541	19,200	155,056	196,380	35,000	30,895	266,926

[1] Includes interbank deposits.
[2] Capital stock, surplus, and undivided profits.

Table 13.—INSURED ASSOCIATIONS—Progress of institutions insured by the FSLIC [1]

[Dollar amounts are shown in thousands]

Period and class of association	Number of associations	Total assets	Operations: New mortgage loans	Operations: New private investments	Operations: Private repurchases	Operations: Repurchase ratio
ALL INSURED						
1943: 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	2,442	4,127,212	72,936	90,023	43,137	47.9
Dec	2,447	4,182,728	70,973	118,496	37,885	32.0
1944: Jan	2,451	4,218,521	59,704	153,276	104,839	68.4
Feb	2,453	4,287,788	73,164	94,831	59,890	63.2
March	2,452	4,327,868	87,163	104,494	56,693	54.3
Apr	2,453	4,374,338	91,344	103,713	48,392	46.7
May	2,459	4,442,608	97,454	109,049	44,403	40.7
June	2,461	4,583,568	105,245	127,945	46,560	36.4
July	2,463	4,619,867	93,305	155,218	120,349	77.5
FEDERAL						
1943: 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
June	1,465	2,881,276	64,474	83,856	25,969	31.0
July	1,466	2,907,974	57,164	101,500	79,735	78.6
STATE						
1943: 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
June	996	1,617,971	33,280	36,218	20,511	56.6
July	997	1,711,893	36,141	53,718	40,614	75.6

[1] 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 [1]

[Premium paying; thousands of dollars]

Period	Title II: New	Title II: Existing	Title VI	Total insured at end of period [2]
1943: 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
June	81	17,768	34,238	5,761,673
July	82	18,322	42,313	5,822,390

[1] Figures represent gross insurance written during the period and do not take account of principal repayments on previously insured loans.
[2] Includes Title I, Class 3, amounts that were shown prior to January 1943.

Table 15.—FORECLOSURES—now appears quarterly in the February, May, August and November issues.

Membership of Federal Savings and Loan Advisory Council

■ THE Federal Home Loan Bank Administration has recently announced the membership of the Federal Savings and Loan Advisory Council for 1944–1945. This Council, composed of one member elected annually by the board of directors of each Federal Home Loan Bank and six members appointed by the Federal Home Loan Bank Commissioner, meets twice a year to confer on problems relating to the field of thrift and home finance.

Membership of the new Advisory Council is still incomplete inasmuch as the Winston-Salem and Des Moines Banks have not yet held elections to fill these positions.

Elected:

Boston: Raymond P. Harold, Worcester Co-Operative Federal Savings and Loan Association, Worcester, Massachusetts (re-elected).

New York: J. Alston Adams, Westfield Federal Savings and Loan Association, Westfield, New Jersey.

Pittsburgh: James J. O'Malley, First Federal Savings and Loan Association of Wilkes-Barre, Wilkes-Barre, Pennsylvania (re-elected).

Winston-Salem: No election reported.

Cincinnati: Wm. Megrue Brock, The Gem City Building and Loan Association, Dayton, Ohio (re-elected).

Indianapolis: Walter Gehrke, First Federal Savings and Loan Association, Detroit, Michigan (re-elected).

Chicago: Arthur G. Erdmann, Bell Savings and Loan Association, Chicago, Illinois (re-elected).

Des Moines: No election reported.

Little Rock: J. J. Miranne, Security Building and Loan Association, New Orleans, Louisiana (re-elected).

Topeka: Ray H. Babbitt, Home Building and Loan Association of Lawton, Lawton, Oklahoma.

Portland: Keith Powell, Salem Federal Savings and Loan Association, Salem, Oregon.

Los Angeles: J. K. Baillie, Los Angeles Federal Savings and Loan Association, Los Angeles, California.

Appointed:

Joseph H. Soliday, Franklin Savings Bank, Boston, Massachusetts.

Charles S. Tippetts, The Mercersburg Academy, Mercersburg, Pennsylvania.

Herman B. Wells, Indiana University, Bloomington, Indiana.

Ben H. Wooten, Republic National Bank, Dallas, Texas.

William M. Jardine, University of Wichita, Wichita, Kansas.

David G. Davis, Raphael Weill & Company, San Francisco, California (re-appointed).

QUARTERLY TABLES

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

[Dollar amounts are shown in thousands]

Period	Due on original loans	Due on property sold	Properties owned: Book value	Properties owned: Number [1]
1940: July	$1,718,155	$284,524	$382,395	60,470
1941: July	1,502,710	351,868	298,165	43,933
1942: July	1,293,416	363,578	250,126	34,672
1943: July	1,059,151	359,394	179,103	23,728
August	1,038,512	361,356	165,667	21,943
September	1,018,805	364,506	149,788	19,915
October	997,970	370,447	129,005	17,217
November	978,074	376,318	108,099	14,509
December	959,818	378,284	94,140	12,744
1944: January	939,852	378,248	82,571	11,267
February	921,987	377,518	73,789	10,160
March	902,923	376,205	64,683	8,955
April	885,304	375,093	55,456	7,735
May	856,889	373,732	45,576	6,413
June	847,180	373,732	34,890	5,042
July	828,977	370,059	28,771	4,245

[1] Includes reacquisitions of properties previously sold.

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

[Dollar amounts are shown in thousands]

Type of operation	Treasury: Federals [2]	Home Owners' Loan Corporation: Federals	Home Owners' Loan Corporation: State members	Home Owners' Loan Corporation: Total
Oct. 1935–June 1944:				
Applications:				
Number	1,862	4,708	997	5,705
Amount	$50,401	$213,601	$66,595	$280,196
Investments:				
Number	1,831	4,241	740	4,981
Amount	$49,300	$178,316	$45,541	$223,857
Repurchases	$44,573	$142,726	$34,602	$177,328
Net outstanding investments	$4,727	$35,590	$10,939	$46,529
Second quarter 1944:				
Applications:				
Number	0	0	0	0
Amount	0	0	0	0
Investments:				
Number	0	0	0	0
Amount	0	0	0	0
Repurchases	$14	$47	$27	$74

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

Table 18.—FHA—Insured home mortgages (Titles II and VI) held, by class of institution [1]

[Thousands of dollars]

Cumulative through end of month	Total	Commercial banks	Mutual savings banks	Savings and loan associations	Insurance companies	Federal agencies [2]	Others [3]
1940: June	$2,074,739	$1,008,147	$117,851	$208,218	$431,527	$182,327	$126,669
December	2,409,197	1,142,949	149,239	224,328	541,561	201,032	150,089
1941: June	2,754,725	1,300,734	174,706	237,056	668,069	220,400	153,760
December	3,115,616	1,447,101	205,748	255,296	791,617	233,628	182,226
1942: June	3,551,421	1,614,362	242,619	277,704	966,440	245,206	205,058
December	3,795,519	1,694,963	263,825	288,618	1,095,276	251,871	200,973
1943: June	4,153,657	1,819,942	301,058	319,147	1,231,638	259,495	222,377
December	4,308,362	1,894,913	328,041	345,938	1,374,570	116,330	248,570
1944: June	4,514,290	1,929,054	371,071	371,947	1,465,561	133,042	243,615

[1] Original face amount of mortgages held; does not include terminated mortgages and cases in transit to or being audited at the Federal Housing Administration.
[2] The RFC Mortgage Company, the Federal National Mortgage Association, and the United States Housing Corporation.
[3] Includes mortgage companies, finance companies, industrial banks, endowed institutions, private and State benefit funds, etc.

Table 19.—FHLBS—Membership in the Federal Home Loan Bank System

[Dollar amounts are shown in thousands]

Type of institution	1944 June No.	1944 June Assets	1944 March No.	1944 March Assets	1943 June No.	1943 June Assets	1942 June No.	1942 June Assets
All members	3,714	$6,840,241	3,731	$6,531,180	3,774	$6,045,016	3,815	$5,643,970
Savings and loan associations	3,671	5,962,319	3,688	5,690,372	3,729	5,249,414	3,772	4,885,049
Federal	1,465	2,881,276	1,466	2,709,897	1,468	2,426,079	1,464	2,205,921
Insured State	992	1,696,352	982	1,612,275	956	1,449,255	906	1,249,530
Uninsured State	1,214	1,384,691	1,240	1,368,200	1,305	1,374,080	1,402	1,429,598
Mutual savings banks	22	463,580	22	451,429	22	428,566	17	340,838
Insurance companies	21	414,342	21	389,379	23	367,036	26	418,083

Honor Roll

(*Continued from p. 330*)

Independence Savings and Loan Association, Independence, Mo.
Missouri Building and Loan Association, St. Louis, Mo.
Montevideo Building and Loan Association, Montevideo, Minn.
Oelwein Federal Savings and Loan Association, Oelwein, Iowa
Perry Federal Savings and Loan Association, Perry, Iowa
Richmond Savings and Loan Association, Richmond, Mo.
Standard Federal Savings and Loan Association, Kansas City, Mo.
Wells Federal Savings and Loan Association, Wells, Minn.

NO. 9—LITTLE ROCK

Amory Federal Savings and Loan Association, Amory, Miss.
Atlanta Federal Savings and Loan Association, Atlanta, Tex.
Batesville Federal Savings and Loan Association, Batesville, Ark.
Chaves County Building and Loan Association, Roswell, N. Mex.
Clay County Federal Savings and Loan Association, West Point, Miss.
Commerce Federal Savings and Loan Association, Commerce, Tex.
Corsicana Federal Savings and Loan Association, Corsicana, Tex.
Cuero Federal Savings and Loan Association, Cuero, Tex.
Davy Crockett Federal Savings and Loan Association, Crockett, Tex.
Delta Federal Savings and Loan Association, Greenville, Miss.
Electra Federal Savings and Loan Association, Electra, Tex.
El Paso Federal Savings and Loan Association, El Paso, Tex.
Equitable Building and Loan Association, Forth Worth, Tex.
Equitable Building and Loan Association, Roswell, N. Mex.
First Federal Savings and Loan Association, Belzoni, Miss.
First Federal Savings and Loan Association, Canton, Miss.
First Federal Savings and Loan Association, Corpus Christi, Tex.
First Federal Savings and Loan Association, Dallas, Tex.
First Federal Savings and Loan Association, El Paso, Tex.
First Federal Savings and Loan Association, Helena, Ark.
First Federal Savings and Loan Association, Little Rock, Ark.
First Federal Savings and Loan Association, Lubbock, Tex.
First Federal Savings and Loan Association, Marshall, Tex.
First Federal Savings and Loan Association, New Braunfels, Tex.
Gladewater Federal Savings and Loan Association, Gladewater, Tex.
Greater New Orleans Homestead Association, New Orleans, La.
Jennings Federal Savings and Loan Association, Jennings, La.
Morrilton Federal Savings and Loan Association, Morrilton, Ark.
Mutual Building and Loan Association, Las Cruces, N. Mex.
Nashville Federal Savings and Loan Association, Nashville, Ark.
Natchez Building and Loan Association, Natchez, Miss.
Piggott Federal Savings and Loan Association, Piggott, Ark.
Pocahontas Federal Savings and Loan Association, Pocahontas, Ark.
Ponchatoula Homestead Association, Ponchatoula, La.
Riceland Federal Savings and Loan Association, Stuttgart, Ark.
St. Tammany Homestead Association, Covington, La.
Teche Federal Savings and Loan Association, Franklin, La.
Tucumcari Federal Savings and Loan Association, Tucumcari, N. Mex.

NO. 10—TOPEKA

Brighton Federal Savings and Loan Association, Brighton, Colo.
Broken Arrow Federal Savings and Loan Association, Broken Arrow, Okla.
Capitol Federal Savings and Loan Association, Topeka, Kans.
First Federal Savings and Loan Association, Englewood, Colo.
First Federal Savings and Loan Association, Lincoln, Nebr.
First Federal Savings and Loan Association, WaKeeney, Kans.
First Federal Savings and Loan Association of Sumner County, Wellington, Kans.
Home Federal Savings and Loan Association, Tulsa, Okla.
Midland Federal Savings and Loan Association, Denver, Colo.
Nebraska City Federal Savings and Loan Association, Nebraska City, Nebr.
Peoples Federal Savings and Loan Association, Tulsa, Okla.
Prudential Building and Loan Association, Great Bend, Kans.
Reserve Building and Loan Association, Oberlin, Kans.
Sapulpa Federal Savings and Loan Association, Sapulpa, Okla.
Schuyler Federal Savings and Loan Association, Schuyler, Nebr.
Valley Federal Savings and Loan Association, Hutchinson, Kans.

NO. 11—PORTLAND

Cheyenne Federal Savings and Loan Association, Cheyenne, Wyo.
Deer Lodge Federal Savings and Loan Association, Deer Lodge, Mont.
First Federal Savings and Loan Association, Klamath Falls, Oreg.
First Federal Savings and Loan Association, Salt Lake City, Utah
First Federal Savings and Loan Association, Sheridan, Wyo.
First Federal Savings and Loan Association, The Dalles, Oreg.

NO. 12—LOS ANGELES

California Savings and Loan Company, San Francisco, Calif.
Central Federal Savings and Loan Association, San Diego, Calif.
Century Federal Savings and Loan Association, Santa Monica, Calif.
First Federal Savings and Loan Association, Fullerton, Calif.
Liberty Savings and Loan Association, Los Angeles, Calif.
Newport Balboa Federal Savings and Loan Association, Newport Beach, Calif.
Oceanside Federal Savings and Loan Association, Oceanside, Calif.
Santa Maria Guarantee Building-Loan Association, Santa Maria, Calif.
Standard Federal Savings and Loan Association, Los Angeles, Calif.

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

[Dollar amounts are shown in thousands]

Date	Number reporting	Purchases during month	Holdings at end of month
1943			
January	2, 775	$39, 996	$365, 105
February	2, 721	22, 083	376, 390
March	2, 732	29, 234	388, 170
April	2, 744	177, 536	537, 849
May	2, 642	17, 739	548, 552
June	2, 447	13, 432	530, 657
July	2, 431	32, 131	553, 533
August	2, 452	21, 534	537, 254
September	3, 035	327, 950	973, 026
October	2, 460	18, 881	772, 309
November	2, 387	13, 883	724, 538
December	2, 287	12, 083	713, 992
1944			
January	2, 594	166, 322	914, 683
February	2, 597	98, 408	995, 425
March	2, 564	25, 312	1, 043, 581
April	2, 567	16, 404	1, 041, 714
May	2, 499	11, 040	1, 027, 055
June and July	2, 735	380, 245	1, 378, 660

Troy Looks Ahead

■ A survey, sponsored by the Troy Savings Bank, has, through interviews with one out of every 15 families in every section and income group in the area, explored the post-war outlook of Troy, New York.

Troy residents intend, after the war, to spend $57,297,900. Of this, $25,992,000 will be spent by 4,560 families to build homes; 2,340 families intend to invest $15,210,000 in buying homes already built; and modernization and improvement, at a cost of $2,956,500, will be undertaken by 12,140 households.

The comment was that saving in itself will not make jobs, but with "properly timed spending" it is a means toward community prosperity. Of the funds which will be on hand after the war, more than half represent systematic war bond buying. Regular saving now is reported by 85 percent of the men and 83 percent of the women; in addition, 72 percent state that another member of the household is saving consistently.

It is interesting to note that 54 percent of the people in the Troy area approve of a fixed program of saving. Others, however—42 percent—are of the opinion that enforced saving is undemocratic.

The study also uncovered some facts on probable population shifts, a point which is of interest to the local businessman. Despite the influx of war workers into the Troy region, it was found that nine out of ten families plan to remain in the city.

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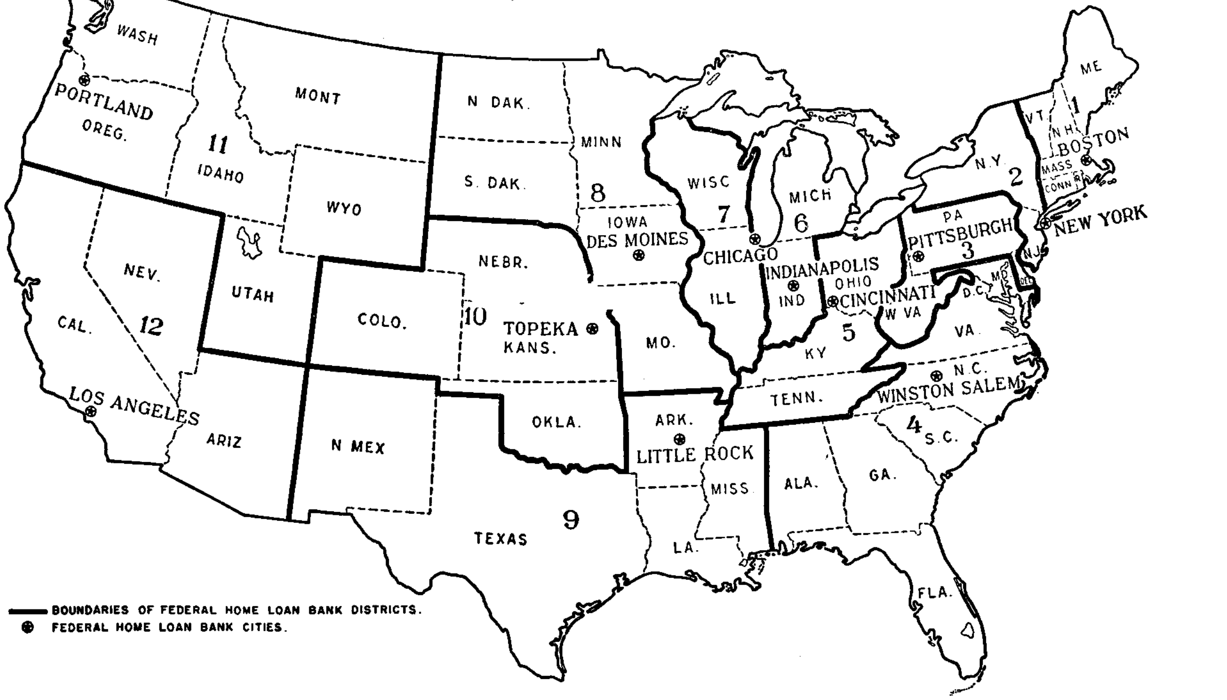
FEDERAL HOME LOAN BANK DISTRICTS



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