FEDERAL HOME LOAN BANK

REVIEW

Vol. 11, No. 4 — Washington, D. C. — JANUARY 1945

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

Central office for "GI" loans

In order to be most efficient in giving aid to veterans desiring loans under the "GI Bill of Rights" the nine commercial and savings banks of Rochester, New York, have joined in a single enterprise. One office, the Veterans Financial Service, has been formed to process loans under the Bill, to counsel servicemen on financial matters, and to assist them in obtaining loans at any local bank. The office will be managed by a full-time director who will have working with him an advisory council representing the constituent banks.

The Service will take applications for the loans. The papers will be processed through the Veterans Administration office; and the Service will take care of the arrangements with the local bank which the serviceman has chosen. The completed application and other necessary documents will then be sent to the lending institution, which will give its final approval and will handle disbursement of the loan.

Connecticut banks make credit agreement

A credit agreement of the banks of Connecticut is interesting as a possible precedent for other state groups. As interpreted from the recently published text, the aim of the Association (formed by the Agreement) is to bring as many banks as possible into the Association, which will publicize loan data, and instruct banks in lending techniques which may be applied to loans to small industries after the war. A Credit Committee of from five to seven members will direct the plan, thus concentrating authority in a small group. This will probably serve to expedite action.

The text states that . . . "banks have entered into this Agreement for the general purpose of encouraging the extension of credit to Connecticut firms, individuals, and corporations during the post-war period . . ." A bank signing the agreement commits itself ". . . to make available upon demand, from time to time, an aggregate sum, not exceeding at any one time five per cent of its combined stock and stated surplus, or fifty percent of its lending limit to one borrower." A bank may withdraw from the group upon 10 days' notice.

Further facts on "G. I." loans

In order to eliminate the possibility of the rent regulations keeping any veteran from obtaining possession of accommodations purchased under the "G. I. Bill," the OPA has announced an amendment to the regulations.

When a veteran purchases a home on borrowed money guaranteed by the Administrator of Veterans' Affairs, he does not have to meet the OPA regulation which requires that 20 percent of the purchase price must be paid before a certificate for the eviction of a tenant can be issued.

In general, a tenant may not be evicted in order that a purchaser may occupy the premises, unless a minimum of 20 percent of the purchase price has been paid. Payments made from funds borrowed for this purpose are generally excluded.

Cotton-duck houses take hard use

In 1939, faced with the necessity of solving the farm housing problem and of providing a use for surplus materials in the area of their production, the Farm Security Administration chose two traditional and one experimental media. In the Northwest, cedar was selected as a housing material while adobe was used in Arizona. The use of cotton duck for roofs and exterior walls was tried out in Alabama and Florida; enough time has now elapsed to show the practicability of this material in the construction of small low-cost houses.

For five years, two of the buildings have been deliberately neglected. One, in Alabama, was neither repainted nor repaired; however, the first sign of disrepair occurred only recently, when a leak developed in the roof. Traces of mildew, too, were seen about a year ago. Now the house will get a new coat of paint. The roof of another Alabama dwelling began to leak; however, when the owner removed the whole roof to replace it with shingles, it was found that the material was still strong and serviceable.

The Florida houses, which had been given a coat of paint at the end of three years' use, were declared to be in excellent condition.

It was concluded, from the results of the experiment, that cotton duck requires painting about every four years, like wood; but the paint used should be resistant to fire, water, weather and mildew. The duck may last for an indefinite period of time if properly treated; and, if securely fastened to a firm surface, the material provides tight insulation.

Housing of essential workers pressing

The most important job for the National Housing agency, according to Administrator John B. Blandford, Jr., is the provision of critically needed dwellings for ordnance, shipyard and railroad workers in war industry centers, as well as in many scattered locations along railroad lines. An urgent necessity for almost 50,000 accommodations in order to keep essential workers on the job and to recruit additional labor has developed. This present situation is similar to the one which arose last April through a shift in military demand, bringing about a call for different types of production.

In addition to the new construction which must be provided, it will be necessary for more citizens to open their homes to workers in many communities, Mr. Blandford stated.

MORTGAGE RECORDING TRENDS IN PERSPECTIVE

A survey of what has been happening to mortgage credit since the world went to war can be both a record and a guide. This article, based on a comparison of annual January-September data for the past five years, is designed to serve these purposes. By showing the road we have traveled, it gives a sense of direction necessary for a constructive approach to the important period ahead.

■ CREDIT developments and policies in the field of mortgage finance are of immense importance in yielding to or restraining a reckless inflationary spiral like that during and after World War I. Unfortunately, no statistical data carry back far enough to permit an accurate comparison between present conditions and those of two decades ago. However, even granting that no direct parallel could be drawn, a review of recent developments against a mental back-drop of the twenties provides food for serious thought.

Mortgage lending and recording statistics are the basic measures of activity in the home-credit field. The comprehensive nature of the recording data published monthly in the REVIEW—covering recordations by the various types of mortgagees of instruments of $20,000 or less on nonfarm residential properties—makes this series a valuable index of the general and particular trends within the industry. Hence, a five-year study (in this case based on the first nine months of each year since 1939) gives a reliable picture of the course of recent events. The signposts on the road we are traveling are there for those who will read.

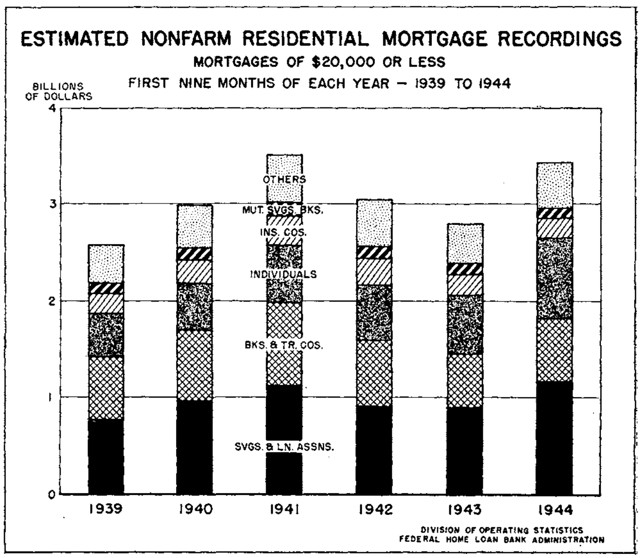
The National Picture

In 1939 the real-estate cycle in this country was on the up-swing from the depression and more than 950,000 nonfarm mortgages were recorded during the first nine months of the year. They represented a value of $2,571,000,000—an average of $2,706. The defense program, launched in mid-1940, reinforced the improving real-estate market and by the close of the third quarter of that year recordings showed a 16-percent improvement over the like period of 1939. The 1940 volume amounted to $2,988,000,000—more than 1,080,000 mortgages with an average value of $2,755.

Stimulated by an increased volume of construction and the generally improved economic conditions of 1941, nine-month recordings increased 18 percent to $3,514,000,000—a post-depression peak which represented an investment greater than during all of 1939. The average value of the more than 1,220,000 mortgages was $2,878, an increase of $23 over that of the previous period.

The next two years, however, showed the effects of the "Stop-Construction" Order and the imposition of credit limitations on real-estate sales. Mortgage recordings during the 1942 period amounted to only $3,042,000,000—down 18 percent from 1941. In 1943 the decline was much smaller but about sufficient to wipe out the last of the gains registered in 1940 and 1941. At the close of September 1943 recordings for the period totaled $2,790,000,000. However, the average value for the nine-month periods in 1942 and 1943 continued to increase and amounted to $2,787 and $2,999, respectively.

The upward trend, which, commencing in the early summer of 1943, had bolstered the declining volume of recordings, continued in 1944. By the end of September of that year mortgage recordings totaled $3,434,000,000—almost as high as the peak of 1941. This represented a 23.1 percent increase over the like period of 1943 and a larger gain than that experienced in 1940, the last year of the defense "boom" preceding any wartime restrictions.

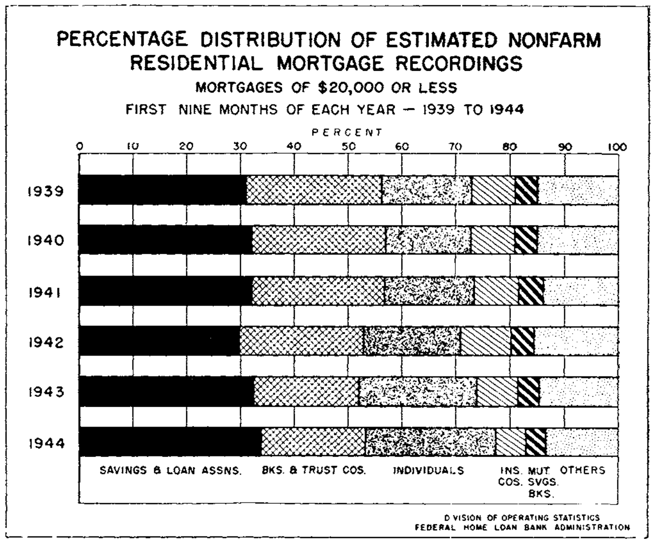


Although no direct comparison is possible between new "lending" and "recording" figures, the former show that home-purchase loans have formed the backbone of wartime lending activity during the period of controls over residential construction. A further proof of the major role played by sales of existing properties is apparent from the fact that real-estate overhang has been reduced to insignificant proportions. The critical housing situation in many areas, coupled with greatly increased incomes, has created such a ready market that many properties, formerly unsaleable, have been easily disposed of. Unless substantial down payments were made, many of these would represent doubtful security to back up the mortgages that are being made. Inflated appraisal values on these and other existing properties together with the prevalent use of high percentage loans help to explain the 17-percent rise that has occurred in the average value of mortgages recorded over the five-year period under consideration. Another factor contributing to this increase is the type of property which has recently proved saleable—that is, larger and more expensive residences than had previously been in demand.

The foregoing comparisons show what has been happening on an over-all basis in mortgage finance, but a breakdown of these figures by type of mortgagee is even more illuminating. Although the various types of mortgagees have occupied practically the same order of importance in the mortgage-credit structure, the share of total business accounted for by each has shown some interesting fluctuations within this framework.

Individuals

It is in the category of "individuals," showing an increase of 86 percent in dollar volume during the last five years, that the most significant changes have taken place. In 1939 recordings amounted to $443,-000,000, approximately 17 percent of total business. The next two years showed a drop to about 16 percent of all nonfarm mortgages of $20,000 or less, with dollar amounts of $478,000,000 in 1940 and $580,-000,000 in 1941. However, in 1942, in spite of the fact that they experienced a decline of 4.3 percent from their previous year's business, individuals accounted for 18.3 percent of all mortgages recorded in the first nine months of that year. In 1943, when all other types of lenders were suffering declines, individuals increased their business by 10 percent to a total of $612,000,000. On the basis of recordings amounting to 21.9 percent of the total business for



the January-September period of 1943, individuals advanced from third to second place as a source of mortgage credit. In 1944, individuals showed the greatest percentage increase of any type of mortgagee (34.9 percent) and recorded a total volume of $825,206,000. Although they remained in second place, their relative participation increased to 24.0 percent of the total business which was done during the period.

This almost steady rise in volume and share of total mortgage financing by individuals has been accompanied by a large rise in the average value of instruments recorded. Although the mortgages recorded by this group have, during the five yearly periods under consideration, shown the lowest average for any type of mortgagee, they have increased consistently from $1,858 in 1939 to $2,498 in 1944. This gain of $640 was second only to savings and loan associations and topped all other lenders. Percentagewise, the average value of mortgages recorded by individuals has shown the greatest gain (34 percent) compared with the 17-percent rise in the average value of all mortgages recorded.

While individuals are by no means responsible for the entire inflationary threat, as a group they probably represent the greatest potential danger. Subject to no industry leadership in the matter of standards or policy recommendations, their activities are limited (within the framework of general wartime controls) only by their own interpretations of enlightened self-interest. It is, in the very nature of things, essential for institutional lenders to operate within reasonable bounds in order to help prevent, so far as possible, the recourse to cut-throat competition.

Savings and Loan Associations

Savings and loan associations have consistently led the field as a source of mortgage credit. With a volume of $776,000,000 in recordings during the first nine months of 1939, representing 31 percent of the total business during the period, their participation has increased somewhat during the past five years. Only in 1942 did they drop as low as 29.9 percent when life insurance companies, individuals and "others" were increasing their share of business. By last year, savings and loan associations had more than regained their lost ground and accounted for 33.8 percent of all recordings.

The dollar volume of their business has increased more ($385,000,000) since 1939 than any other type of mortgagee, although the percentage gain of 47 percent was considerably less than that of individual mortgagees. From $776,000,000 in the 1939 period, the total value of their recordings rose 23 percent in 1940 and 17.5 percent the following year. In 1942, savings and loan associations experienced a 19-percent decline (second only to that of banks and trust companies) but dropped only 1 percent in 1943 when all mortgagees, except individuals, were faring considerably worse. During the first nine months of last year the volume of savings and loan recordings rose 28.7 percent over the corresponding period of 1943, and stood at $1,160,620,000.

Since these institutions have always specialized in meeting the mortgage credit needs of the low- and medium-income groups, the average value of their loans, while showing a steady increase, has consistently been smaller than any except those recorded by individuals. From $2,454 in 1939 it has risen 27 percent to $3,128 in 1944.

Banks and Trust Companies

The remaining types of mortgagees showed decreasing relative participation in the home-credit field although all of them, except life insurance companies, increased the dollar volume of their recordings over this five-year period. Banks (including their trust departments) and trust companies have continued to remain in third place but their relative participation has declined steadily from 25 percent of the 1939 volume of recordings to 19.4 percent last year.

From a peacetime total of $647,000,000 in mortgage recordings the dollar amount has increased during three of the last five years and, for the January-September period of 1944 stood at $665,000,000. This represents an increase of 3 percent. During the entire period the average value of mortgages recorded by these institutions has consistently been second only to that shown by life insurance companies. It rose $359 from $3,178 to $3,537.

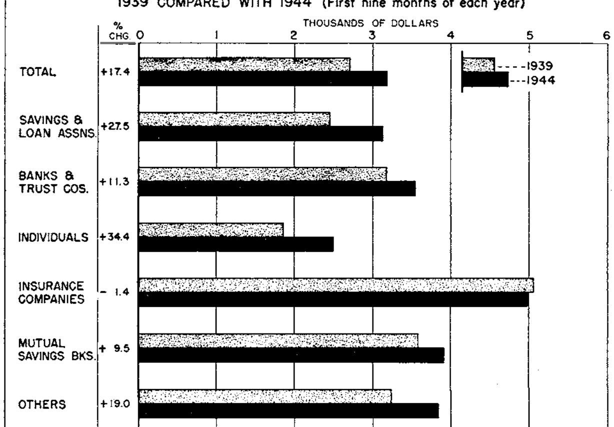
"Other" mortgagees have maintained a relatively stable position as the fourth-ranking source of mortgage credit. (This is a rather broad classification which includes miscellaneous lenders such as mortgage companies; endowment, fraternal or educational trust funds; trustees for estates, etc. It therefore shares some of the characteristics of institutional and of individual mortgage lenders). A resume of their participation in the residential mortgage field shows that they are now doing about the same relative share of the business as they did in 1939—that is 14 percent. The dollar volume over this period has increased 15 percent—from $396,000,000 to $468,000,000 while the average value of their mortgages has shown a somewhat greater percentage gain—having risen 19 percent from the $3,229 recorded in 1939 to $3,843 last year.

Mutual Savings Banks

Because of the concentration of mutual savings banks in less than 20 states, they have never accounted for more than 5 percent of national business. The very fact of their location, chiefly in the Northeastern states where, in general, there has been relatively less population and industrial growth in the last five years, has hindered these institutions in making a comeback from early wartime declines. Although their dollar volume of business is now 9 percent greater than during January–September 1939, it still amounts to only $120,000,000. However, in common with the mort-

(*Continued on p. 127*)

ESTIMATED AVERAGE SIZE OF NONFARM RESIDENTIAL MORTGAGES RECORDED
MORTGAGES OF $20,000 OR LESS
1939 COMPARED WITH 1944 (First nine months of each year)



DIVISION OF OPERATING STATISTICS
FEDERAL HOME LOAN BANK ADMINISTRATION

LAND USE: FOUNDATION OF URBAN PLANNING

In October, the REVIEW published an article, "Urban Planning: A Key to Post-war Problems," as the introduction to a series of articles on the subject. This is the second in the series and is intended to provide a brief discussion of land-use patterns as the basis for urban planning. This series has been prepared with the cooperation of the Urban Development Division of the National Housing Agency.

■ UPPERMOST in the minds of planners today is the question: Is our land being put to its best social and most economic use? Too frequently the answer is in the negative. Often wasteful exploitation of agricultural and mineral lands has been brought to public attention. Now, more than before, we are also hearing of the waste and neglect of urban land for which it is believed that higher and more efficient employment can be found through the application of careful planning. With this growing concern as to the utilization of our land has come an appreciation of the fact that it presents a problem demanding continual examination for its relation to the changing city.

Geographic Factors

Geographic conformation is probably the strongest determinant in land use. This is particularly true in the location and development of urban areas which by their nature stand or fall largely by their access to easy natural routes of transportation.

The richness of the land itself in mineral and in agricultural resources is another factor which combines with topography and transportation routes to fix city sites. In the case of Chicago, which is discussed at some length below, Lake Michigan provided not only a means of cheap water transportation but also acted as a barrier to land traffic routes which tended to converge at the southwestern side of the lake which became the site of the present city. Pittsburgh, straddling the junction of the Allegheny and Monongahela Rivers, is another example of a city strategically located for commerce and industry. It is interesting to recall that both are the sites of early forts and trading posts and that the same trade channels which now flow to modern world markets were formerly the paths of military as well as economic conquest of North America. In both cases, proximity to coal fields and ready access to more distantly located iron ore made Chicago and Pittsburgh rise to prominent positions among the worlds steel producing centers.

Within the more narrow, but nevertheless related confines of urban planning the same forces are at work. Just as national topography determines city sites, so do the surface conformations of the land largely determine the extent, direction and type of urban development. The principal function of planning is to determine the most advantageous patterns of use obtainable within the limitations imposed by topography and local social and economic needs.

Land Use Surveys

Although urban planning may be broader in scope than the mere establishment of proposed patterns of land use, it is from this base, the land and its use, that planning must make its start, and it is also here that its results will be most evident. As it is known today, urban planning involves primarily the study of problems peculiar to *existing* cities and communities, many of them growing, some appearing to be temporarily static in population, and a few showing signs of shrinkage. Therefore, it is frequently the re-use of land that demands the most attention and to a large degree characterizes the planning operation. A generation or so ago this function involved little more than the design of public buildings and parks and the layout for new streets and thoroughfares. As the American city has grown older, though, it has accumulated the usual difficulties that come with age. Consequently, the scope of planning has broadened to weed out the wild oats sown in periods of rapid expansion.

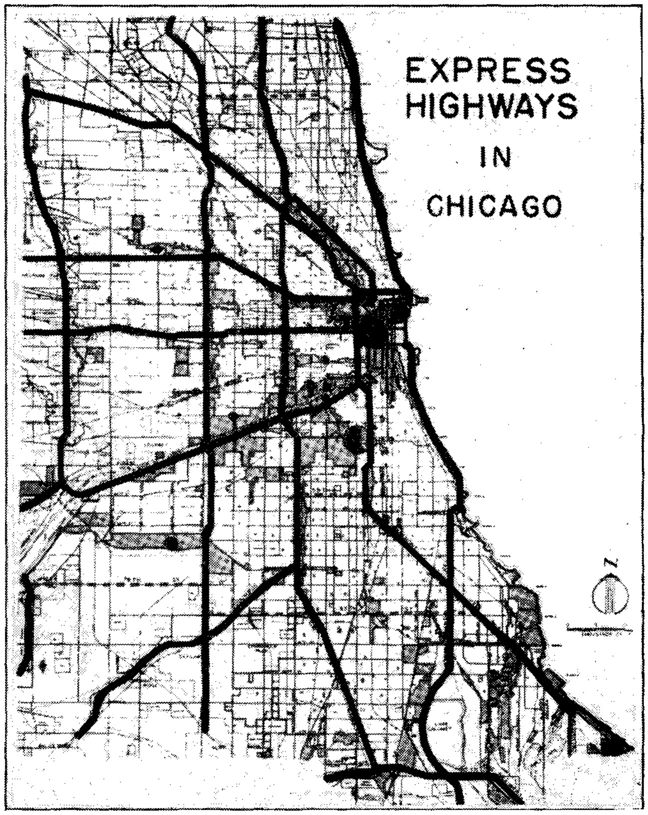
"Basic to any urban planning is a realistic land-use plan for the community. This land-use plan must show the location of industry, housing, recreation areas, highways and naturally it must show the relationship of each to the other. No planning is valid unless it takes into account the relationship of industry to the housing of industrial workers and the relationship of schools and recreational facilities to dwellings. No planning is realistic which fails to take into account methods of transporting workers from their homes to their places of business and places of work." [1]

As in dealing with any urban planning problem, the first step is one of identification — designation of the area and a descriptive enumeration of its contents. Ordinarily this takes the form of an inventory of land uses, accounting for every block and plat. This survey, together with an analysis of the evolution of existing uses, can be the most valuable instrument in the entire operation, for it is upon this foundation of factual information that almost all determinations as to future uses will be largely based.

Working from a knowledge of present land-use patterns and their evolution, planners may diagnose the ills of a specific area, determine their causes and prepare the way for a conscious unification of future city development. The master land-use plan furnishes the binding element which ties together and assures the coordination of interrelated constituent plans for housing, commerce, industry, transportation, utilities, and other community facilities and services. By understanding the forces which motivated various phenomena in the previous haphazard development of an area, a planning body may often secure the best results by capitalizing upon the more advantageous of these in blocking out suggestions as to future building.

Example probably is the most satisfactory means of illustrating the importance of land-use planning as a unifying element, and of bringing some light to bear upon both its problems and its techniques. For this purpose, the plans of Chicago, Illinois, Syracuse, New York, and Richmond, Virginia, have been selected, each representing the product of a different type of organization: Chicago, city commission; Syracuse, public participation; and Richmond, hired consultant.

Since planning in Chicago has been carried to perhaps its most advanced stage, the Master Plan of Residential Land Use for that city should command first attention. Supporting the plan is the Chicago Land Use Survey, prepared by the Work Projects Administration under the direction of the Chicago Plan Commission. This survey, published in two volumes, represents the most complete analysis ever made of any city, giving block-by-block details on use. That portion pertaining to residential real estate also shows additional data on the same detailed basis with respect to type, age and condition of structures and their tenancy, encumberances, rentals, and so forth.



Chicago Plan Commission

In presenting its findings and recommendations, the Commission epitomized the relation of the land-use surveys when it pointed out that "the interrelationship of all land uses must be understood before plans can be made for any single use." [2] To provide this understanding, the evolution of all of the various uses and their relationships to the over-all pattern was traced from the time of the establishment of Fort Dearborn in 1803. Explaining the influences of the geographical conformation of the Lake Michigan region which has made the city site a natural setting for both industry and commerce, the Commission traced the growth of the city pattern along the general lines of the early surveyors' sections and the radiating paths of the early trails. The former have imposed a rather rigid grid pattern of city streets, which the Commission plans to alter to as great an extent as possible while the rebuilding of Chicago progresses.

[1] Walter Blucher, Director, American Society of Planning Officials (from a letter).

[2] *Master Plan of Residential Land Use of Chicago*, Chicago Plan Commission, Chicago, Illinois, 1943, p. 21.

Traffic Planning

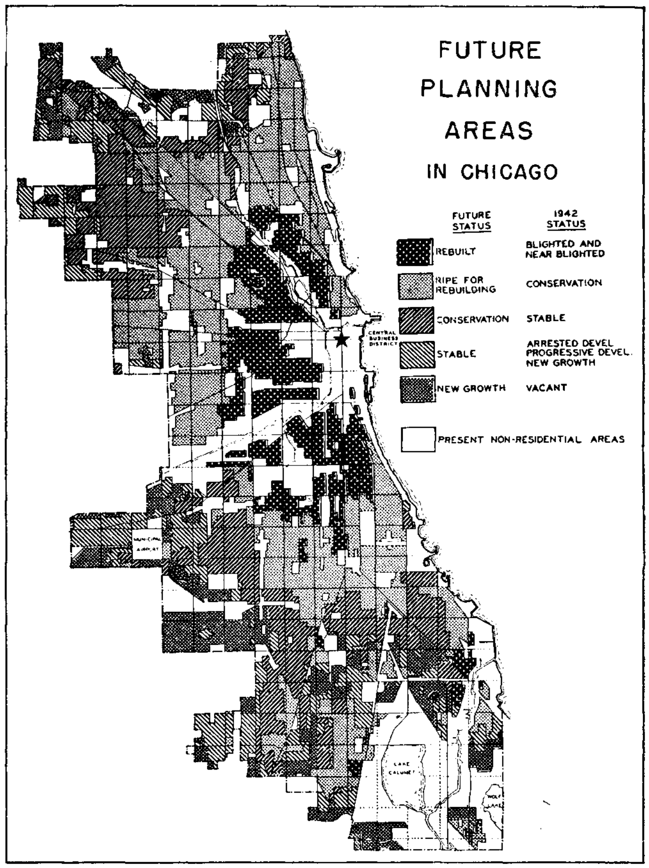
The routes of the early trails, however, have contributed to some extent to the breaking of this rectangular block design, and the system of radiating lines of traffic has been augmented down through the years by the development of the railroads and the construction of "els." However, even the railroads, to some extent, felt the confining influence of the rigid grid pattern. Although approaches to Chicago were from any convenient angle, rights-of-way tended to follow the block pattern where they met the platted areas of the city.

Today, with the growth of motor transportation, a further need is seen to expand through-traffic routes by the construction of expressways. Therefore, the Commission has been working in cooperation with state, county and municipal highway engineers to plan an express highway system within Chicago which will be integrated with the exterior pattern as constructed or planned.

Industry and Commerce

The industrial pattern of the city was found to have grown apace with the development of heavy transport arteries which have played a large part in the determination of plant sites. In the early days, these were concentrated mainly along the Chicago River. However, the advent of the railroads saw an expansion along both the radial and belt rights-of-way, spreading the industrial pattern over much of the city and out into its satellite communities. The development of express motor-transport has also made artery-highway frontages desirable for industrial purposes. Transportation, which facilitated industrial decentralization, has not been the only motivating factor. In 1942 it was reported that the city had suffered a very serious loss of industries and commercial enterprises which had relocated in order to escape taxes, building codes and land costs.

The commercial layout of the city has generally followed the gridiron street pattern, the convergence of transportation routes resulting in a concentration of the retail trade in the central business district. However, long ribbons of commercial growth have taken place along major diagonal streets (possibly the result of over-zoning) while both major and minor business centers have developed frequently at transfer points throughout the city. In addition to these there are the neighborhood shopping centers designed to serve conveniently their immediate residential areas. These, the Commission reports, have not been located according to any particular plan and are sometimes "incompatible with adjacent land uses."



Chicago Plan Commission

Residential Plan

In the presentation of the residential land-use plan, the close relationship between residential and non-residential uses is given particular emphasis. Attention is drawn to the influence of industrial inroads upon communities as reflected in the character and desirability of residences in such neighborhoods. Highways and railroads which bind the city together have also become dividing barriers between living areas.

As an instrument for the direction and coordination of the many phases of planning for a major city, the land-use studies of the Commission stand as a landmark. From these studies, trouble spots have been identified and all portions of the city may be designated according to their life expectancy. To date, only the codified breakdown of residential land has been made public. By this action, a time sequence has been established for the treatment of these areas according to their urgency.

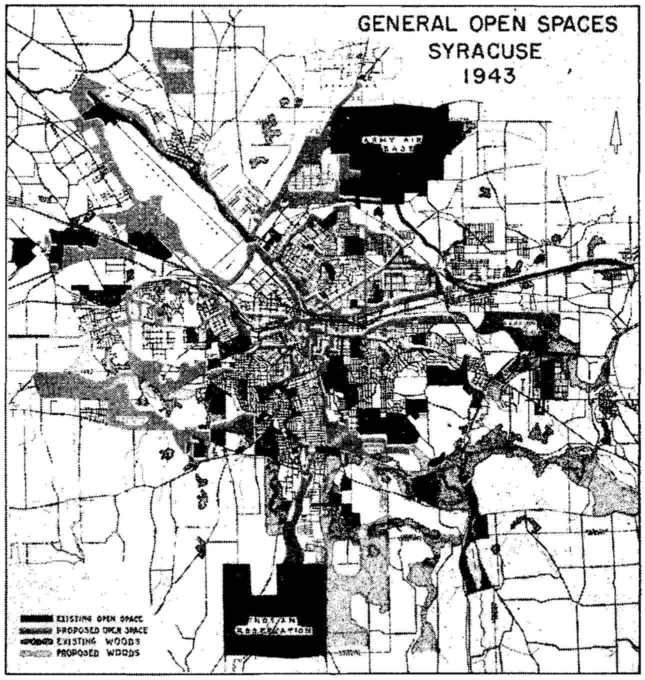
Some idea of the physical meaning of this time sequence for redevelopment can be gleaned from the residential plan. Classifying the residential areas of the city into eight planning categories according to the nature of the dwellings which they contain, it is contemplated that 242,000 units in 95,000 structures should be demolished within the next 20 to 25 years to eliminate blight and near blight which now covers 22 square miles of city land. By the time that this work could be completed, the Commission reports, many of the now so-called conservation areas would have exhausted their useful life and would be in need of similar treatment.

Obviously, it has been necessary to plan for the most economic utilization of each area throughout every phase of its life cycle. But one of the significant features of planning in Chicago is the recognition of inevitable obsolescence and deterioration and the recommendation of steps to avert the extinction of land-use value with the economic death of property improvements. In essence, it is a plan for continual urban rejuvenation and improvement, taking into consideration the relation of every type of use to the over-all city pattern.

Syracuse

In the plan developed for Syracuse, New York, there is another example of a comprehensive land-use study tying together all of the various types of planning into one integrated whole. Last spring, the Syracuse-Onondaga Post War Planning Council published its Land Use Plan for the city. On the basis of trends during the past decade, the Council sought a flexible scheme to assure use of the proper quantity and quality of land for each purpose and to provide some stabilization for the areas designated for each use in order to preserve both values and tax revenues.

Anticipating continued decentralization in new development, the prime problem was recognized to be the salvage of central city land. To combat the spread of blight and the loss of values and revenue, a broad general pattern for future city growth was drawn up calling for the segregation of incompatible land uses by the extension of a system of parks, recreational space and wooded lands. By withdrawing from residential use homes in areas unsuited for comfortable and economic living, the Council believes that losses due to excessive decentralization can be quarantined to the least desirable portions of the city. Extensive studies had revealed that the surplus of land was likely to increase.



Syracuse-Onondago Post War Planning Council

To accomplish this plan, it was recommended that all tax-delinquent properties in proposed open areas, or buffer strips, be immediately foreclosed; that the city acquire in these areas properties on which housing is or becomes substandard; and that where advanced stages of deterioration are found on properly located parcels, the city either acquire the property or purchase development rights for a period equivalent to the remaining useful life of the structures for the purpose of preventing unwarranted improvement.

To facilitate industrial development, it was recommended that from 200 to 300 acres of land most suited to this use be acquired as soon as possible by a special Civic Corporation, the purchase to be financed through popular subscription by business, professional and labor groups. By this means, it is intended that the best sites for future industry be preserved for that use, to be made available only when actually needed.

Richmond

Richmond, Virginia, furnishes an example of land-use planning under a somewhat different arrangement than in the two cities discussed previously. In this case, the City Planning Commission engaged a private planning and engineering concern to undertake a study of land uses. It was found that Richmond, like other American cities, had grown sporadi-

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cally, expansion having been "largely dictated by the needs of the moment, land speculation and individual interests taking precedence over the community welfare." With this came the usual result, haphazard building and a mingling of "heterogeneous and incompatible uses." Consequently, the city has for a number of years been losing population in a flight toward decentralization. Concluding that this trend should be reversed, it was recommended that future plans for Richmond concentrate upon the establishment of a coordinated pattern of land uses. Current land-use maps showed a bad dispersion and intermingling of all types of properties, with commerce and industry threatening a number of residential neighborhoods with blight. From this analysis, three major problems were identified for solution: (1) The elimination of intermingled land uses in individual areas and the lowering of population density; (2) The elimination of blight and the conservation of valuable properties in the heart of the city; and (3) Planning future development in anticipation of a greater stabilization in city size. "It is apparent," the report concluded, "that the city should be very careful in directing future growth into the logical areas for such growth to avoid ruinous expansion of its present physical plan and further depletion and shifting of its present population." It is believed that there is ample area in present-day Richmond to support any growth of population likely to occur within the next 10 to 20 years.

Planning Elsewhere

Although in the lead, these cities are certainly not alone in the advanced development of land planning. By 1940, it was reported that 128 American cities of over 30,000 population had authorized the preparation of complete city plans based upon full sets of underlying surveys, data and maps.[1] Since then, the number has been continually rising. According to a tabulation prepared by the Office of the General Counsel of the National Housing Agency, by the beginning of 1944 a total of 34 states and the District of Columbia had passed statutes authorizing the establishment of local planning agencies. Of these, 32 states allowed the creation of such bodies by any city and in the majority of cases such powers were also extended to towns and smaller communities. In recognition of the need for the coordination of urban planning, in 23 states the jurisdiction of these local agencies was extended to include the planning for areas adjacent to their jurisdiction.

Thus far, attention has been focused upon the plans developed by individual cities. A glance at measures being taken in other countries discloses the tracings of future programs to apply land planning on a national scale. Last fall, the Town and Country Planning Bill became law in Britain, granting broad authority to the government with respect to land assembly for the redevelopment of blitzed and blighted areas. Vesting authority in local officials, the law fixes the land price at the March 1939 valuation with two exceptions (owner-occupied small homes and owner-occupied agricultural land) and provides for financial assistance to local governments from a Central Fund.

The Bill does not deal with the wider issues of compensation and betterment, as covered in the Final Report of the Uthwatt Committee, nor with the location of industry. Its objective is to provide for the replanning and redevelopment of town areas which need to be laid out afresh and redeveloped as a whole, either because of extensive war damage or because of bad layout and obsolete development, so that town redevelopment can be dealt with by an ordered and comprehensive program.

Another example of movement toward wide-scale land planning is to be found in Canada.[2] The Canadian National Housing Act of 1944 grants to the Minister of Finance authority for research in and the promotion of planning on community and regional levels. To put further weight behind planning measures, financial assistance for the construction of rental housing (government participation with private lenders in the provision of credit and the guaranty of minimum returns to life insurance companies on project operations) may be authorized only in those communities the planning of which meets with government satisfaction.

Particularly in recent years there has been a broadening concept of land planning problems in this country as well as elsewhere. State and national programs are increasing affirmation of the principle that successful planning for land use must always be grounded in an understanding of the relationship of each area to the surrounding region and to the national whole, that some basis for the integration of local planning into the over-all picture is virtually a prerequisite to the attainment of goals for urban development.

[1] See *National Resources Development Report for 1942*, National Resources Planning Board.

[2] See "Canada Looks to Its Housing," FHLB REVIEW, December 1944, p. 77.

WHAT HAS WAR DONE TO SAVINGS?

Accumulated savings of individuals deposited with financial institutions and invested in Government securities have shown an unprecedented expansion since December 7, 1941. Largely upon their conservation and proper utilization depends the future of our economy of free enterprise.

■ IT is a commonplace observation that war produces radical changes in almost all phases of a nation's economy. Savings, as evidenced by experience in two and one-half years of the present war, is an ideal case in point. By tentative estimate, the total volume of selected types of savings of individuals—i. e., investments in savings and loan associations, reserves on life insurance policies, deposits in mutual savings and insured commercial banks, postal savings and the redemption value of U. S. savings bonds (Series A through E and 2½ percent postal savings bonds) is placed in the vicinity of $95,000,000,000 at the middle of 1944, about 55 to 60 percent higher than it was two years earlier just after the Japanese attacked Pearl Harbor. How far the general trend toward rising savings will go may not easily be projected. However, as this enormous accumulation continues its rapid growth, hairline accuracy becomes unnecessary. The one factor which is certainly apparent is that this vast sum of liquid and semi-liquid wealth can, and probably will, exert an enormous force upon our entire economic structure.

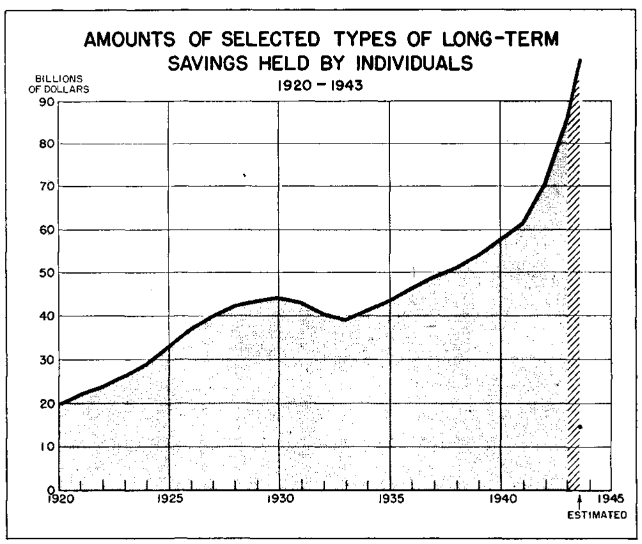
Projections

Any attempt to project the effect of its impact must obviously involve arbitrary assumptions on a variety of other economic factors each of which is necessarily based upon fallible opinions. The spread of "authoritative" thinking today upon the general subject of post-war economic trends, and the equanimity with which students of these subjects reverse their former ideas are indicative of qualifications inherent in such projections.

Thought today is divided as to the trend of future peacetime economic activity. Not only is it split, but the groups tend to gravitate toward diametrically opposite poles, each with equally plausible arguments in support of its conclusions. On the one hand there are those who forecast post-war inflation. On the other hand, there is the school which warns against an equally unhealthy deflationary extreme. Behind this seeming division in thought, and particularly the movement of authorities from one camp to another, is a deep-seated uncertainty as to fundamental premises. This in itself is not peculiar to wartime, but its added significance arises from the magnitude of the economic forces and the extremes that they can reasonably be argued to produce.

What part may savings play in the post-war economy? If it is assumed that the country will swing toward higher prices it can be reasoned that this accumulation of savings—either as cash or as the basis for credit expansion—could be used to bid us into an inflationary spiral. The unleashing of such tremendous buying power, if it were to go unchecked, might outstrip a market already suffering from short and unbalanced inventories and a productive plant unequipped for sufficient immediate civilian production.

Deflationists, though, can point to the fact that a buying public which experienced the depression of the thirties—many of them facing unemployment as war production cutbacks spread—is not likely to be so readily separated from its savings. Certainly this war has not duplicated on a comparable scale the psychology of the silk-shirt prosperity of 1918. Those who foresee deflation also point to the lack of popular confidence in prospects for private capital expansion that existed during the last war. The



effect of Government-owned plant expansions has caused alarm in some quarters. Anxiety is expressed as to the effects of business taxes, contract renegotiations, and so forth.

In a period of deflation a large volume of liquid savings can act as an effective check upon declining economic activity. Certainly the absence of such liquidity increased both the severity and duration of our misadventure of the last decade. There are still signposts of this fact, and bulwarks have been created against its repetition. However, legislated safeguards are not in themselves sufficient to stave off such conditions unless they are augmented by the proper precautionary measures on the part of business and the general public—in particular the savings institutions and the investors which they serve. Thus, more than ever before, private lending institutions will be called upon to assume the responsibility of encouraging thrift and assuring an efficient employment of savings now and after the war.

Savings in Wartime

What has war done to savings? Earlier, it was stated that the total selected forms of individual savings here under consideration are tentatively estimated at about $95,000,000,000 as of the middle of 1944. This reflects an acceleration in growth during the first half of the past year coinciding generally with the marked advance in income payments to individuals which occurred at that time. It is likely that this rate of gain will show some leveling, though, for the last half of the year since individual income payments have reflected much greater stability since June.

The latest date for which firm estimates are available—therefore the latest date on which changes in the composition of these selected savings can be ascertained—is December 31, 1943. At that time the total of all types included in this survey was placed at $85,804,000,000 according to data compiled by the Division of Operating Statistics. Then the general influence of the war was definitely discernible, both in the volume and pattern of savings.

Table 1.—Net changes in selected types of private long-term savings

[Dollar amounts are shown in thousands]

Type of savings	Increase (1941–1943)		Period of comparable increase	Amount
	Amount	Percent		
Savings and loan associations	$779	+16.6	1936–1941	$759
Life insurance companies	3,690	+13.7	1939–1941	3,496
Mutual savings banks	1,217	+11.6	1930–1941	1,106
Commercial banks	3,311	+25.0	1934–1941	3,552
Postal savings	445	+32.0	1932–1941	477
U. S. savings bonds	14,824	+312.1	(1)	
2½% postal savings bonds	−2	−2.4	(1)	
Total	24,262	+39.4	1926–1941	24,632

To say that savings by the end of 1943 had increased by $24,262,000,000, or 39.4 percent, since the United States entered the war is to give only dry and rather inadequate emphasis on the unprecedented expansion in this field. Since figures running into eleven digits are inclined to lose their true proportion, let it be put differently. For instance, the rise in savings in 1942 and 1943 was almost equivalent to the total gain made in 15 years prior to our entry into the war.

The conditions which produced such a gain in total savings could not be expected to cause a uniform expansion in all of the various components. As was anticipated, the strenuous campaigns for support of the Treasury's war-finance program attracted into war bonds the bulk of new accumulations by individuals during 1942 and 1943. This alone accounted for more than 60 percent of the total two year's growth—$14,824,000,000 out of $24,262,000,000. This feature, above all others, has characterized trends since December 7, 1941 and produced the only shift in the relative positions of the several savings categories. War savings bonds at the end of 1943 were second only to life insurance companies (policy reserves) in the magnitude of the savings which they represented.

Life Insurance

Life insurance policy reserves, which constituted the largest savings component, showed the second largest dollar gain, $3,690,000,000. This was an increase of 13.7 percent. To some extent, growth in this line has probably felt a retarding factor from the channeling of a large volume of new life policy sales to Government life insurance. According to the Institute of Life Insurance Presidents the pattern of sales shows definite trends attributable to the times. Significant among these are the increases in sales to women and minors.

Over the long term since 1920 savings in life insurance companies have shown steady and consistent growth. In these 23 years they have risen from $5,814,000,000 to $30,567,000,000, mounting from 29.3 percent to 35.6 percent of the total.

Commercial Banks

Insured commercial banks showed the third largest dollar gain in savings during 1942 and 1943. However, the breakdown for the latter year shown in the following table reveals an acceleration in the growth of their time deposits over the rate estimated for 1942. During the single year 1943 these banks indicated the greatest dollar increase among private institutions. This would seem to bear out a growing preference on the part of the saving public to accept a low rate on their funds in return for a high degree of liquidity. Also this trend reflects familiarity with these institutions and the means by which they operate. It is interesting to note that over the long term, that is, since 1920, time deposits in insured commercial banks have shown more fluctuation than any other type of savings included in the selected group under consideration. From $6,532,000,000 in 1920, deposits evidenced by passbooks rose to $15,304,000,000 in 1928, then receded to $8,729,000,000 in 1933. Since that time the amount of such savings has increased each year. The total of $16,572,000,000 reported in 1943 surpassed the pre-depression high.

Mutual Savings Banks

Mutual savings banks, concentrated largely in the northeastern states, had the fourth largest dollar gain during the war years of 1942 and 1943, the net addition of $1,217,000,000 to savings with these institutions raising their total to $11,707,000,000. While increases in income payments to individuals were general throughout the country, it is significant that in 12 of the 17 states in which mutual savings banks are to be found the rate of gain in income payments was lower than the 50-percent rise reported for the United States as a whole.

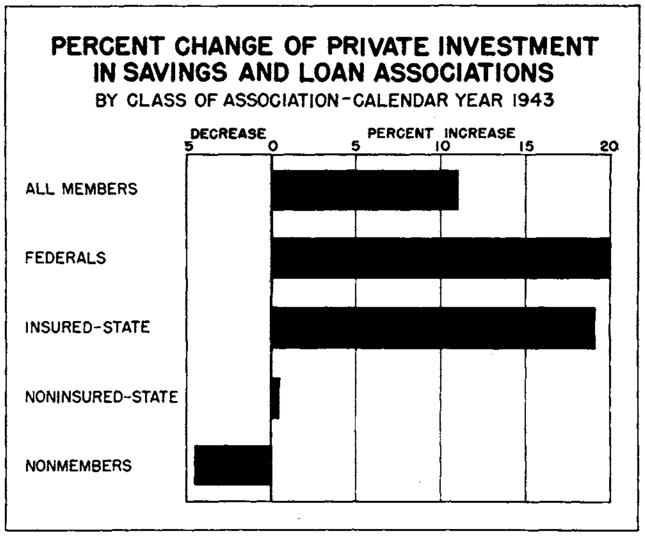
As a group, mutuals have shown a slow but relatively steady growth in savings over the years since 1920, accounts having increased from $4,806,000,000 to their present level. Their somewhat slower rate of growth, however, is reflected in the declining proportion of savings of this type which dropped from

Table 2.—Private long-term savings in 1942 and 1943

[Dollar amounts are shown in millions]

Type of savings	Dec. 31, 1942	Dec. 31, 1943	Change	
			Dollars	Percent
Savings and loan associations	$4,910	$5,464	$554	+11.3
Life insurance companies	29,043	30,567	1,524	+5.2
Mutual savings banks	10,621	11,707	1,086	+10.2
Insured commercial banks	13,820	16,572	2,752	+19.9
Postal savings	1,417	1,837	420	+29.6
2½% postal savings bonds	84	83	−1	−1.2
U. S. savings bonds	10,526	19,574	9,048	+86.0
Total	70,421	85,804	15,383	+21.8

1 Not comparable.



PERCENT CHANGE OF PRIVATE INVESTMENT IN SAVINGS AND LOAN ASSOCIATIONS
BY CLASS OF ASSOCIATION-CALENDAR YEAR 1943

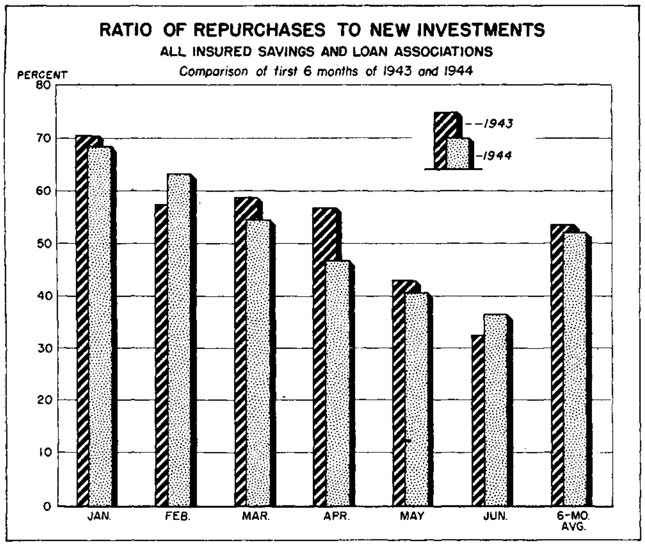
24.2 percent of the total in 1920 to 13.7 percent in 1943.

Savings and Loan Associations

Compared with the types of savings discussed thus far, savings and loan associations showed a more moderate dollar gain in private investments during the first two years of war. Standing fifth in dollar volume of savings growth, $779,000,000, these institutions reported an aggregate increase of 16.6 percent above 1941 figures, raising total private investments to $5,464,000,000. Although well above the 1920 figure of $1,741,000,000 and 39 percent higher than the $3,926,000,000 low of 1936, investments in savings and loan associations were still short of the 1930 pre-depression peak of $6,296,000,000.

The breakdown of changes in selected forms of savings during each separate war year shows a gathering momentum in the growth of private investments in savings and loan associations. During 1943, expansion amounted to $554,000,000, almost two and one-half times the $225,000,000 gain indicated for 1942. Taken together, the combined rise for the two years was greater than the total growth reported for savings in these institutions from 1936 through 1941.

Trends for insured associations in 1944 showed a continuation in the upward movement of private investments as this balance sheet item grew 10 percent—almost $349,000,000 in the first six months as compared with a rise of $288,000,000 in the corresponding period of 1943. If the prevailing upward movement of these investments holds, savings in savings and loan associations stand a good chance to equal or even exceed their pre-depression



peak of more than six and a quarter billion dollars by the end of the war.

Conclusion

What are the lessons that may be derived from wartime changes in the several selected forms of savings? Perhaps first is the growing emphasis in the public mind upon liquidity and a corresponding diminution in the emphasis on earnings—interest and dividends. Earnings, although still a drawing card, are now viewed in clearer perspective than they were 20 or 25 years ago. Liquidity means availability which in itself is a prime indication of safety to savers today, many of whom are uncertain as to the post-war tenure of their jobs.

Second, there is the example of the force of systematized thrift. The remarkable expansion in the redemption value of bonds held by the individual saver, although in large part due to intensive selling during drives, could hardly have achieved its present standing without the steady flow of investments bought through payroll deductions. Perhaps many private institutions will be interested in developing techniques introduced by the Treasury in financing the war through savings.

The accelerated rate of saving during the war was due to two principal factors: (1) the record increase in income payments to individuals; and, (2) the brake on expenditures effected by curtailed civilian production, price control and rationing. With the end of the war, income payments are expected to drop as the process of reconversion gets under way. At that time the retention or abandonment of price and other types of controls may also materially affect economic trends.

The role of savings now is clearly that of assisting in financing the nation's war effort and of acting as a brake upon inflation. After the war it may provide a stimulus for reconversion and a buffer against deflation. However, its careful handling will be necessary to assure that in avoiding deflation we do not run headlong to the other extreme.

Construction Estimates for 1945

■ PROJECTIONS of construction activity have always been "iffy" questions, and those for 1945 are even more so—the principal qualification this time being whether or not the war in Europe will be ended during the 12 months now beginning. Last month, the War Production Board made public its estimate that construction volume in 1945 may total $4,000,000,000 if Germany is defeated during the coming spring. This would be about 4 percent above the rate reported last year. On the other hand, if victory in Europe is not achieved in 1945, WPB estimates that a drop of about 18 percent will occur, and that construction expenditures will amount to about $3,150,000,000.

Assuming that Germany would be defeated next spring, the breakdown of construction is placed as follows: Public expenditures, $1,860,000,000; private, $2,090,000,000, giving a total of $3,950,000,000. Distributed by purpose, these figures include $450,000,000 for military construction, $725,000,000 for industrial building, $775,000,000 for housing, and $2,000,000,000 for remaining types of construction.

Longer-Term Assumptions

The ups and downs of an anxious, though confident, public opinion over the course of the past few years has leavened our national thinking and shown in its true light the folly of perennial optimism. Today people are more inclined to put their tongues in their cheeks when anyone attempts to guess how much of the "duration" is left. Thus WPB has developed a considerably lower forecast based upon the assumption that the war in Europe may necessitate another year of attrition.

If Germany remains in the fight through 1945 the lower estimate of $3,150,000,000 is expected to consist of $1,680,000,000 of public expenditures and $1,470,000,000 of private investment. Distributed by purpose, the total would consist of $480,000,000 for military construction, $595,000,000 for industrial building, $525,000,000 for housing, and $1,550,000,000 for all other types.

★ ★ ★ WORTH REPEATING ★ ★ ★

SOUND CREDIT: "Mortgage credit, extended carefully but liberally and widely available, is vital to the further development of home ownership in this country on a scale to meet the national need. Without the safeguards, which experience has demonstrated are necessary, however, such credit can be destructive. Shortsighted granting of mortgage credit invariably produces unhappy reactions such as we have had all too frequently in the past. Credit carelessly and, in too many instances, recklessly granted in the United States in the period from 1922–28 caused the greatest mortgage losses on record. Nothing is more important to the future of home ownership and the progressive development of better housing in our country than long-term mortgage credit at fair interest rates, with moderate loan charges, and provision for periodical reduction of the debt at frequent intervals. It must, however, be employed with caution and good judgment."

John H. Fahey, *Savings Bank Journal*, December 1944.

CHALLENGE: "Those who are concerned with the post-war prospects for a particular enterprise, an industry or a community must keep two facts in mind:

"Our country is still growing. About 6,000,000 more people were employed, or actively seeking employment in 1940 than in '29.

"While the war has temporarily distorted this trend, the permanent effect will be a continuation of the growth in working population.

"Productivity of workers is increasing. Even with shorter hours in 1941, the output per employed person was roughly 25 percent greater than in '29. Looking beyond the wartime distortions, there is every reason to expect further increases in efficiency.

"This growth in manpower and productivity was obscured in the decade before the war by the worst depression this country ever experienced. By 1940 more goods and services were produced than in any previous year. Yet production had not kept pace with expanding capacity of the labor force to produce.

"If the growth trend continues, peacetime capacity output in 1947 would be 40 to 50 percent above actual production in 1940—and 70 to 80 percent above the average for the five years, 1935 through 1939.

"This capacity stands as a challenge to American enterprise.

"Effective utilization of the post-war labor supply calls for extraordinary imagination and ingenuity in developing new products and new markets for old ones.

"Moreover, it emphasizes the need for a more balanced expansion of nonmanufacturing business and for more effective selling of goods and services . . ."

S. Morris Livingston, *Nation's Business*, December 1944.

G. I. INTERPRETATION: "In regard to withholding service-connected disability pension as an offset to loss caused by default on a guaranteed loan, the law does require offset or recovery from pension or other payments if the loss is due to fraud on the part of the veteran. If, however, the veteran is without fault, deductions are not required if they would defeat the purpose of such payments or would be against equity or good conscience. Even in cases of fraud there will be no withholding of pension if recovery may be made in any other way.

"Thus it will be clear that no veteran need fear hardship through deductions from his pension, if he undertakes a loan obligation in good faith and any default thereon is not caused by fraud or similar fault on his part."

Brig. Gen. Frank T. Hines, Administrator of Veterans Affairs, *American Banker*, December 14, 1944.

DEBT AND TAXES: "Debt is always a burden, and taxes to pay the interest on the debt will hurt just as much as any other taxes. We should do everything we can to keep the debt from rising more rapidly than is necessary to achieve victory.

"That's why each of us has about 20 percent taken out of his pay envelope every pay day for taxes. If debt were no burden, this would not be necessary. But we must look at the pros as well as the cons on the balance sheet of debt. The American people own the debt as well as owe it, and they have, directly or indirectly, invested practically all of their wartime savings in it. These savings are going to provide many a job and smooth many a rough place in the road for millions of American citizens after the war."

Daniel W. Bell, Under Secretary of the Treasury, in radio broadcast, December 13, 1944.

DISCIPLINE: "Only in America will conditions be favorable for maintaining a wide area of free enterprise, with planning confined to a few key points. We have the time, and the margin of national resources, to continue our institutions with a minimum of change. . . . Provided the American people unite in a program to level out the business cycle, underwrite a high level of employment, and bring monopolies under control; which means, at bottom, provided the American people learn to discipline themselves."

Stuart Chase, *Democracy Under Pressure*, Twentieth Century Fund, January 1945.

REALISTIC FINANCE: "The stay-at-homes—you and I—own the shares in that debt [the national debt]. We will get the interest and be paid the principal on that debt when we want it. The 11 millions—those who survive—will have to help shoulder that mountain of debt of which we stay-at-homes are the principal owners. They may be quite willing to do so if they have adequate jobs and economic security. You and I should have imagination enough to realize what would happen if we on the homefront, who have profited so much and risked so little—while they have risked so much and profited so little—if those of us who have the economic power or the political power in this country accept the defeatism still expressed by some to the effect that the country cannot afford the goal of full employment because the dictates of so-called 'sound finance' stand in the way. I cannot imagine more unsound finance or a plainer proof that we do not at heart believe in our system or in our democracy."

Marriner S. Eccles, before National Industrial Conference Board, New York, November 16, 1944.

TIPS AND CUES FROM BEST SELLERS

■ IMPRESSED by the unusual records of many savings and loan associations in the promotion of war bond sales, the Office of the Governor of the Federal Home Loan Bank System inquired last month as to the organization and promotional programs of a number of the top-selling members. Replies were interesting and varied, and from them a number of highly successful approaches were found. Almost all associations reported intensive organization for over-the-counter sales which, coupled with vigorous advertising campaigns through almost all media for broadening contacts with prospective purchasers, kept the names of these institutions consistently on the *Honor Roll* list for war bond sales.

If space permitted, every reply should be published. Since this is not practical, a sampling is presented as representing most of the selling methods reported.

Almost all associations placed the heaviest emphasis upon personal contact and many of them, acting frequently in conjunction with local committees, clubs and business groups, shared in conducting bond rallies and special mass meetings. Booths were established by others at convenient points to facilitate contact with the buying public and direct mail advertising proved well worthwhile. Special window displays served as sales catchers as well as eye catchers.

Miami Beach Federal Savings and Loan Association

How It Was Done

"We have used much advertising . . . letters, solicitation, and calls over the phone bring the larger investor. Newspaper advertising is best for the small investor.

"We stress a bond for a Christmas gift to hasten 'Peace on Earth'.

"Our success can be attributed to three factors: the assistance of our directors, newspaper advertising, and letters to a selected list, along with aggressive personal contacts.

"Practically every person on our list was contacted personally or by phone during the first three weeks of the Sixth Loan.

"There are more people aware of the existence of our association than ever before by reason of our participating in war financing . . . we will not spare the horses in applying the time of our officers, directors, employees, or money in programs to increase our volume of sales . . . "

First Federal Savings and Loan Association of St. Paul, St. Paul, Minnesota.

"We have set a quota for the 6th loan, 50% above what we sold in the 5th . . .

"The outside of our building has a different sign for each Drive . . .

"Our outside booth is manned day and night during Drives . . .

"Aside from the more standarized methods, we believe the biggest single plan of selling for an association is for it to aid in heating-up the active sales committee of the city and to that end we have assigned one of our executives. In this way we have helped to interest some 70 civic groups, giving our office space to assembly purposes. We have taken care of most of the organizational and selling expense . . .

" . . . the fact that *we know our bonds* contributes immeasurably to their sale. All questions regarding issuance, description, interest rate, types, etc., form everyday talk with the staff of our organization . . .

"Between Drives we see to it that anyone desiring information regarding any issue can obtain it on a moment's notice from us . . .

"When the Drive is over, we do not close up the War Bond Department but actually spend more time and energy than during the Drive, because we feel that this is the time to continue educating the public and prepare them for future Drives . . .

"The whole thing boils down so far as our effort is concerned, to a matter of personalization of the Association in the work. The results have been most gratifying . . . "

Miami Beach, Federal Savings and Loan Association, Miami Beach, Florida.

"All of our advertising, 100%, is War Bonds . . . our employees are devoting much of their own time to sales . . . the writer attempts to participate in every local bond activity.

"The issuance of bonds is given first consideration at our office . . .

"We cooperate with theatres and let no opportunity slip by where bond sales are possible."

Albert Lea Building and Loan Association, Albert Lea, Minnesota.

"We are stuffing all our mail with pamphlets . . . and suggesting that they put their savings into war bonds. We organized a college 'Bond Breakfast' with good results . . . We have encouraged policemen and firemen to sell bonds. They reach only E bond purchasers, which is most important . . ."

Jefferson Federal Savings and Loan Association, Birmingham, Alabama.

"Our booth, the 'Bond Pier' operated downtown has produced many more sales than our office itself. The strength of this sales effort has been the spirit of competition between the civic, fraternal and business organizations whose own campaigns we supported at the 'Bond Pier'; and the same spirit between the various groups in the organization . . ."

Home Federal Savings and Loan Association, Cincinnati, Ohio.

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.

"We have a large window in our office on one of the most prominent streets . . . we have a huge billboard there. On this board we flash a message which can be seen by pedestrians and riders on street cars . . .

"During one Drive we kept our office open at night for the sale of bonds only . . . We arranged with a radio station to feature war bond purchases every few minutes during a variety program and the name of each purchaser would be broadcast. They accepted orders from the studio audience and over the telephone . . . One of our office assistants is stationed in the studio to take care of the orders . . .

"We arranged with a large movie house to flash war bond announcements on their screen at intervals, with bonds and stamps available in the lobby. We have secured some free space for billboard signs.

"We contacted many acquaintances to urge them to make a greater investment in War Bonds. The response was gratifying."

Wyman Park Federal Savings and Loan Association, Baltimore, Maryland.

". . . The little we are able to do for our Government is just a small payment on a great debt.

"I was able to group the local Czech associations for this work and together we have done a nice little job, catering mostly to residents of Czechoslovak extraction . . . This class of customers knows not only the seriousness of the conflict, but also the necessity of a strong third front: 'the dollar front' . . ."

Bohemian-American Building Association, Baltimore, Maryland.

Election and Appointment of Directors and Designation of Chairmen and Vice Chairmen of the Federal Home Loan Banks

■ ANNOUNCEMENT has been made recently by the Federal Home Loan Bank Administration of: (1) the election of Classes A, B, and C directors and directors-at-large to serve 2-year terms beginning January 1, 1945; (2) the appointment of public interest directors to serve 4-year terms beginning January 1, 1945; and (3) the designation of chairmen and vice chairmen of the various Federal Home Loan Banks to serve during the calendar year 1945 or until such time as their successors are designated and qualified.

☆ ☆ ☆

DISTRICT NO. 1—BOSTON

Chairman: Bernard J. Rothwell, Bay State Milling Company, Boston, Massachusetts (re-appointed).

Vice-Chairman: Edward H. Weeks, Old Colony Co-operative Bank, Providence, Rhode Island (re-appointed).

Public Interest Director: Joseph H. Soliday, Franklin Savings Bank, Boston, Massachusetts (re-appointed).

Class A Director: Raymond P. Harold, Worcester Federal Savings and Loan Association, Worcester, Massachusetts (re-elected).

Class B Director: George B. Lord, Portsmouth Savings Bank, Portsmouth, New Hampshire (re-elected).

Class C Director: Walter P. Schwabe, Enfield Federal Savings and Loan Association, Thompsonville, Connecticut (re-elected).

Director-at-Large: Milton A. Barrett, Fidelity Co-operative Bank, Fitchburg, Massachusetts (re-elected).

DISTRICT NO. 2—NEW YORK

Chairman: George MacDonald, Manufacturers' Trust Company, New York, New York (re-appointed).

Vice Chairman: Francis V. D. Lloyd, Central Bergen Savings and Loan Association, Ridgefield Park, New Jersey (re-appointed).

Class A Director: Cadman H. Frederick, Suffolk County Federal Savings and Loan Association, Babylon, New York.

Class B Director: Roy H. Bassett, Canton Savings and Loan Association, Canton, New York (re-elected).

Class C Director: Joseph A. O'Brien, Medford Lakes Savings and Loan Association, Medford Lakes, New Jersey (re-elected).

Director-at-Large: J. Alston Adams, Westfield Federal Savings and Loan Association, Westfield, New Jersey (re-elected).

DISTRICT NO. 3—PITTSBURGH

Chairman: Ernest T. Trigg, National Paint, Varnish and Lacquer Association, Philadelphia, Pennsylvania (re-appointed).

Vice Chairman: Charles S. Tippetts, The Mercersburg Academy, Mercersburg, Pennsylvania (re-appointed).

Public Interest Director: Walter B. Gibbons, Attorney, Philadelphia, Pennsylvania (re-appointed).

Class A Director: Fred C. Klussmann, Revenue Savings and Loan Association, Millvale, Pennsylvania (re-elected).

Class B Director: William Reinhardt, The Provident Building and Loan Association, Philadelphia, Pennsylvania (re-elected).

Class C Director: James W. Turtle, Stephen Girard Savings, Loan and Building Association, Philadelphia, Pennsylvania (re-elected).

Director-at-Large: Alexander Salvatori, Peoples Federal Savings and Loan Association, Wheeling, West Virginia.

DISTRICT NO. 4—WINSTON-SALEM

Chairman: Horace S. Haworth, Roberson, Haworth, and Reese (law firm), High Point, North Carolina (re-appointed).

Vice Chairman: Edward C. Baltz, Perpetual Building Association, Washington, D. C. (re-appointed).

Public Interest Director: James G. Luttrell, McCormick and Company, Baltimore, Maryland (re-appointed).

Class A Director: Edward C. Baltz.

Class B Director: Frederick Willetts, Co-operative Building and Loan Association, Wilmington, North Carolina.

Class C Director: W. Brown Howell, First Federal Savings and Loan Association, Panama City, Florida (re-elected).

Director-at-Large: Frank Muller, Jr., Liberty Federal Savings and Loan Association, Baltimore, Maryland (re-elected).

DISTRICT NO. 5—CINCINNATI

Chairman: Harry S. Kissell, Springfield, Ohio (re-appointed).

Vice Chairman: W. Megrue Brock, The Gem City Building and Loan Association, Dayton, Ohio (re-appointed).

Class A Director: Allen C. Knowles, South Side Federal Savings and Loan Association, Cleveland, Ohio.

Class B Director: Charles J. Haase, Home Federal Savings and Loan Association, Memphis, Tennessee (re-elected).

Class C Director: B. A. Stevens, Dyer County Federal Savings and Loan Association, Dyersburg, Tennessee (re-elected).

Director-at-Large: W. B. Furgerson, Portland Federal Savings and Loan Association, Louisville, Kentucky (re-elected).

DISTRICT NO. 6—INDIANAPOLIS

Chairman: Herman B. Wells, Indiana University, Bloomington, Indiana (re-appointed).

Vice Chairman: Fermor S. Cannon, Railroadmen's Federal Savings and Loan Association, Indianapolis, Indiana (re-appointed).

Public Interest Director: Carleton B. McCulloch, The State Life Insurance Company, Indianapolis, Indiana (re-appointed).

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

Class B Director: Donald L. Adair, South Bend Federal Savings and Loan Association, South Bend, Indiana.

Class C Director: Grant H. Longnecker, Peoples Savings Association, Benton Harbor, Michigan (re-elected).
Director-at-Large: Fermor S. Cannon.

DISTRICT NO. 7—CHICAGO

Chairman: Charles E. Broughton, The Sheboygan Press, Sheboygan, Wisconsin (re-appointed).
Vice Chairman: Henry G. Zander, Jr., Henry G. Zander and Company (realtors), Chicago, Illinois (re-appointed).
Public Interest Director: Henry G. Zander, Jr., (re-appointed).
Class A Director: John B. Reynolds, Chicago Federal Savings and Loan Association, Chicago, Illinois.
Class B Director: Earl S. Larson, First Federal Savings and Loan Association, Moline, Illinois.
Class C Director: Rilen McConachie, First Federal Savings and Loan Association, Sparta, Illinois (formerly Class B Director).
Director-at-Large: Edward J. Czekala, National Savings and Loan Association, Chicago, Illinois (formerly Class C Director).

DISTRICT NO. 8—DES MOINES

Chairman: E. J. Russell, Mauran, Russell, and Crowell (architects), St. Louis, Missouri (re-appointed).
Vice Chairman: E. A. Purdy, Federal Cartridge Corporation, Minneapolis, Minnesota (re-appointed).
Public Interest Director: John D. Adams, Des Moines Chamber of Commerce, Des Moines, Iowa (re-appointed).
Class A Director: Gus V. Kenton, Farm and Home Savings and Loan Association, Nevada, Missouri.
Class B Director: E. J. Webb, Metropolitan Savings and Loan Association, Kansas City, Missouri.
Class C Director: Spencer Stearns, Hutchinson Federal Savings and Loan Association, Hutchinson, Minnesota.
Director-at-Large: L. A. Rulien, Grand Forks Building and Loan Association, Grand Forks, North Dakota.

DISTRICT NO. 9—LITTLE ROCK

Chairman: B. H. Wooten, The Republic National Bank, Dallas, Texas (re-appointed).
Vice Chairman: Wilbur P. Gulley, Pulaski Federal Savings and Loan Association, Little Rock, Arkansas (re-appointed).
Public Interest Director: Gordon H. Campbell, Aetna Life Insurance Company, Little Rock, Arkansas (re-appointed).
Class A Director: J. J. Miranne, Security Building and Loan Association, New Orleans, Louisiana (re-elected).
Class B Director: R. H. McCune, Roswell Building and Loan Association, Roswell, New Mexico (re-elected).
Class C Director: H. T. Leonard, Kosciusko Building and Loan Association, Kosciusko, Mississippi (re-elected).
Director-at-Large: Grover J. Casselberry, First Savings and Loan Association, El Paso, Texas (re-elected).

DISTRICT NO. 10—TOPEKA

Chairman: William M. Jardine, University of Wichita, Wichita, Kansas.
Vice Chairman: A. G. Hartronft, The Lyons Savings and Loan Association, Lyons, Kansas (re-appointed).
Public Interest Director: Paul F. Good, Good and Simons, Lincoln, Nebraska (re-appointed).
Class A Director: J. E. Barry, Jr., Oklahoma City Federal Savings and Loan Association, Oklahoma City, Oklahoma (re-elected).
Class B Director: Elwin R. Hunter, Fort Collins Federal Savings and Loan Association, Fort Collins, Colorado.
Class C Director: A. G. Hartronft, (re-elected).
Director-at-Large: E. L. Hevelone, The State Savings and Loan Association, Beatrice, Nebraska.

DISTRICT NO. 11—PORTLAND

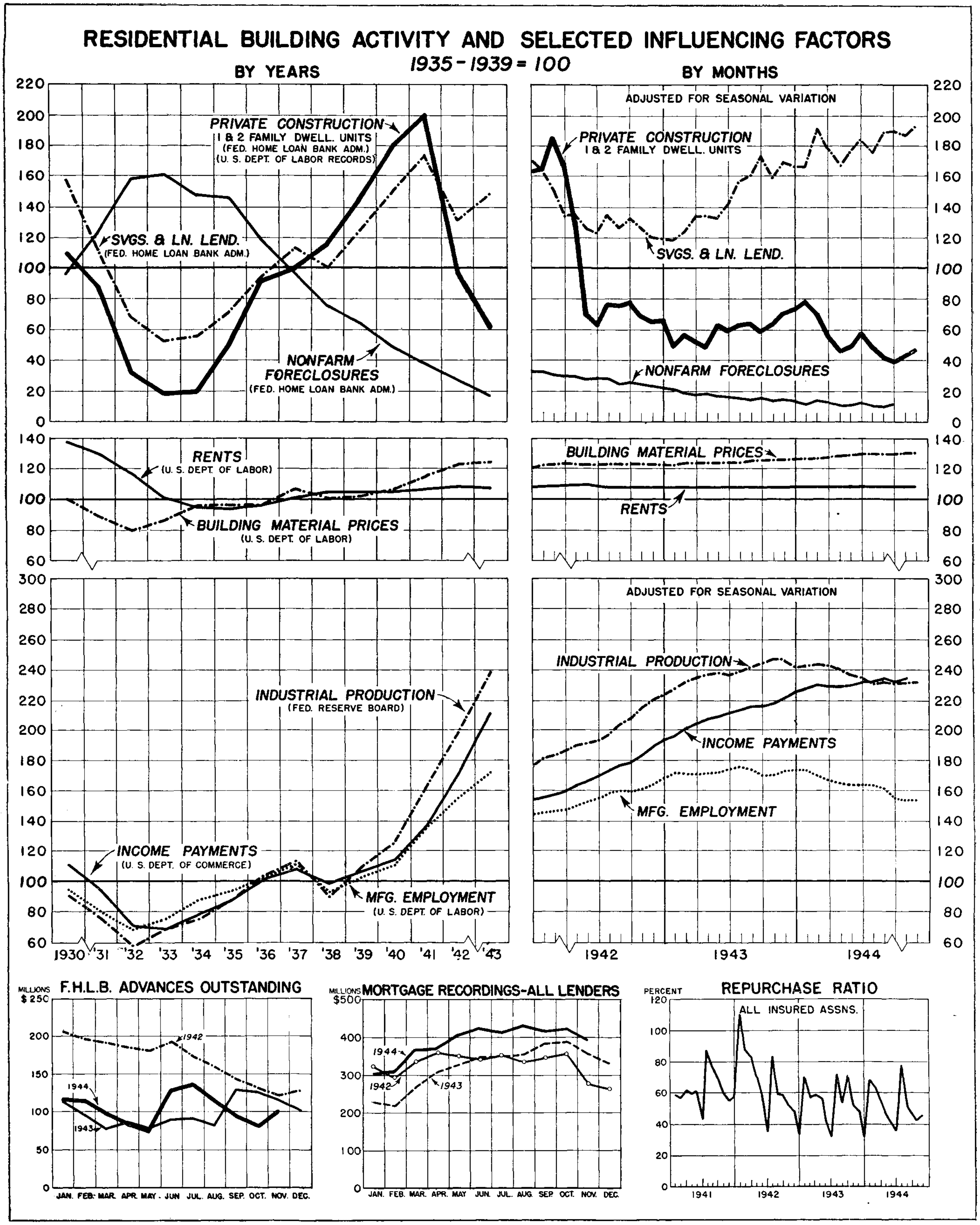
Chairman: Ben A. Perham, Perham Fruit Company, Yakima, Washington (re-appointed).
Vice Chairman: S. S. Selak, Prudential Savings and Loan Association, Seattle, Washington.
Public Interest Director: C. A. Leaphart, Montana State University, Missoula, Montana (re-appointed).
Class A Director: Guy E. Jaques, Portland Federal Savings and Loan Association, Portland, Oregon.
Class B Director: C. S. Robertson, First Federal Savings and Loan Association, Klamath Falls, Oregon.
Class C Director: Worth D. Wright, First Federal Savings and Loan Association, Idaho Falls, Idaho.
Director-at-Large: W. O. McCaw, Aberdeen Federal Savings and Loan Association, Aberdeen, Washington.

DISTRICT NO. 12—LOS ANGELES

Chairman: David G. Davis, Raphael Weill and Company, San Francisco, California (re-appointed).
Vice Chairman: C. A. Carden, Quaker City Federal Savings and Loan Association, Whittier, California (re-appointed).
Public Interest Director: Archibald B. Young, Pasadena, California (re-appointed).
Class A Director: T. A. Gregory, Long Beach Federal Savings and Loan Association, Long Beach, California.
Class B Director: C. A. Carden, Whittier, California (re-elected).
Class C Director: Douglas H. Driggs, Western Savings and Loan Association, Phoenix, Arizona (formerly Director-at-Large).
Director-at-Large: Lloyd I. Tilton, Santa Barbara Mutual Building and Loan Association, Santa Barbara, California.

War Housing to France

■ RECENTLY, the NHA announced plans to send up to 5,000 panelized barracks to house 150,000 French dock repair workers. This action, taken at the request of the Foreign Economic Administration, will be handled through the FPHA and the order will be filled by the shipment of 500 temporary war housing units no longer needed in this country, together with 4,500 new panelized buildings. In announcing the move, NHA stressed that no existing war housing units needed in the United States would be marked for export; and re-use of unneeded war housing will save approximately 4,000,000 board feet of lumber.



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
F.H.L.B. ADVANCES OUTSTANDING
MILLIONS
JAN. FEB. MAR. APR. MAY. JUN. JUL. AUG. SEP. OCT. NOV. DEC.
MORTGAGE RECORDINGS-ALL LENDERS
MILLIONS
REPURCHASE RATIO
PERCENT
ALL INSURED ASSNS.
1941 1942 1943 1944

« « « MONTHLY SURVEY » » »

HIGHLIGHTS

I. The Sixth War Loan went over the top by more than 50 percent. Total subscriptions amounted to $21,621,000,000.

II. Total building activity increased from 7,573 dwelling units in October to 7,950 in November. However, it stood considerably (59 percent) below 1943 levels.

A. Gains in publicly financed construction accounted for the November 1944 increase.

B. Privately financed building declined by 550 units in November, amounting to 6,300 units.

III. A 7-percent drop, which was less than the seasonal expectation, was shown from October to November in nonfarm mortgage recordings of $20,000 or less.

A. The November total of $394,000,000 was, however, 11 percent greater than that of a year ago.

B. All types of mortgagees shared in the November 1944 decline.

IV. New mortgage lending activity declined less than seasonally in November when a 12-percent drop brought the aggregate to $118,000,000.

A. Loans in each purpose category dropped, with declines ranging from 7 to 24 percent.

B. November 1944 loans were 15 percent above those made during the same month a year previously.

V. FHLB advances outstanding increased almost $20,000,000 over October and in November amounted to $100,378,000, the lowest figure for any comparable month since 1935.

A. Advances made during the month were the highest ever reported in November.

B. From January 1, through November 1944, the total resources of all insured associations rose from $4,183,000,000 to $4,867,000,000. The average monthly gain which this represents—$60,000,000—is the greatest since the establishment of the FSLIC in 1934.

☆☆☆

BUSINESS CONDITIONS—Production of critical items ncreases

With the course of events on the western battle fronts destroying all hallucinations of an early or easy victory, talk of rapidly forthcoming reconversion to civilian goods has receded and the industrial front has taken a new grip on production step-ups. Chairman Krug of the War Production Board recently announced that production of several types of war materiel increased during December. Manpower shortages continue to be a deterring factor but the situation has already shown some improvement since the tightening of controls in the recently issued "work or fight" order. The outlook for the coming year indicates more severe regulations to assure that labor will be sufficient to meet production demands during 1945.

Total industrial production, as measured by the Federal Reserve Board's seasonally adjusted index, has not yet shown the effects of the intensification of the production program. In early December this index still stood at 232 percent of the 1935–1939 average, the same level reported since October which is considerably below the 247 recorded in October and November 1943.

Wholesale commodity prices, during the week ended December 16, advanced to the highest level since the war began. On that date, the composite index of the Bureau of Labor Statistics (1935–1939=100, converted from 1926 base) stood at 129.6. This compares with 129.2 at the same time the previous month and 127.7 in mid-December 1943.

Department store sales during the week before Christmas were 48 percent greater than those of the corresponding week in 1943, having increased during the week from 274 to 367 percent of the 1935–1939 average (Federal Reserve Board's seasonally adjusted index). This was one of the largest weekly business volumes to be recorded in any week of the year, bringing the annual gain through December 23 to 11 percent over the same 1943 interval.

Employment during November continued the downward trend evident since last July, having decreased during that period from 54,000,000 to 51,530,000. This was, however, only slightly below the 51,680,000 persons who were employed in November 1943.

[1935–1939=100]

Type of index	Nov. 1944	Oct. 1944	Percent change	Nov. 1943	Percent change
Home construction (private) [1]	46.3	42.8	+8.2	70.8	−34.6
Rental index (BLS)	108.2	108.2	0.0	108.0	+0.2
Building material prices	130.0	129.9	+0.1	126.3	+2.9
Savings and loan lending [1]	192.6	186.6	+3.2	167.7	+14.8
Industrial production [1]	232.0	[r] 232.0	0.0	247.0	−6.1
Manufacturing employment [1]	154.9	[r] 154.2	+0.5	172.7	−10.3
Income payments [1]	237.9	[r] 235.5	+1.0	220.8	+7.7

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

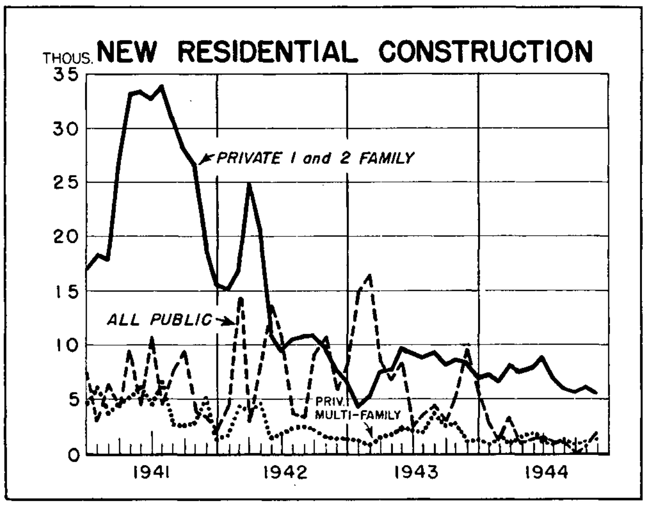
Heavy bond sales coupled with an unprecedented volume of Christmas buying reflected the increase in money in circulation during November. The U. S. Treasury reports that during that month it rose $630,859,490 and for the first time went over the $25 billion mark.

Government war expenditures during November amounted to $7,095,000,000, a decrease of $352,-000,000 from the October outlay and the lowest for any month of 1944. Even so, this country was spending $272,900,000 as a daily average during November.

BUILDING ACTIVITY—Total construction increases

Residential construction activity in urban areas continued at a low level during November. According to data compiled by the Bureau of Labor Statistics, private construction provided 6,300 family dwelling units during the month, about 550 less than in October. Publicly financed construction accounted for more than 1,600 units, a gain of 950 from the preceding month. As the result of the increase in public construction, which more than offset the drop in private building, the total number of units provided increased from 7,573 in October to 7,950 in November. During November 1943, 19,200 dwelling units were provided, of which 9,400 were privately financed and 9,800 were publicly financed.

During the January–November period of this year permits were issued for a total of 102,900 dwelling units compared with 196,100 units during the same 1943 period, a decline of 48 percent. Three-fourths of this decrease is attributable to the sharp decline in publicly financed war housing which dropped from a total of 84,900 units during the first 11 months of 1943 to 15,300 units during the same period of 1944. By far the greatest portion of the decline in private residential construction, which in this comparison dropped from 111,300 to 87,600 units, occurred in the 2-family and 3- and more-family categories. [TABLES 1 and 2.]



BUILDING COSTS—Fractional monthly gains noted

During November increases in the cost of both materials and labor boosted the index of the cost of constructing the standard 6-room frame house from 133.4 to 133.9 percent of the 1935–1939 average. This half-point rise in the total cost index, which was greater than that occurring during the preceding four months, is attributable largely to the higher cost of labor. That index, after varying only fractionally for a number of months, during November rose almost 1 full point to 138.4. The cost of materials continued gradually upward, pushing that index to 131.6.

During the last 12 months, the cost of materials and labor required in the construction of the standard house has risen 4 percent and 2 percent, respectively, resulting in an increase of 3 percent in the total cost index.

Construction costs for the standard house

[Average month of 1935–1939=100]

Element of cost	Nov. 1944	Oct. 1944	Percent change	Nov. 1943	Percent change
Material	131. 6	131. 4	+0. 2	126. 8	+3. 8
Labor	138. 4	r 137. 5	+0. 7	135. 6	+2. 1
Total	133. 9	r 133. 4	+0. 4	129. 8	+3. 2

r Revised.

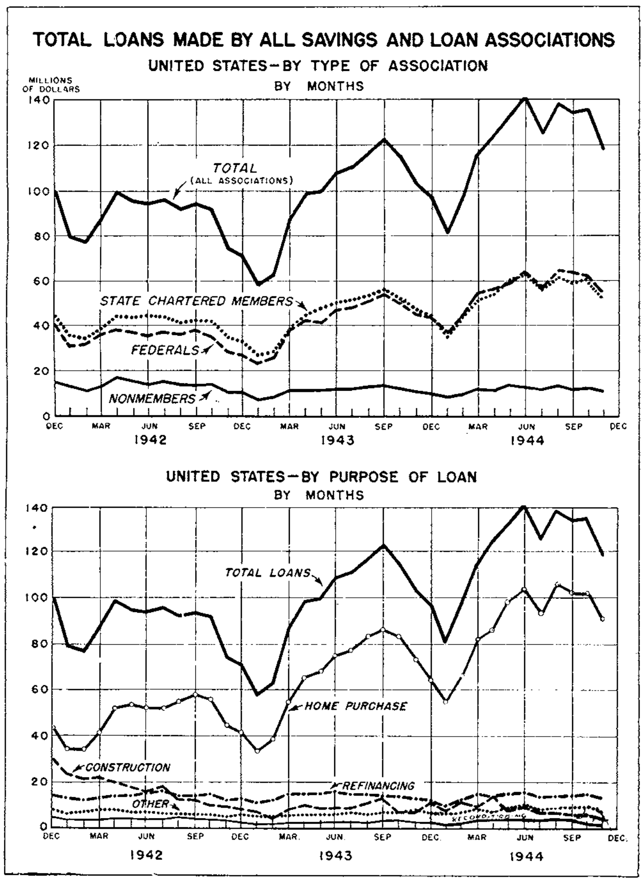
Of the 20 cities reporting building costs in November, 16 evidenced gains, 1 showed a decline while those in the remaining three cities indicated no change from the previous reporting period.

During November, the Department of Labor's composite index of wholesale prices of building materials continued its gradual upward movement, rising fractionally from 129.9 to 130.0 (1935–1939= 100). Brick and tile, cement, and paint and paint materials showed small gains during the month while all other components remained unchanged. An increase of 3 percent in the composite index during the last 12 months resulted primarily from gains of 5 percent in the price of brick and tile, 4 percent in the price of both cement and lumber, and a 3-percent rise in the cost of paint and paint materials. [TABLES 3, 4 and 5.]

MORTGAGE LENDING—Dollar volume down in November

New mortgage lending activity of all operating savings and loan associations declined from $135,-000,000 in October to $118,000,000 in November. Inasmuch as this 12-percent decline was less than the usual seasonal decrease, the adjusted index of new mortgage lending moved upward to 192.6 (1935–1939=100), the highest point reached in any month of the last 12 years. In actual dollar volume, however, loans in each loan-purpose category dropped during November with declines ranging from 7 percent to 24 percent.

The volume of new loans made during the month was 15 percent greater than the $103,000,000 loaned by these institutions in November 1943. While



New mortgage loans distributed by purpose

[Dollar amounts are shown in thousands]

Purpose	Nov. 1944	Oct. 1944	Percent change	Nov. 1943	Percent change
Construction	$4, 635	$6, 095	−24. 0	$6, 928	−33. 1
Home purchase	90, 182	101, 461	−11. 1	73, 053	+23. 4
Refinancing	13, 265	15, 253	−13. 0	12, 767	+3. 9
Reconditioning	2, 507	2, 699	−7. 1	2, 638	−5. 0
Other purposes	7, 785	9, 720	−19. 9	7, 670	+1. 5
Total	118, 374	135, 228	−12. 5	103, 056	+14. 9

lending volumes were generally higher throughout the country, percentage increases shown by the various Bank Districts varied considerably. Ten of the 12 Federal Home Loan Bank Districts registered increases in new mortgage lending over November 1943, with gains ranging from 1 percent in the Portland District to 48 percent in the New York region. The Los Angeles and Boston Bank Districts were the only areas to register declines, 5 percent and 13 percent, respectively.

During the first 11 months of 1944, the savings and loan industry made approximately $1,343,000,-000 of new mortgage loans, 24 percent more than in the same period of 1943 and only 3 percent less than in the entire year 1941. [TABLES 6 and 7.]

MORTGAGE RECORDINGS—Less than seasonal drop shown

Nonfarm mortgage financing activity declined generally throughout the country during November. It is estimated that nonfarm mortgages of $20,000 or less recorded during the month totaled $394,-000,000 which was $29,000,000, or 7 percent, less

Mortgage recordings by type of mortgagee

[Dollar amounts are shown in thousands]

Type of lender	Percent change from Oct. 1944	Percent of Nov. 1944 amount	Cumulative recordings (11 months)	Percent of total recordings
Savings and loan associations	−9. 3	34. 1	$1,443,110	34. 0
Insurance companies	−2. 1	5. 2	236, 991	5. 6
Banks, trust companies	−5. 8	18. 2	812, 955	19. 1
Mutual savings banks	−8. 3	3. 9	151, 392	3. 6
Individuals	−5. 7	26. 3	1, 038, 486	24. 4
Others	−5. 7	12. 3	567, 468	13. 3
Total	−6. 9	100. 0	4, 250, 402	100. 0

than in October but $40,000,000, or 11 percent, more than in November 1943. Percentagewise, the October to November drop in nonfarm recordings was less than had been seasonally expected. Each type of mortgagee shared in the reduction in financing from October.

During the first 11 months of 1944, more than $4,250,000,000 of nonfarm mortgages were recorded, 20 percent more than in the same period of 1943. The greatest growth in this comparison was shown by individual lenders whose recordings increased 33 percent; savings and loans were second with an expansion of 27 percent. Mortgage financing by insurance companies, the only type of lender showing a drop during 1944, declined 8 percent. [TABLES 8 and 9.]

FHLB SYSTEM—Advances reverse usual November trend

Contrary to the usual downward trend evident in November, advances of $30,737,000 made in the month of 1944 were the second highest for the year, in addition to being well above the comparable month of any year since the System was established. They exceeded by $25,644,000 the November 1943 figure of $5,093,000, and were $26,556,000 above the October 1944 total of $4,181,000. All Banks except New York participated in the increase in advances over October. Advances were greater than repayments in all except the New York, Indianapolis, and Los Angeles Banks.

Repayments declined for the third successive month, being 42 percent below the $18,869,000 totaled in October, and 29 percent less than in November 1943. The $10,872,000 in repayments reported during November was, except for the June 1944 figure of $8,162,000, the lowest amount this year. Only two Banks, Boston and Pittsburgh, showed higher repayments during November than October.

November advances outstanding rose $19,865,000 from October to $100,378,000, but were $15,978,000 below the November figure for the preceding year. The November 1944 total of advances outstanding was the lowest of any comparable month since 1935. [TABLE 12.]

FLOW OF PRIVATE REPURCHASABLE CAPITAL

Private savers invested approximately $147,500,000 in the shares of savings and loan associations during November and withdrew an estimated $76,100,000. The resulting excess of new investments over repurchases, $71,400,000, compares with a net increase of $54,600,000 in private share capital in November 1943. The net increase for insured associations was $62,600,000; for uninsured members, $6,000,000; and for nonmember savings and loan associations, $2,700,000. Net increases in the share capital of these associations during November 1943 were, in the same order, $46,900,000; $6,400,000 and $1,300,000.

For each $100 invested in savings and loan associations during November, $52 was withdrawn compared with $54 in November 1943.

Share investments and repurchases, November 1944

[Dollar amounts are shown in thousands]

Item and period	All associations	All insured associations	Uninsured members	Nonmembers
Share investments:				
First 11 mos. 1944	$1,715,326	$1,342,129	$225,736	$147,461
First 11 mos. 1943	1,373,321	1,032,235	193,999	147,087
Percent change	+25	+30	+16	(1)
Nov. 1944	147,503	115,008	19,573	12,922
Nov. 1943	117,362	90,023	16,824	10,515
Percent change	+26	+28	+16	+23
Repurchases:				
First 11 mos. 1944	$956,936	$708,944	$148,869	$99,123
First 11 mos. 1943	852,862	585,837	147,554	119,471
Percent change	+12	+21	+1	−17
Nov. 1944	76,113	52,378	13,534	10,201
Nov. 1943	62,789	43,137	10,474	9,178
Percent change	+21	+21	+29	+11
Repurchase ratio (percent):				
First 11 mos. 1944	55.8	52.8	65.9	67.2
First 11 mos. 1943	62.1	56.8	76.1	81.2
Nov. 1944	51.6	45.5	69.1	78.9
Nov. 1943	53.5	47.9	62.3	87.3

1 Less than 1 percent.

An estimated $1,715,000,000 of new share capital was received by savings and loan associations during the first 11 months of 1944 while withdrawals during the same period amounted to approximately $957,000,000, yielding a repurchase ratio of 56 percent. During the same 1943 period, approximately $1,373,000,000 was invested in savings and loan shares and $853,000,000 was withdrawn. The repurchase ratio for that year was 62 percent.

INSURED ASSOCIATIONS—Unprecedented dollar growth reported

In no year since the organization of the FSLIC in 1934 has the average, month-to-month dollar growth in the aggregate total resources of all insured associations exceeded that which occurred during the first 11 months of 1944. From January through November the total assets of these institutions rose from $4,183,000,000 to $4,867,000,000, a gain of $684,000,000, or an average of $60,000,000 per month. It is significant in this connection that during the last five years the ratio of private repurchasable capital to total resources has risen from 72 percent to 87 percent reflecting in large part the high degree of public confidence in insured associations.

During November, total resources of the 2,462 insured associations were expanded by more than $90,000,000. This increase was due primarily to two factors, a $63,000,000 excess of new share investments over repurchases and an increase of approximately $18,000,000 in Federal Home Loan Bank advances, the latter stemming from the desire of insured associations to participate to the limit of their ability in the Sixth War Loan.

More than $88,000,000 of new mortagage loans were made during November, a less-than-seasonal decline of 12 percent from the preceding month. This lending volume for the current month was, however, 21 percent greater than the $73,000,000 loans made in November 1943. [TABLE 13.]

FEDERAL SAVINGS AND LOAN ASSOCIATIONS

The 1,464 Federal savings and loan associations increased their assets by $59,000,000 during November to a total of $3,060,000,000. The private share capital of these institutions amounted to $2,693,000,000 after expanding $41,000,000 from the preceding month.

Progress in number and assets of Federals

[Dollar amounts are shown in thousands]

Class of association	Number		Approximate assets	
	Nov. 30, 1944	Oct. 31, 1944	Nov. 30, 1944	Oct. 31, 1944
New	633	633	$1, 028, 119	$1, 005, 125
Converted	831	832	2, 031, 437	1, 995, 240
Total	1, 464	1, 465	3, 059, 556	3, 000, 365

DIRECTORY CHANGES

NOVEMBER 16—DECEMBER 15, 1944

Key to Changes

*Admission to Membership in Bank System
**Termination of Membership in Bank System
#Federal Charter Granted
##Cancelation of Federal Charter
ØInsurance Certificate Granted
ØØInsurance Certificate Canceled

DISTRICT NO. 2

NEW YORK:
Brooklyn:
*Ø Atlantic Savings and Loan Association, 321 Court Street.

New York City:
#**## New York Times Savings and Loan Association, 229 West 43rd Street.

DISTRICT NO. 3

PENNSYLVANIA:
Pittsburgh:
**Mathilda Building and Loan Association of Pittsburgh, Pennsylvania, 5017 Penn Avenue.
**Traction Building and Loan Association, 5017 Penn Avenue.

DISTRICT NO. 4

MARYLAND:
Baltimore:
**The Plaza Permanent Building and Loan Association of Baltimore City, Incorporated, S. W. Corner of St. Paul and Lexington Streets.

DISTRICT NO. 5

KENTUCKY:
Newport:
ØØStandard Savings and Loan Association of Newport, Kentucky, 107 East Ninth Street.
TENNESSEE:
Pulaski:
**##ØØPulaski Federal Savings and Loan Association.

DISTRICT NO. 7

WISCONSIN:
Madison:
ØThe Home Savings and Loan Association, 1 West Main Street.

Groups Formed To Advise OPA

RECENTLY, two new committees have been formed to advise the Office of Price Administration. The first is to deal with rent control. Members were nominated by the building industry. They voted to study security deposits, hardship and deferred maintenance, enforcement policy and decontrol, among other things. Committee members will confer locally with groups in the 17 defense-rental areas they represent, and file recommendations.

The other advisory committee, whose members have been appointed from among those whose companies produce prefabs, will handle prefabrication. They will deal with price problems; in particular, they will discuss proposed new price regulations. The General Maximum Price Regulation has not provided a satisfactory method of price fixing, since the industry produces a variety of structures, and since new buyers and sellers are expected in the market after the war.

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

[Source: U. S. Department of Labor]

[Dollar amounts are shown in thousands]

Federal Home Loan Bank District and state	All residential structures				All private 1- and 2-family structures			
	Number of family dwelling units		Permit valuation		Number of family dwelling units		Permit valuation	
	Nov. 1944	Nov. 1943	Nov. 1944	Nov. 1943	Nov. 1944	Nov. 1943	Nov. 1944	Nov. 1943
UNITED STATES	7,950	19,197	$21,835	$53,693	5,444	8,324	$15,140	$26,487
No. 1—Boston	33	367	103	1,133	33	123	103	473
Connecticut	8	273	21	848	8	56	21	232
Maine	2	34	1	151	2	34	1	151
Massachusetts	14	55	57	114	14	28	57	70
New Hampshire								
Rhode Island	9	2	24	7	9	2	24	7
Vermont		3		13		3		13
No. 2—New York	615	169	1,754	552	126	124	381	474
New Jersey	520	144	1,483	440	31	99	110	362
New York	95	25	271	112	95	25	271	112
No. 3—Pittsburgh	79	412	292	1,513	76	412	285	1,513
Delaware		7		25		7		25
Pennsylvania	56	397	228	1,480	53	397	221	1,481
West Virginia	23	8	64	8	23	8	64	7
No. 4—Winston-Salem	1,011	772	1,891	1,627	868	575	1,518	1,124
Alabama	339	92	602	89	339	82	602	71
District of Columbia	153	76	437	211	17	4	67	4
Florida	223	240	356	526	223	225	356	501
Georgia	104	40	202	47	104	40	202	47
Maryland	39	128	100	329	39	128	100	329
North Carolina	78	121	90	276	75	21	89	23
South Carolina	32	7	22	2	28	7	20	2
Virginia	43	68	82	147	43	68	82	147
No. 5—Cincinnati	412	2,648	1,164	8,089	380	511	1,084	2,262
Kentucky	44	23	107	46	12	23	27	46
Ohio	148	2,572	655	7,924	148	435	655	2,097
Tennessee	220	53	402	119	220	53	402	119
No. 6—Indianapolis	1,046	1,147	3,433	4,366	396	861	1,687	3,672
Indiana	259	239	1,041	645	259	89	1,041	240
Michigan	787	908	2,392	3,721	137	772	646	3,432
No. 7—Chicago	459	2,123	2,062	10,125	407	553	1,886	2,296
Illinois	357	1,828	1,654	8,947	325	312	1,534	1,286
Wisconsin	102	295	408	1,178	82	241	352	1,010
No. 8—Des Moines	377	110	1,456	166	317	110	1,340	168
Iowa	71	2	321	1	67	2	316	2
Minnesota	178	3	858	11	178	3	858	12
Missouri	101	105	214	154	57	105	121	154
North Dakota	10		42		10		42	
South Dakota	17		21		5		3	
No. 9—Little Rock	1,300	2,565	2,124	3,939	1,266	1,914	2,037	2,743
Arkansas	70	95	35	98	70	95	35	98
Louisiana	264	536	672	878	264	36	671	20
Mississippi	88	379	54	713	88	340	55	622
New Mexico	28	78	26	84	28	78	26	84
Texas	850	1,477	1,337	2,166	816	1,365	1,250	1,919
No. 10—Topeka	257	788	583	2,436	236	493	538	1,694
Colorado	50	19	120	68	29	19	75	68
Kansas	76	59	167	99	76	59	167	99
Nebraska	53	410	198	1,200	53	142	198	470
Oklahoma	78	300	98	1,069	78	273	98	1,057
No. 11—Portland	420	1,122	1,281	4,575	255	952	815	4,049
Idaho	40	87	76	267	40	27	76	109
Montana	32	1	128	2	32	1	128	2
Oregon	99	207	241	765	75	119	175	438
Utah	26	237	120	955	26	233	120	943
Washington	211	521	700	2,305	81	503	315	2,276
Wyoming	12	69	16	281	1	69	1	281
No. 12—Los Angeles	1,941	6,974	5,692	15,172	1,084	1,696	3,466	6,019
Arizona	55	36	180	104	55	36	180	104
California	1,881	6,934	5,503	15,066	1,024	1,660	3,277	5,915
Nevada	5	4	9	2	5		9	

Table 2.—BUILDING ACTIVITY—Estimated number and valuation of new family 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–November totals		Monthly totals			January–November totals	
	Nov. 1944	Oct. 1944	Nov. 1943	1944	1943	Nov. 1944	Oct. 1944	Nov. 1943	1944	1943
Private construction	6,314	6,878	9,412	87,633	111,252	$17,472	$19,690	$29,701	$271,878	$346,286
1-family dwellings	4,832	5,284	7,015	67,282	72,618	13,411	15,225	22,764	208,734	238,979
2-family dwellings [1]	612	733	1,309	8,870	15,241	1,729	1,861	3,723	29,592	42,706
3- and more-family dwellings [2]	870	861	1,088	11,481	23,393	2,332	2,604	3,214	33,552	64,601
Public construction	1,636	695	9,785	15,280	84,864	4,363	2,094	23,992	40,714	184,099
Total urban construction	7,950	7,573	19,197	102,913	196,116	21,835	21,784	53,693	312,592	530,385

[1] Includes 1- and 2-family dwelling 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
	Dec.	Sept.	June	Mar.	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.
No. 1—Boston:										
Hartford, Conn.*	135.2	135.2	135.1	134.6	134.5	128.4	125.4	107.2	101.1	100.7
New Haven, Conn		144.1	140.6	138.3	135.9	131.1	127.0	108.4	102.6	99.5
Portland, Me.*	151.1	151.0	147.8	146.3	144.4	126.4	110.8	101.6	98.6	98.9
Boston, Mass.*	131.4	131.3	130.9	128.6	128.4	124.2	119.8	105.8	103.1	102.4
Manchester, N. H.*	120.6	120.4	118.3	118.1	116.2	108.7	105.0	99.3	97.9	101.1
Providence, R. I.*	141.4	139.7	138.6	136.2	135.6	120.7	118.1	109.7	104.2	102.2
Rutland, Vt		129.1	127.0	126.8	126.0	124.4	115.8	99.1	96.0	99.6
No. 4—Winston Salem:										
Birmingham, Ala.*	129.8	129.7	127.7	127.3	125.2	117.1	115.4	106.4	93.4	102.0
Washington, D. C.*	153.7	153.7	152.4	149.5	149.3	136.2	128.4	116.0	104.4	106.5
Tampa, Fla	134.2	130.3	130.2	130.2	130.2		112.8	109.2	103.4	99.9
Atlanta, Ga.*	146.1	143.5	142.5	140.1	137.7	125.1	119.0	107.2	97.5	99.1
Baltimore, Md.*	151.8	151.8	151.8	150.1	149.4	131.3	127.4	109.0	99.6	96.9
Cumberland, Md		141.0	141.0	138.4		122.1	114.2	105.9	99.5	98.9
Asheville, N. C	138.1	133.0	134.1	134.1	133.4	r 120.1	118.8	106.4	102.3	101.5
Raleigh, N. C	130.0	128.0	r 126.7	r 127.2	r 127.2	r 121.5	r 114.2	102.8	99.3	101.1
Columbia, S. C	139.7	139.2	r 131.9	r 131.9	r 131.2	132.1	128.3	114.7	98.3	102.8
Richmond, Va.*	126.9	125.0	125.0	122.5	122.1	116.0	111.3	105.3	98.4	100.9
Roanoke, Va		137.6	137.6	136.6		125.2	125.1	116.1	105.5	103.5
No. 7—Chicago:										
Chicago, Ill.*	112.2	111.9	111.9	112.2	111.2	r 109.3	104.8	99.2	99.8	100.5
Peoria, Ill		125.5	125.6	125.6	125.6	119.7	119.4	110.9	107.1	99.8
Springfield, Ill		123.5	123.7	123.7	123.7	r 117.1	r 116.9	r 110.0	r 104.9	r 101.0
Milwaukee, Wis.*	141.7	141.4	141.6	140.4	137.2	r 131.2	116.6	109.8	107.9	102.4
Oshkosh, Wis		133.6	133.6	133.6	133.6	133.6	122.2	108.6	100.7	102.3
No. 10—Topeka:										
Denver, Colo.*	119.9	119.7	119.3	117.0	116.5	112.1	110.6	100.6	98.9	102.2
Wichita, Kans.*	135.2	135.0	134.8	133.6	132.3	127.5	118.8	107.6	103.9	106.9
Omaha, Nebr.*	133.0	133.4	132.7	131.0	129.1	126.2	120.8	107.5	105.5	99.2
Oklahoma City, Okla.*	158.2	156.4	156.3	155.1	154.0	136.1	128.9	120.3	106.8	104.5

*Indexes of December 1940 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* include architect's fee, cost of building permit, financing charges, nor sales costs.

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

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

[Average month of 1935–1939=100]

Element of cost	Nov. 1944	Oct. 1944	Sept. 1944	Aug. 1944	July 1944	June 1944	May 1944	Apr. 1944	Mar. 1944	Feb. 1944	Jan. 1944	Dec. 1943	Nov. 1943
Material	131.6	131.4	131.3	131.3	131.0	130.7	130.3	129.7	129.1	128.8	127.8	127.6	126.8
Labor	138.4	137.5	r 137.4	137.3	137.3	137.5	137.3	137.0	136.8	136.5	136.1	136.0	135.6
Total cost	133.9	133.4	r 133.3	r 133.3	133.1	133.0	132.7	132.2	131.7	131.4	130.6	130.5	129.8

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: November	122.9	108.5	103.4	148.2	123.8	122.4	103.5	111.3
1943: November	126.3	110.1	102.7	r 164.1	126.9	120.6	103.5	110.5
December	126.6	110.1	102.7	164.3	127.0	120.6	103.5	111.2
1944: January	126.7	110.3	102.7	164.4	127.2	120.6	103.5	111.2
February	126.9	110.2	102.7	165.3	127.7	120.6	103.5	111.2
March	127.5	110.4	102.7	167.8	128.4	120.6	103.5	111.2
April	128.6	110.4	103.1	170.8	128.4	120.6	103.5	111.2
May	129.2	110.6	105.8	171.5	128.7	121.4	103.5	111.4
June	129.4	110.7	105.8	171.5	130.0	121.4	103.5	111.4
July	129.4	110.8	105.8	171.7	129.7	121.4	103.5	111.5
August	129.5	110.8	105.8	171.9	129.7	121.4	103.5	111.6
September	129.5	111.7	106.3	171.5	129.7	121.4	103.5	111.7
October	129.9	115.3	107.0	171.3	130.3	121.4	103.5	111.7
November	130.0	115.6	107.2	171.3	130.7	121.4	103.5	111.7
Percent change:								
November 1944—October 1944	+0.1	+0.3	+0.2	0.0	+0.3	0.0	0.0	0.0
November 1944—November 1943	+2.9	+5.0	+4.4	+4.4	+3.0	+0.7	0.0	+1.1

r Revised.

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–November	181,966	532,292	153,048	39,496	73,071	979,873	385,447	443,329	151,097
November	9,275	43,984	12,472	3,007	5,241	73,979	28,163	35,441	10,375
1943	106,497	802,371	167,254	30,441	77,398	1,183,961	511,757	539,299	132,905
January–November	95,593	737,715	154,704	28,151	70,226	1,086,389	468,110	495,327	122,952
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–November	89,999	982,509	150,258	28,624	91,524	1,342,914	617,847	598,749	126,318
January	7,872	55,000	9,976	1,521	6,609	80,978	37,076	35,456	8,446
February	11,195	66,138	11,955	1,960	6,916	98,164	44,144	44,139	9,881
March	9,127	81,846	14,422	2,266	8,469	116,130	53,883	50,686	11,561
April	13,484	85,568	13,491	2,679	7,421	122,643	57,045	54,212	11,386
May	7,338	98,872	14,415	2,967	8,931	132,523	59,229	60,141	13,153
June	9,663	103,276	14,963	2,957	9,850	140,709	64,474	63,851	12,384
July	7,078	93,232	13,871	2,841	8,014	125,036	57,164	56,539	11,333
August	7,589	105,050	14,152	3,067	8,816	138,674	64,400	61,377	12,897
September	5,923	101,884	14,495	3,160	8,993	134,455	63,489	59,162	11,804
October	6,095	101,461	15,253	2,699	9,720	135,228	61,965	60,945	12,318
November	4,635	90,182	13,265	2,507	7,785	118,374	54,978	52,241	11,155

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: November 1944	New loans: October 1944	New loans: November 1943	Cumulative new loans (11 months): 1944	Cumulative new loans (11 months): 1943	Percent change
UNITED STATES	$118,374	$135,228	$103,056	$1,342,914	$1,086,389	+23.6
Federal	54,978	61,965	44,804	617,847	468,110	+32.0
State member	52,241	60,945	47,108	598,749	495,327	+20.9
Nonmember	11,155	12,318	11,144	126,318	122,952	+ 2.7
Boston	8,958	10,356	10,266	98,464	90,328	+ 9.0
Federal	3,642	4,302	3,166	37,571	26,502	+41.8
State member	4,047	4,844	5,448	48,483	49,283	− 1.6
Nonmember	1,269	1,210	1,652	12,410	14,543	−14.7
New York	11,899	13,948	8,048	121,445	81,470	+49.1
Federal	4,298	5,095	2,259	39,127	20,762	+88.5
State member	5,737	6,756	4,158	62,175	41,990	+48.1
Nonmember	1,864	2,097	1,631	20,143	18,718	+ 7.6
Pittsburgh	11,023	10,997	9,224	112,951	93,174	+21.2
Federal	5,486	5,116	3,734	52,012	37,425	+39.0
State member	3,829	3,867	3,235	38,570	30,462	+26.6
Nonmember	1,708	2,014	2,255	22,369	25,287	−11.5
Winston-Salem	14,585	15,142	12,024	157,739	130,753	+20.6
Federal	7,163	7,526	6,073	82,395	65,955	+24.9
State member	6,489	6,695	4,926	65,720	52,118	+26.1
Nonmember	933	921	1,025	9,624	12,680	−24.1
Cincinnati	19,965	24,371	17,591	232,448	197,705	+17.6
Federal	8,612	10,346	7,209	97,528	77,318	+26.1
State member	9,713	12,275	9,139	116,173	105,049	+10.6
Nonmember	1,640	1,750	1,243	18,747	15,338	+22.2
Indianapolis	6,901	7,622	5,772	75,197	65,357	+15.1
Federal	3,470	3,937	2,743	37,095	33,558	+10.5
State member	3,185	3,361	2,694	34,638	28,162	+23.0
Nonmember	246	324	335	3,464	3,637	−4.8
Chicago	12,630	15,718	10,720	151,508	109,815	+38.0
Federal	5,215	6,291	4,506	63,166	42,917	+47.2
State member	6,188	8,066	4,853	75,681	54,053	+40.0
Nonmember	1,227	1,361	1,361	12,661	12,845	−1.4
Des Moines	7,279	8,775	5,646	84,664	61,138	+38.5
Federal	3,896	4,662	3,091	44,293	30,975	+43.0
State member	2,386	2,974	1,967	29,500	21,693	+36.0
Nonmember	997	1,139	588	10,871	8,470	+28.3
Little Rock	5,568	6,317	4,903	69,924	55,775	+25.4
Federal	2,733	3,081	2,104	30,371	23,087	+31.6
State member	2,768	3,131	2,704	38,719	31,761	+21.9
Nonmember	67	105	95	834	927	−10.0
Topeka	5,779	6,295	4,584	64,923	53,182	+22.1
Federal	3,127	3,573	2,488	34,258	29,667	+15.5
State member	1,644	1,541	1,407	18,050	15,570	+15.9
Nonmember	1,008	1,181	689	12,615	7,945	+58.8
Portland	3,766	4,385	3,713	43,451	41,086	+5.8
Federal	2,410	2,604	2,345	28,153	25,596	+10.0
State member	1,285	1,675	1,182	13,778	13,718	+0.4
Nonmember	71	106	186	1,520	1,772	−14.2
Los Angeles	10,021	11,302	10,565	130,200	106,606	+22.1
Federal	4,926	5,432	5,086	71,878	54,348	+32.3
State member	4,970	5,760	5,395	57,262	51,468	+11.3
Nonmember	125	110	84	1,060	790	+34.2

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

NOVEMBER 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	$134,359	$20,543	$71,752	$15,176	$105,513	$48,296	$393,639
Boston	12,472	403	3,747	7,595	6,548	2,526	33,291
Connecticut	1,555	265	1,622	1,280	1,885	775	7,382
Maine	609	4	242	678	553	54	2,140
Massachusetts	8,749	134	954	4,463	2,817	1,362	18,479
New Hampshire	335		148	490	349	19	1,341
Rhode Island	1,022		692	390	734	305	3,143
Vermont	202		89	294	210	11	806
New York	11,343	1,670	6,195	5,547	15,903	6,271	46,929
New Jersey	3,615	662	3,068	542	4,124	2,416	14,427
New York	7,728	1,008	3,127	5,005	11,779	3,855	32,502
Pittsburgh	10,039	1,569	6,761	494	5,409	3,249	27,521
Delaware	173	105	141	25	214	80	738
Pennsylvania	9,031	1,181	5,485	469	4,545	2,961	23,672
West Virginia	835	283	1,135		650	208	3,111
Winston-Salem	15,172	2,348	7,042	132	14,843	3,469	43,006
Alabama	557	257	2,244		962	255	4,275
District of Columbia	3,020	296	638		1,624	304	5,882
Florida	1,633	448	684		5,624	657	9,046
Georgia	1,741	268	1,058		1,296	495	4,858
Maryland	3,824	137	774	132	1,570	229	6,666
North Carolina	1,897	536	355		1,195	603	4,586
South Carolina	375	216	379		668	294	1,932
Virginia	2,125	190	910		1,904	632	5,761
Cincinnati	25,187	1,667	9,220	727	6,638	4,534	47,973
Kentucky	2,636	277	986		315	124	4,338
Ohio	21,793	954	7,372	727	5,523	1,728	38,097
Tennessee	758	436	862		800	2,682	5,538
Indianapolis	8,075	2,267	7,508	35	3,280	2,289	23,452
Indiana	5,247	770	2,773	35	981	877	10,683
Michigan	2,826	1,497	4,735		2,299	1,412	12,769
Chicago	14,249	1,305	5,425	13	6,656	7,721	35,369
Illinois	10,591	797	3,646		3,817	7,091	25,942
Wisconsin	3,658	508	1,779	13	2,839	630	9,427
Des Moines	8,328	1,925	5,623	114	5,078	3,248	24,316
Iowa	2,166	256	1,389		901	233	4,945
Minnesota	3,136	654	1,287	114	1,319	539	7,049
Missouri	2,557	952	2,683		2,561	2,432	11,185
North Dakota	304	48	67		136	17	572
South Dakota	165	15	197		161	27	565
Little Rock	8,625	3,905	1,836		6,860	3,425	24,651
Arkansas	462	59	237		368	56	1,182
Louisiana	2,663	997	157		1,199	994	6,010
Mississippi	342	106	283		447	104	1,282
New Mexico	142		173		279	25	619
Texas	5,016	2,743	986		4,567	2,246	15,558
Topeka	6,838	890	2,206		4,533	1,448	15,915
Colorado	879	128	475		2,182	503	4,167
Kansas	1,930	220	526		482	210	3,368
Nebraska	1,189	288	377		424	149	2,427
Oklahoma	2,840	254	828		1,445	586	5,953
Portland	3,742	528	3,141	519	3,219	1,596	12,745
Idaho	189	19	134		273	103	718
Montana	374	33	223		319	23	972
Oregon	1,160	235	441	37	1,347	368	3,588
Utah	319	114	511		218	93	1,255
Washington	1,618	119	1,728	482	813	996	5,756
Wyoming	82	8	104		249	13	456
Los Angeles	10,291	2,066	13,048		24,546	8,520	58,471
Arizona	164	41	199		1,054	46	1,504
California	10,044	2,015	12,800		23,235	8,463	56,557
Nevada	83	10	49		257	11	410

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—November	$1,136,329	32.2	$257,678	7.3	$685,529	19.4	$140,142	4.0	$781,249	22.1	$529,485	15.0	$3,530,412	100.0
November	111,818	31.6	23,115	6.5	64,877	18.3	15,141	4.3	82,307	23.3	56,416	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—November	1,443,110	34.0	236,991	5.6	812,955	19.1	151,392	3.6	1,038,486	24.4	567,468	13.3	4,250,402	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	411,136	100.0
August	149,835	34.8	22,646	5.2	83,094	19.3	15,920	3.7	104,215	24.2	55,066	12.8	430,776	100.0
September	146,151	35.1	22,432	5.4	77,000	18.5	15,447	3.7	104,479	25.1	50,676	12.2	416,185	100.0
October	148,131	35.0	20,985	5.0	76,181	18.0	16,552	3.9	109,767	26.0	51,223	12.1	422,839	100.0
November	134,359	34.1	20,543	5.2	71,752	18.2	15,176	3.9	103,513	26.3	48,296	12.3	393,639	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
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	2,125,050	220,145
August	499,357	17,807	85,272	602,436	272,125
September	590,827	15,953	85,286	692,066	277,445
October	598,570	13,653	82,871	695,094	394,846
November	806,817	42,680	173,858	1,023,355	376,053

[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.—FHA—Home mortgages insured [1]

[Premium paying; thousands of dollars]

Period	Title II		Title VI	Total insured at end of period [2]
	New	Existing		
1943: 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	42,322	5,822,399
August	90	20,256	48,166	5,890,911
September	79	19,967	42,592	5,953,549
October	40	21,941	43,354	6,018,884
November	54	21,646	38,053	6,079,637

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

[Thousands of dollars]

Federal Home Loan Bank	Lending operations November 1944		Principal assets November 30, 1944			Capital and principal liabilities November 30, 1944			Total assets Nov. 30, 1944 [1]
	Advances	Repayments	Advances outstanding	Cash [1]	Government securities	Capital [2]	Debentures	Member deposits	
Boston	$5,830	$984	$10,361	$2,765	$9,911	$20,037	$2,000	$1,077	$23,125
New York	75	990	12,382	1,346	27,979	27,630	7,000	7,212	41,883
Pittsburgh	2,533	1,271	11,462	3,443	8,672	16,875	6,000	771	23,683
Winston-Salem	1,867	461	5,901	3,266	11,002	17,803	2,000	431	20,238
Cincinnati	3,325	831	7,859	7,498	25,915	25,866	5,000	10.671	41,560
Indianapolis	1,125	1,219	7,928	3,988	11,360	14,669	5,000	3,745	23,441
Chicago	7,009	1,253	14,642	6,861	17,004	22,926	11,000	4,703	38,656
Des Moines	5,605	1,866	8,573	1,891	11,751	12,873	7,000	2,392	22,288
Little Rock	600	157	4,470	352	9,666	12,509	2,000	51	14,569
Topeka	1,131	367	3,940	632	7,579	10,807	1,000	394	12,206
Portland	565	78	1,093	3,011	9,416	8,581	3,000	1,992	13,578
Los Angeles	1,072	1,395	11,767	9,136	14,045	15,952	15,500	3,568	35,057
November 1944 (combined total)	30,737	10,872	100,378	44,189	164,300	206,528	66,500	37,007	310,284
October 1944	4,181	18,869	80,513	27,944	172,172	205,576	44,000	31,885	281,673
November 1943	5,093	15,421	116,356	32,311	141,581	199,616	66,000	25,663	291,430

[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: November	$2,442	$4,127,212	$72,936	$90,023	$43,137	47.9
December	2,447	4,182,728	70,973	118,496	37,885	32.0
1944: January	2,451	4,218,521	59,704	153,276	104,839	68.4
February	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
April	2,453	4,374,338	91,344	103,713	48,392	46.7
May	2,459	4,442,608	97,454	109,049	44,403	40.7
June	2,461	4,583,568	105,245	127,945	46,560	36.4
July	2,463	4,619,867	93,305	155,218	120,349	77.5
August	2,461	4,667,060	104,008	126,641	64,619	51.0
September	2,460	4,713,815	101,658	122,016	56,102	46.0
October	2,462	4,774,160	100,642	129,938	54,719	42.1
November	2,462	4,867,068	88,227	115,008	52,378	45.5
FEDERAL						
1943: November	1,467	2,580,481	44,804	57,915	24,373	42.1
December	1,466	2,617,431	43,647	76,677	21,569	28.1
1944: January	1,467	2,637,410	37,076	100,496	68,509	68.2
February	1,467	2,685,310	44,144	61,545	37,548	61.0
March	1,466	2,709,897	53,883	68,276	36,182	53.0
April	1,466	2,737,017	57,045	68,549	30,279	44.2
May	1,466	2,775,665	59,229	72,413	27,676	38.2
June	1,465	2,881,276	64,474	83,856	25,969	31.0
July	1,466	2,907,974	57,164	101,500	79,735	78.6
August	1,465	2,934,647	64,400	82,105	40,825	49.7
September	1,464	2,961,860	63,489	79,126	35,570	45.0
October	1,465	3,000,365	61,965	85,297	33,746	39.6
November	1,464	3,059,556	54,978	75,372	32,665	43.3
STATE						
1943: November	975	1,546,731	28,132	32,108	18,764	58.4
December	981	1,565,297	27,326	41,819	16,316	39.0
1944: January	984	1,581,111	22,628	52,780	36,330	68.8
February	986	1,602,478	29,020	33,286	22,342	67.1
March	986	1,617,971	33,280	36,218	20,511	56.6
April	987	1,637,321	34,299	35,164	18,113	51.5
May	993	1,666,943	38,225	36,636	16,727	45.7
June	996	1,617,971	33,280	36,218	20,511	56.6
July	997	1,711,893	36,141	53,718	40,614	75.6
August	996	1,732,413	39,608	44,536	23,794	53.4
September	996	1,752,015	38,169	42,890	20,532	47.9
October	997	1,773,795	38,677	44,641	20,973	47.0
November	998	1,807,512	33,249	39,636	19,713	49.7

[1] Balance sheet items, formerly shown each month, now appear only in the February, May, August and November issues of the REVIEW.

Mortgage Recording Trends

(Continued from p. 101)

gages of all other types of lenders, the average value of mutual savings bank mortgages has increased. It now amounts to $3,925—about 7 percent more than during the original period of this survey.

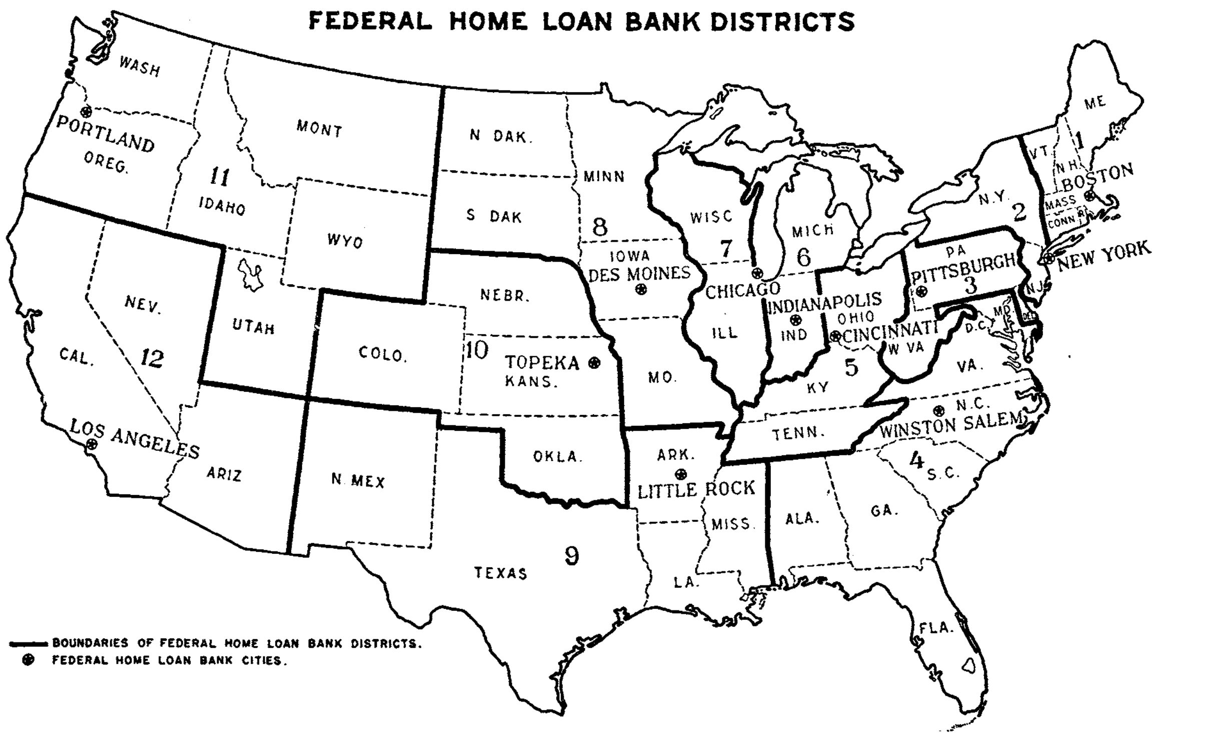
Life Insurance Companies

Insurance companies alone have sustained an overall loss in dollar volume of mortgages recorded during the war. Their dollar volume has receded from $206,000,000 in 1939 to $195,000,000 in the first three quarters of last year, representing a decline from 8 percent of total national volume to 5.7 percent. Insurance companies' recordings were not as hard hit as those of other mortgagees by the 1942 recession in real-estate activity, dropping only 4.8 percent from the previous year's volume. But in 1943, their recordings declined 25.2 percent in dollar amount—the greatest loss by any type of mortgagee. Last year they were the only ones to show a drop—down 6.7 percent.

The explanation of this three-year decline in insurance company recordings is to be found in the type of business that has been handled by these institutions. For one thing, they have specialized in high-value construction loans. Also, because of their widespread operations, insured mortgages have been found particularly well adapted to their needs. Therefore, the imposition of a ceiling on the price level of new construction and the curtailment of FHA Title II insurance, have cut deeply into the lending activity of insurance companies. In addition, these institutions have shown greater interest in purchasing mortgages than in originating them.

Because of the character of the business that they handle, which has for the most part been confined to metropolitan areas, life insurance company mortgages have always shown a higher average value than those of other lenders. This is still true in spite of the fact that they have declined somewhat ($73) over the five-year period of this survey. They now amount to $4,991, more than $1,000 higher than the second highest average—that shown by mutual savings banks.

An optimistic interpretation of rising business volume is a natural reaction. However, there would seem to be grounds for some doubt as to whether the increase in mortgage recordings during the past year and a half would justify such conclusions. Although private construction is still under stringent control both as to quantity and quality, the acute housing shortage and expanded war-time earnings have stimulated purchases of many existing properties at prices way above normal peacetime values. Refinancing and portfolio raiding, which are decried by responsible leaders in the mortgage-lending field, must obviously be contributing to the high dollar volume of mortgage recordings in the last few years. The prevalence of high-percentage loans based on appraisals, too often completely out of line with the "stand up" value of the properties being financed, is another angle of the recent picture which deserves serious consideration. All in all it can be seen that the warnings being sounded against inflation have a substantial foundation in fact.



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U. S. GOVERNMENT PRINTING OFFICE: 1945