★ FEDERAL HOME LOAN BANK

REVIEW

Vol. 12, No. 8 Washington, D. C. MAY 1946

IN THIS ISSUE

FEDERAL HOME LOAN BANK

REVIEW

Vol. 12 No. 8

MAY 1946

The Federal Home Loan Bank Review is published monthly by the Federal Home Loan Bank Administration under the direction of a staff editorial committee. This committee is responsible for interpretations, opinions, summaries, and other text, except that which appears in the form of official statements and signed articles.

Communications concerning material which has been printed or which is desired for publication should be sent to the Editor of the Review, Federal Home Loan Bank Building, Washington 25, D. C.

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NATIONAL HOUSING AGENCY

Wilson W. Wyatt, Administrator

FEDERAL HOME LOAN BANK ADMINISTRATION

John H. Fahey, Commissioner

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APPROVED BY THE BUREAU OF THE BUDGE

The REVIEW in Brief

CROSS-CURRENTS IN REAL ESTATE

by William H. Husband

Today's real estate market has reached a period of significant decision. Some believe there will be a stabilization of the present high price level, but neither precedent nor the composition of the market seems to substantiate this view . . . The common justification that existing real estate prices are caused by a cheaper dollar is a defense complex that has little support on the basis of comparative price movements. The answer is found in supply and demand conditions, mainly because of: (1) shortage of housing; (2) speculative trading; and (3) increased construction costs.

The housing shortage is peculiarly an incidence of war conditions. Speculative trading exercises an influence far beyond the number of properties involved. Spot checks revealed the extent of such activity: out of 800 sales, 46 were resold at least twice within three months; 29 changed hands twice within five days. Some savings in construction costs may be realized even at present wages and material prices through greater efficiency and mass production techniques.

Challenging is the possibility that in the solution of the shortage there will be forthcoming a housing surplus . . . And the higher real estate prices go, the more serious will be our problem. [*Page 225.*]

LIQUID ASSETS AT AN ALL-TIME HIGH

Thirty-five percent of the total assets of all insured savings and loan associations at the end of last year were in cash ($308 million) and Government obligations ($1,839 million). The turning point in the upward trend of liquidity prevailing during recent years is near as mortgage lending activity increases. Most of the 1945 advance was attributable to a 50 percent rise in "Governments." Cash was up $38 million. The greatest degree of liquidity was found in north central and northwestern states; the lowest ratios in south central and southwestern regions. [*Page 229.*]

INFLATION IN REAL ESTATE—HOW FAR HAS IT GONE?

A survey by the National Housing Agency during March revealed that prices of small houses under $6,000 had risen 65 percent in the past six years, and 18 percent since VJ Day. The increase for houses in the $6,000–$12,000 bracket has been 57 percent since 1940 and 15 percent since August. Proportionate price rises were noted in raw acreage and building lots. The West Coast generally had experienced the greatest gains; the New England and Middle Atlantic States, the smallest rises. [*Page 232.*]

MARCH HIGHLIGHTS

Construction activity gathered momentum. **Building permits** for 81,500 units issued during the month were **35 percent above March 1941.** First quarter totals indicated an annual rate of 850,000 units had already been reached. Average permit valuations were substantially above prewar levels: $3,400 in first quarter 1941 and $4,200 this year.

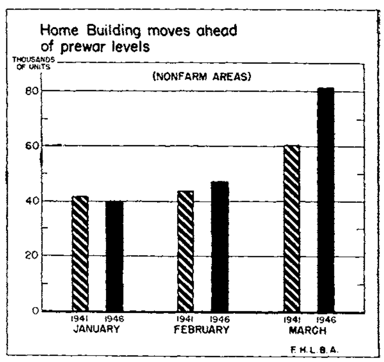
Building costs continued to go higher. **Wholesale prices for lumber rose almost 5 percent in single month.** FHLBA index of construction costs registered gain in both material and labor components.

Mortgage financing activity by all lenders established another new monthly record of $766 million. Significant rise noted in the average size of mortgages recorded—up $550 in past year. Mutual savings banks showed the largest percentage increase over February (36 percent). The savings and loan volume was 27 percent higher, accounting for well over one-third of total activity.

New mortgage loans made by all saving and loan associations estimated at over $300 million for the first time. First quarter totals amounted to almost $750 million.

Liquidity ratio at end of March for all insured savings and loan associations was 2 points below December high. This was the first quarter-to-quarter decline registered since March 1942. Holdings of "Governments" were down $47 million and cash down $28 million.

Industrial production index stood at 168—equaling the highest month since VJ Day and up 16 points from February. **Yields on long-term Government bonds hit a new low.**



NEWS NOTES

Plywood industry "takes to the woods"

Producers of plywood in the Pacific Northwest, faced with the problem of a receding supply of lumber, are decentralizing their procurement procedures by setting up in-the-woods plants.

The plant set-up is relatively simple, the most expensive one costing not more than $150,000. It is easily movable to keep up with the standing timber. From such an on-the-spot "factory," the thinly shaved sheets are shipped to main plants for finishing into commercial plywood.

Although this green-end system still presents some problems and requires extra care in handling and shipping of the material, the industry feels that the saving in freight rates (they are considerably lower than for the finished product) offsets these difficulties.

Lumber imports exceed exports

Approximately 104 million board feet of construction lumber was imported during the first two months of this year, according to figures released by Housing Expediter Wilson W. Wyatt. During the same period, before the announcement of the Veterans' Emergency Housing Program, licenses were issued for the export of 45 million board feet. These licenses, which are issued only after careful study, provide minimum quantities of lumber to meet international obligations and maintain or increase exports.

Total lumber imports during January-February 1946 amounted to 160 billion board feet. Exports aggregated 112 million board feet, with 67 million going for railroad ties, docks and similar works.

Priorities issued for 220,000 dwelling units

The construction of 220,712 dwelling units was authorized under the Veterans' Housing Program during the period from January 15 through March 29. These ratings were issued by FHA under Priorities Regulation 33, which sets a maximum sales price of $10,000 and a maximum monthly rental of $80. About three units to be sold were approved for every unit which is to be held for rental occupancy.

Almost half of the units to be built for sale were in the price range between $7,500 and $10,000; approximately 30 percent were in the group from $5,500 and $7,500; and about 20 percent will sell for less than $5,500.

The Pacific Coast section, including California, Oregon and Washington, received over 36,000 authorizations during the period—about one-fifth of the total approvals for homes to be sold.

Apprentice training stepped up in Chicago

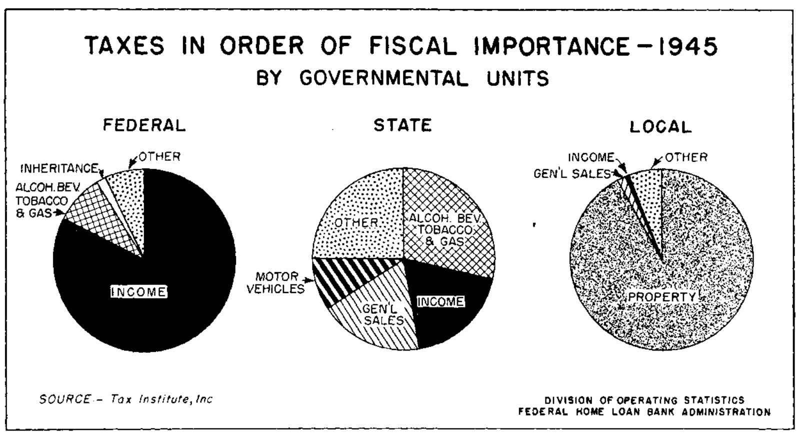
Active cooperation between Chicago employers in the construction industry and the trade unions with the local vocational school system has resulted in a sizable increase in apprentice trainees. In early April there were well over 2,000, including workers from all building trades except the bricklayers who have their own school. Apprentices are indentured by the unions and employers, at the latter's expense, to spend one day a week at the construction trade school.

In addition, the vocational training system in Chicago includes a school especially for veterans who want to learn a building trade but are without union or contractor connections. The Chicago Board of Education is hopeful that veterans who have successfully completed this course will be given employment consideration by the trade unions and contractors.

Experiment in aluminum for home construction

Experimental models of aluminum houses based in part on research undertaken by Purdue University, will be built as soon as necessary materials can be assembled. The plans for this projected house, which is being sponsored by the Pontiac (Michigan) Committee for Economic Development as one possible answer to the housing emergency, have been approved by the FHA.

This type of house, to be built on the site and not prefabricated, is expected to sell for approximately $4,000. Rolled sidings of aluminum in standard specifications will replace about one-third of all wood ordinarily used in frame house construction. The applications will be in siding, sheeting and roofing with the sheets being fastened to wooden bases using lock joints and blind nailing. Provision for insulation is made in the designing details.



CROSS-CURRENTS IN REAL ESTATE

Today's real estate market is complicated by numerous cross-currents and conflicting pressures which aggravate the situation. In this article the General Manager of the Insurance Corporation thoughtfully analyzes each of the controlling factors in its proper perspective.

By WILLIAM H. HUSBAND, *General Manager, Federal Savings and Loan Insurance Corporation*

■ EVER on the threshold of an unknown future, the real estate market of today has many of the symptoms of reaching an area of significant decision. True, some believe there will be a stabilization of the existing price level, but neither the historical cyclical pattern nor the composition of the present market would seem to substantiate this view. Real estate prices, like the economy of which they are a part, seldom stand still, and this is particularly true under existing conditions. With the prevailing real estate price level well up the scale of a phenomenal rise, the market will undoubtedly be subject to increasing stress and strain as a result of numerous cross-currents and conflicting pressures.

Because so much is at stake for the many private interests—let alone the public interest—it is none too early to consider every reasonable means of preventing later difficulties. The doghouse of depression is one structure that we should avoid building, at any cost. Granted that too much emphasis can be placed upon the extreme setback of the early thirties, we still need to remember that the capacity of the real estate market to shrink to a virtual zero point is an all too poignant characteristic. Will it happen again? Where are we standing at the present moment? Such are the questions which require our attention now.

Cheap money and real estate prices

Serious thought may be given to the nature of the prevailing market in real estate, the extent to which it is inflationary in character, and the measure to which present prices are justified as a result of increased cost of construction. With no standardized commodity to serve as a common denominator, it is not easy to generalize in any analysis of these inquiries either as to type of property or as to geographical areas. Yet we need to explore some of the popular theories which are used to justify prevailing prices, particularly the belief that the rise is the result of the reduced purchasing power of the dollar. The purchasing power of the dollar probably varies for each individual in the country according to the particular things which he buys but, even so, its general significance is commonly recognized. Too frequently overlooked, however, is the flow of cause and effect.

Analyzing the popular thought that the reduced value of the dollar is the cause of rising prices, it must be apparent that the purchasing power of money is in itself the converse of the price level. In other words, prices and purchasing power of the dollar move inversely and simultaneously. They are simply the two ends of a teeter-totter where one end automatically goes up as the other goes down. Under these conditions, one is not the cause of the other so much as both are the common product of underlying forces of supply and demand and of business conditions.

Realizing that this brief statement of logic showing the relationship between the purchasing power of the dollar and prices may be easily cast aside as an empty pronouncement of theory, it may be worthwhile to analyze a little more carefully the underlying thought. Basically, money is simply a medium of exchange and is worth only what can be obtained for it in the purchase of commodities and services. Consequently prices become the real yardstick of the value of the dollar and fluctuations in its value occur only as prices change. In turn, prices are determined in a free market by the workings of supply and demand.

Granted that easy money and credit can affect the demand for all goods, including real estate, it is important to note that there are many other factors which influence supply and demand conditions. For example, on the supply side of the equation, monopoly or a serious shortage of goods may well dictate prices without too much regard for the general value of money. Applied to real estate specifically, it is reasonable to believe that irrespective of the value of today's dollar, soaring prices would not be likely except for the pressures of a pronounced shortage of housing accommodations.

Returning to the concept that the cheaper dollar is the cause of rising real estate prices, probably all that is meant is that as the dollar buys less of other commodities, it is reasonable to expect that it should also be worth less when used to purchase real estate. Stated more simply, the price of real estate may be expected to rise if the prices of other commodities and services are advancing. However, this sympathetic movement of prices may be prevented where the supply of a particular goods or service is out of balance with demand. For example, agricultural prices have been noticeably out of line on various occasions with the general price level because of a marked surplus of products. Similarly, a short supply may force specific prices above the general level, a condition which is now so well illustrated by real estate.

The common justification that existing real estate prices are the result of a cheaper dollar is mainly the result of a defense complex and has little support on the basis of comparative price movements. Since the year 1940 the cost of living has increased approximately 28 percent, which means that it takes about $1.28 to buy today what $1.00 would have bought about five years ago. There is no such convenient index of real estate prices, but it is generally admitted that they have risen from 40 percent to 100 percent during the same period of time. In those cities where real estate has doubled in price since 1940, it means that it takes $2.00 to buy today what $1.00 would have purchased prior to the war. Compared with the prewar period, a dollar now has less purchasing power in terms of real estate than it has for the commodities and services which make up the bulk of our cost of living. The sharp rise in real estate prices means, too, that the present level cannot be lightly justified by the all-too-common explanation that the purchasing power of the dollar has declined.

What's behind today's prices?

What then are the real causes of the rise in real estate prices and is the present level inflationary?

As in the case of all prices, the answer is found in conditions of supply and demand. Probing into these basic composites of the real estate market, we find that the existing real estate price level is mainly the result of the following:

1. Shortage of housing.
2. Speculative trading.
3. The increased costs of construction.

The housing shortage is probably the most important and universally recognized cause of our present troubles, but it is clearly not the fault of anyone. It is peculiarly an incidence of war conditions which necessarily restricted new building and sharply accentuated the rise in the number of family and household units. As a result, the demand for residential units exceeds the supply of properties. The inevitable consequence is a desperate bidding for shelter which causes prices to rise without regard to any recognized yardstick of durable values.

Time will naturally correct the present lack of balance between demand and supply by permitting increased production to fill the gap, although the period of restoration may be sufficiently long that prices can get still further out of hand. Those who are capitalizing upon advancing prices may smile and say, "I made mine." But did they? Easy profits have a way of disappearing in the same easy manner, and a depressed real estate market can persist over a long period of time.

In a very practical way, the real estate fraternity and home financing institutions have much at stake in the long-term developments in the real estate market. Short-term gains are akin to winning a battle, but early victories do not win a war as was so forcefully demonstrated in the world struggle which has just come to a close. Granted there are those who firmly believe that because of increased costs of construction prevailing prices will not decline, it can only be said that in all too many cases existing houses are selling for more than their reasonable reproduction cost even at today's level. The housing shortage more than the cost of construction is the cause of the price rise and to this extent it is the equivalent of watered stock which will vaporize once production gets into volume.

The factor of speculative operations

The second factor causing real estate prices to rise is speculative trading. The benefits of speculative activity in a free market are well recognized; among other things, it helps to generate corrective price increases and later serves to cushion declines. However, speculation in a market of limited supply by taking advantage of uninformed owners and pressure buyers is something else. Yet it is happening in the real estate market today—caused by that small minority which al-

Special Study of Speculative Real Estate Activity in Washington, D. C.

■ TO determine the role of speculative trading as one of the pressures in the current rise in real estate prices, the Federal Savings and Loan Insurance Corporation undertook a special study of property transfers in the District of Columbia. Reviewing a confidential private record of about 800 sales during 1945, it was found that 46 residential properties changed title two or more times within short periods of time—usually less than three months.

The records for these 46 properties were then traced in detail through the Legal Record. By this means it was possible to compute the sales price of each transfer on the basis of the revenue stamps. Further substantiation of the prices was also possible from the private compilation referred to above.

Analysis of the transfers revealed that the average increase in price of the second sale over the first sale was 21.5 percent. Of the 46 transfers, 29 changed title within a period of five days. Two extreme instances were found in properties turning over twice in the same day: One house sold first at $4,000 and later in the day at $8,000; and another one at $3,500 and $6,500 within 24 hours. At least eight properties changed hands three times within a period of less than three months and one house was resold four times within a six-month period with the price rising from $7,000 to $10,900.

It was recognized that the 46 properties studied represented only a spot check. Nevertheless, it is generally acknowledged that the sale of one house in a block exercises considerable influence on the prices of neighboring properties.

Since real estate trading is on an "over the counter" basis, indications of the rise in real estate prices are necessarily based mainly on personal opinion. In making a study of this type, the Federal Savings and Loan Insurance Corporation has added a factual measurement to substantiate the opinions commonly expressed about the extent of inflationary rise and to highlight the degree of speculative activity in today's residential real estate market.

ways helps to cast a blight on the group as a whole.

Speculative transactions of the type revealed by our special study of the Washington area have an influence far beyond the number of properties involved. The sale of a single house always exercises a spreading influence and sets a price target for other owners to reach.

To appreciate the hidden perils of the present inflationary market, we need to recall the experience of the real estate depression in the thirties. Not only should we refresh our memories about the conditions which brought it about but also we must honestly recognize the means of recovery. Relief from distress and then recovery were obtained by the creation of new Federal agencies set up for the purpose. Not only were these developments significant for their effects upon the market, but possibly more important is the fact that they represent the first direct entry of the Federal Government into the day-to-day activities of real estate and its related enterprises. How much farther it may go will depend in large measure upon developments in the present market and whether private industry will again ask Government to come to the rescue.

Will real estate assume the role in the next depression that the securities field played in the last? Will real estate operators and home financing institutions become the scapegoat that bankers were in the thirties? Speculators now have the safety of quick and almost certain profit and it is easy to conclude with a philosophical "So what?". On the other hand, if there is any concern for the role of private real estate operation in tomorrow's market, there may be need for serious stock-taking of present conditions. It should be emphasized that real estate operators are obviously not responsible for the conditions that underlie rising prices which, like so many other things, are a war casualty. Both increased costs of construction and the housing shortage, which are playing havoc with real estate today, are primarily the result of the war. The only question for the real estate fraternity to consider is whether to exploit and accentuate inflationary potentialities of the market or to exercise the maximum restraining influence.

The test lies ahead

It should be stressed, too, that the test is yet to come. In the past, sizable down-payments have created a sense of comfort and stability. In the future, much of this equity money will be used to buy automobiles and the thousand and one other commodities and services which are rapidly coming into the market to compete with real estate. Also, GI loans representing 100 percent commitments virtually remove the most universally recognized safety factor in the housing market—the equity of ownership. True, it may be said that the chance of loss to financing institutions is greatly minimized by virtue of the guaranty, but foreclosures of veterans' homes and heavy loss to the Government afford no promise of a strong future private market.

Like the real estate booms of the past, either inflationary fears or a sense that everything is going higher serves to generate a public willingness to buy without proper analysis of values. Similar emotionalism is at work today and is further surcharged by a pressing housing shortage. Under these conditions, the problem of educating the public invites the consideration of all private groups with an interest in real estate. As an illustration, reference may be made to the work being done by life insurance companies in advertising about the dangers of inflation, as well as to the pronouncements of the New York Stock Exchange in urging the public to study values and to invest their savings in United States Savings Bonds. Could the real estate interests join hands with home financing institutions and carry on a similar program in the field of real estate?

The outlook for construction costs

Possibly the answers to the questions being raised may be found by considering the outlook for the cost of construction. That building costs have increased from 50 percent to 60 percent over 1940 is generally admitted, but it remains to be seen whether or not these costs are stabilized and what the prospects will be over a period of time. Distorted by war conditions which affected both the labor and material supply, it is possible that some savings will be realized even at present wage rates and building material prices. It is always difficult to appreciate the strong influence of momentum upon efficiency, and the building industry is no exception. Particularly may small builders play a prominent role in contributing toward lower costs. Too often, their costs are believed to be higher than the general level when actually the personal and close supervision of such construction frequently produces lower costs.

Looking farther down the road of the future, it is possible that a new competitive factor has entered the business in the form of prefabrication. Like the automobile industry in the twenties, residential construction now has the advantage of many factors which lend great assistance to large-scale production. Not only is the prospective market for houses larger than ever before in our history but, in addition, the public has a large reserve of purchasing power together with an abundance of credit which is available at reasonable terms.

Too often in appraising the possibilities of the prefabricated house, opinions are based upon larger houses which require all the features of custom-built commodities. In great contrast, one needs only to compare the old and obsolescent existing properties in the small house market with the advantages of the new and more standardized houses to appreciate that considerable progress may be possible as to quality and price. In any event, the possibilities of mass production loom larger than ever before and suggest cost reductions once the pressing housing shortage is out of the way and the market has returned to more normal proportions.

Paralleling the outlook for the cost of construction, real estate and home financing interests may also keep their eye on the idiosyncrasies of demand. To say that it has a great capacity for fluctuation is to put it mildly, since demand works with a vengeance when it becomes the dominating factor. In fact, it can almost reach the zero point as has been demonstrated on more than one occasion. At times demand can become timid because of restricted purchasing power, while on other occasions it can assume the characteristics of a strike against prices which are believed to be too high. Illustrative of the former was the period of the thirties, while the period following World War I was an example of the latter.

(*Continued on p. 235*)

LIQUID ASSETS AT AN ALL-TIME HIGH

The past year witnessed a further increase in the liquid assets of insured savings and loan associations. Today's increased lending opportunities focus attention on the turning point for liquidity ratios.

AT the end of 1945, thirty-five percent of the total assets of all insured savings and loan associations were held in cash or invested in Government obligations. Amounting to more than $2,147,000,000, this marked another new high in the steady upward trend of liquid assets which has prevailed since 1940. On the basis of funds invested in these institutions by the general public, more than $2 out of every $5 had been re-invested in Government bonds or remained available in cash.

The turning point is near

From the evidence piling up with each month's reports, it is apparent that the turning point will be reached shortly and the ratio of liquid assets will begin to decline to more normal proportions. Higher repurchase ratios during the first quarter of this year point to a slowing down in the rate of growth of private share capital invested in these institutions. On the other hand, new records in mortgage lending activity are being established with regularity each month. A leading economist in the home financing field has recently estimated that attainment of the goal for the Veterans' Emergency Housing Program alone will result in between $10 billion and $13 billion of mortgage loans on new residential properties. Under such conditions, the present plethora of funds would dry up in short order. Institutions may soon be forced into greater efforts to stimulate new share investments in order to make their share of these loans.

This raises the question of how far liquidity ratios will be allowed to fall. It is generally agreed that the ratio of cash and Government obligations should not, and will not, return to the prewar levels of approximately 5 to 6 percent of total assets. The present ratio of 35 percent prevailing at the end of last year marked an all-time high. Somewhere between these extremes a new operating level will be established. Studies are now being made and the question of the desired goal as to percentage of liquidity to total assets was on the agendum of the Federal Savings and Loan Advisory Council for discussion at its May meeting in Washington.

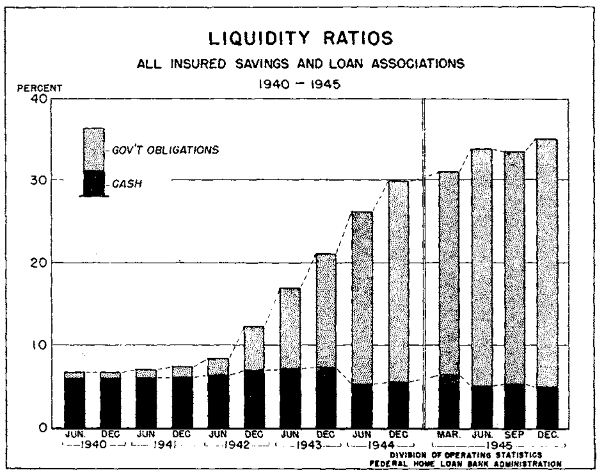
Liquidity at the end of 1945

Liquid assets of all insured savings and loan associations at the end of 1945 consisted of $307,700,000 of cash on hand or in banks, and $1,839,000,000 of Government obligations—a total of $2,146,700,000. Although the 43-percent increase in cash and Government bonds during 1945 was somewhat less than in 1944, the net gain of almost $650,000,000 was the largest registered in any year to date.

Most of the advance was attributable to the 50-percent rise in the portfolio of Government obligations. Holdings of these assets were $612,000,000 higher than at the end of 1944. "Governments" represented 30 percent of total assets at the end of last year, as against 24 percent a year earlier, and only 14 percent at the close of 1943.

The cash account was up $38,000,000 during the period in contrast to a decline of almost this amount from the end of 1943 to the close of 1944. Cash was equal to 5.0 percent of total assets on December 31, 1945 compared with 5.4 percent a year previous.

Looking at the statistics for each Federal Home Loan Bank District, substantially higher Govern-



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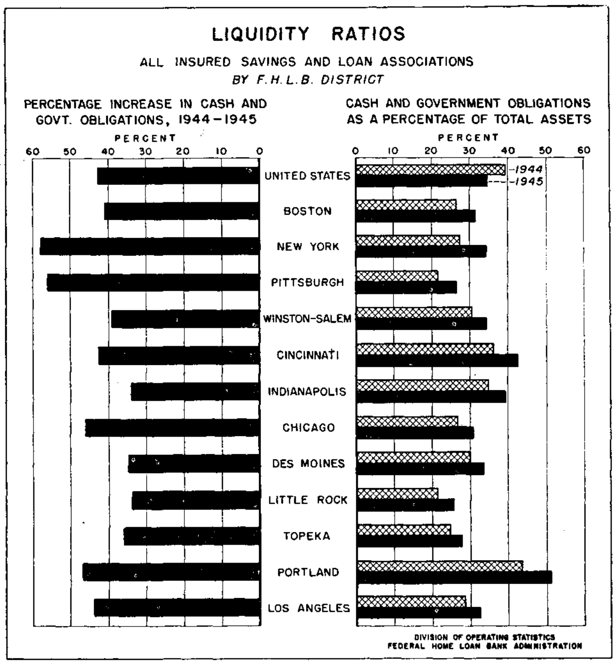
ment portfolios were again reported in all regions. Percentagewise, the biggest gains were shown in the New York and Pittsburgh Districts, with only two areas indicating less than a 40-percent increase. Larger cash balances were evidenced in all but the Boston District. This was in contrast to the situation at the end of 1944 when only two Districts had more cash on hand than a year earlier.

Combining the cash and Government bonds into a figure representing total liquid assets, all Districts showed increases, although on a more moderate scale than in 1944. The largest percentage gains were shown in the New York and Pittsburgh regions, with 58 and 56 percent, respectively. The Indianapolis and Little Rock Districts were at the other end of the range with increases of 34 percent.

Liquidity-asset ratio up significantly

The ratio of liquid assets to total assets passed the one-third mark midway in 1945 and ended the year at 34.9 percent. The chart on page 229 shows the trend of this ratio for the past six years by semi-annual and quarterly periods. There was a steady increase during each quarter from March 1942 through June of last year. In the third quarter of 1945, the ratio dropped fractionally, but resumed the upward movement in the final quarter to reach a new high point for the series.

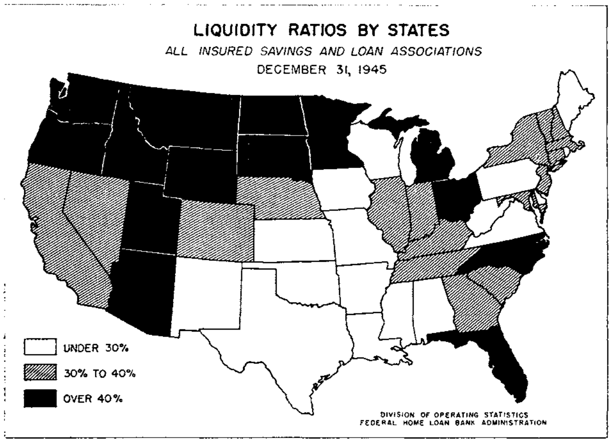
Combined figures for each Federal Home Loan Bank District showed a higher degree of liquidity



Cash and Government obligations of insured savings and loans associations

[Dollar amounts are shown in thousands]

District and state	Change in number of associations	Total cash and Government obligations		Percent increase	As a percent of 1945	
		1945	1944		Share capital	Assets
United States	+9	$2,146,720	$1,497,152	43.4	41.1	34.9
Boston	0	100,104	71,023	40.9	37.6	31.8
Connecticut	+1	27,595	20,434	35.0	34.3	30.3
Maine	0	973	676	43.9	32.4	29.6
Massachusetts	−1	62,067	42,292	46.8	38.9	32.3
New Hampshire	0	6,338	5,899	7.4	47.9	39.6
Rhode Island	0	296	229	29.3	6.9	6.2
Vermont	0	2,835	1,493	89.9	47.0	37.2
New York	+7	257,256	162,948	57.9	39.6	34.1
New Jersey	+5	83,486	48,643	71.6	42.0	35.5
New York	+2	173,770	114,305	52.0	38.5	33.4
Pittsburgh	+3	104,630	67,155	55.8	30.4	26.3
Delaware	0	99	49	102.0	18.3	17.2
Pennsylvania	+3	96,414	60,395	59.6	30.4	26.2
West Virginia	0	8,117	6,711	21.0	31.0	27.4
Winston-Salem	+2	223,409	160,643	39.1	40.1	34.2
Alabama	0	7,254	5,771	25.7	30.4	27.5
District of Columbia	−1	18,835	13,194	42.8	30.0	25.4
Florida	+1	65,784	49,812	32.1	50.7	43.0
Georgia	0	28,866	18,323	57.5	37.3	31.8
Maryland	−1	34,585	24,543	40.9	37.9	30.7
North Carolina	+1	33,617	23,336	44.1	45.7	40.7
South Carolina	+1	17,268	11,818	46.1	42.8	38.0
Virginia	+1	17,200	13,846	24.2	29.5	25.1
Cincinnati	−1	474,824	333,131	42.5	49.3	42.6
Kentucky	−1	41,235	28,086	46.8	44.8	39.4
Ohio	0	408,487	290,388	40.7	50.0	43.2
Tennessee	0	25,102	14,657	71.3	46.1	39.3
Indianapolis	−1	161,232	120,151	34.2	44.8	39.2
Indiana	−1	97,549	73,270	33.1	43.9	38.6
Michigan	0	63,683	46,881	35.8	46.2	40.2
Chicago	+2	207,592	142,311	45.9	37.4	30.9
Illinois	+2	169,986	115,810	46.8	38.6	32.0
Wisconsin	0	37,606	26,501	41.9	32.6	26.8
Des Moines	−1	116,669	86,626	34.7	38.5	33.4
Iowa	0	16,074	12,204	31.7	33.2	29.7
Minnesota	0	64,397	44,712	44.0	52.4	45.1
Missouri	−1	26,698	23,407	14.1	23.0	19.9
North Dakota	0	7,690	5,251	46.4	64.0	55.2
South Dakota	0	1,810	1,052	72.1	46.5	41.5
Little Rock	−4	81,268	60,727	33.8	30.1	25.2
Arkansas	0	4,733	4,098	15.5	24.3	20.0
Louisiana	−1	29,747	20,728	43.5	30.4	25.0
Mississippi	0	2,647	2,514	5.3	22.0	19.8
New Mexico	0	2,357	2,332	1.1	28.4	25.3
Texas	−3	41,784	31,055	34.5	31.6	26.6
Topeka	0	65,226	48,079	35.7	32.3	27.7
Colorado	0	18,006	12,755	41.2	41.7	34.5
Kansas	0	19,976	13,819	44.6	32.6	28.1
Nebraska	0	6,133	4,127	48.6	42.8	36.4
Oklahoma	0	21,111	17,378	21.5	25.4	22.2
Portland	0	155,920	106,247	46.8	59.6	51.0
Idaho	0	10,115	7,144	41.6	60.4	53.1
Montana	0	6,997	5,689	23.0	49.3	44.3
Oregon	0	18,502	12,285	50.6	56.7	46.4
Utah	0	19,547	12,346	58.3	60.5	47.1
Washington	0	96,469	65,877	46.4	61.3	53.6
Wyoming	0	3,870	2,514	53.9	51.1	45.7
Alaska	0	420	392	7.1	47.0	40.3
Los Angeles	+2	198,590	138,111	43.8	40.8	32.1
Arizona	0	10,842	6,315	71.7	77.5	54.9
California	+2	185,130	129,322	43.2	39.7	31.4
Nevada	0	498	469	6.2	37.4	34.6
Hawaii	0	2,120	2,005	5.7	36.6	33.5



prevailing in all sections of the country than at the end of 1944. The largest ratio was again found in the Northwest region where 51 percent of total assets were in the cash and Government bond categories. The Cincinnati and Indianapolis Districts retained second and third positions in this comparison with ratios of 43 percent and 39 percent, respectively. Only three Districts (Little Rock, Topeka and Pittsburgh) reported liquidity ratios of less than 30 percent. A year ago, there were seven Districts below the 30-percent mark.

On a state-wide basis, higher liquidity to total asset ratios were posted by all but five states: Missouri, Arkansas, Mississippi, New Mexico and Nevada. There were 17 states and the District of Columbia with ratios below 30 percent; 17 states in the group from 30-40 percent; 10 in the 40–50 percent bracket; and 4 with ratios of more than 50 percent.

Geographically, 9 of the 14 states with ratios of 40 percent or more were located in the north central and northwestern sections of the country. On the other hand, the bulk of the lowest ratios were found in the south central and southwestern regions.

Liquid asset-share capital ratio

Another important test for liquidity measures the relationship of cash and Government bonds to the total amount of private repurchasable capital invested by the public in these associations. As would be expected, the trend of this ratio has closely paralleled that computed on the basis of total assets, but at a slightly higher level. By the end of 1945, cash and "Governments" were equal to 41.1 percent of share capital compared with 34.5 percent at the end of the preceding year and 24.7 percent in 1943.

Again, the ratio for every Federal Home Loan Bank District was higher than the December 31, 1944 figure. The ratio in the Northwest region, which has consistently shown the greatest degree of liquidity during the past five years, reached almost 60 percent. Associations in the Cincinnati area were within striking distance of the 50-percent mark. No District reported liquid assets equal to less than 30 percent of private share capital accounts.

Appointment of Deputy Governor

■ THE appointment of Robert B. Jacoby as Deputy Governor of the Federal Home Loan Bank System has been announced by Governor Harold Lee. Mr. Jacoby has been associated with the Federal Home Loan Bank System for the past 13 years.

He served as regional counsel for the Federal Home Loan Bank of Cincinnati for seven years, and for the past six years he has been an Associate General Counsel of the Federal Home Loan Bank Administration in Washington. Before coming to Washington, Mr. Jacoby was associated with the law firm of Taft, Stettinius and Hollister in Cincinnati for several years.

Mr. Jacoby is a graduate of Ohio Wesleyan University and of the Harvard Law School and is author of "Cyclopedia of Federal Savings and Loan Associations." His home is in Cincinnati, Ohio.

Analysis of Savings Bond Holdings

■ SERIES E savings bonds totaling $30 billion were outstanding at the end of last year, the bulk of them owned by people earning $5,000 a year or less. Nearly 3 out of every 4 of the country's estimated 51 million income-receivers held some of these bonds.

These data were revealed by a special nationwide study conducted for the Treasury Department by the Division of Program Surveys of the Department of Agriculture. The study showed that three-fourths of all nonfarm income-receivers owned E bonds, with an average holding of $610. The highest ratio of ownership occurred in the income group $3,201–$5,000, where 94 percent were E-bond holders. The average value of their bonds was $1,260.

INFLATION IN REAL ESTATE—HOW FAR HAS IT GONE?

Measuring the extent of price increases in residential real estate is a difficult task because of the paucity of factual data available. As a starter, the National Housing Agency has obtained the informed opinion of responsible individuals familiar with local real estate markets.

I. Prices of small houses in the under-$6,000 class have risen 65 percent in the past six years and 18 percent since VJ Day.

II. The increase for houses in the $6,000-$12,000 bracket has been almost as much—57 percent since the spring of 1940 and 15 percent since the end of fighting in the Pacific.

III. The price rise for raw acreage and building lots was of the same general order—approximately 60 percent in the past six years and 23 percent in the past six months.

IV. "H-2" houses, built with priority assistance during the period from November 1944 to September 1945, have already gone up an average of 30 percent in price.

V. Differences in the degree of increase between small communities and the overcrowded metropolitan areas were surprisingly slight.

■ THESE are the highlights from the recent report [1] prepared by the Housing Finance Division of the National Housing Agency in its first effort to measure the degree of real estate inflation which has already taken place. Based on an opinion survey made during the latter half of March, the study was designed to obtain a current picture of the extent of price increases for single-family homes as well as for building lots and raw acreage available for residential development.

The following regional and field resources of the National Housing Agency were utilized for the survey: The presidents of the Federal Home Loan Banks, the regional managers of the Home Owners' Loan Corporation, the insuring offices of the Federal Housing Administration, and the regional expediters of the Office of the NHA Administrator. The heads of these field offices are in close touch with the housing and real estate markets in their areas. They are in almost daily contact with the realtors and mortgage lending institutions.

Although not based primarily upon comprehensive statistics of transactions, the reports received from these sources reflect the best judgment and estimates derived from observation over many years of large numbers of transactions, as well as from special inquiries for the survey. Pending the development of more adequate statistical tools for measuring price fluctuations in nonfarm real estate, this type of opinion survey offers the best current means of gauging such changes.

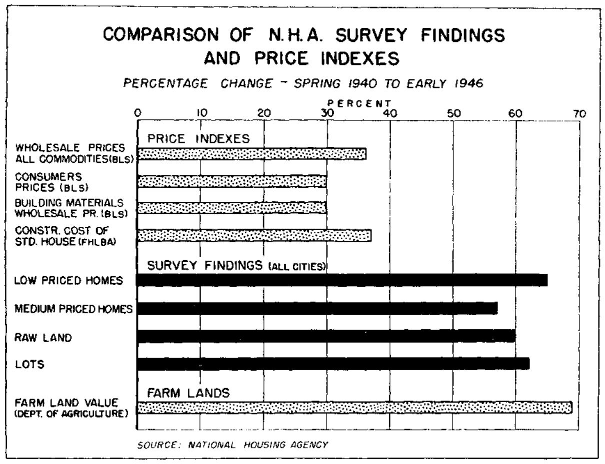
Reports were received from more than 400 cities in all sections of the country. Maximum coverage was obtained on the price increases from 1940 to 1946 for single-family homes—returns covering 90 of the 92 cities having a population of 100,000 or more in 1940, and 379 smaller communities, for a total of 469 cities.

The data reflect *average* price rises during the indicated periods in the urban areas for which reports were received. They pertain to typical rather than individual cases, avoiding the extremes whether high or low, and averaging out differences due to neighborhood location, quality or age of structure.

The national picture

The summary of national averages obtained from the survey is shown in the accompanying table. In the period from 1940 to 1946, prices of homes in the less-than-$6,000 class increased 65 percent with those in the $6,000-$12,000 range showing a somewhat smaller advance of 57 per-

[1] *Inflation in Homes and Home Sites.* April 1946. Copies may be obtained from the National Housing Agency, Information Division.



cent. The price rise for raw land and lots has been of about the same magnitude—60 percent and 62 percent, respectively.

The table also demonstrates the accelerated rate of advance since VJ Day and concurrent with the demobilization of our armed forces. In the short period from September 1945 to February 1946, prices of single-family homes went up almost 18 percent for the lower-priced properties and approximately 15 percent for medium-priced residences. Prices for raw land and lots increased more rapidly, averaging 23 percent in the six-month period.

Projecting the average monthly gains on an annual basis points to increases of as much as 36 percent for homes and of 50 to 60 percent for building sites!

Price rises for "H–2" houses over WPB-ascribed ceiling prices averaged 30 percent in the 355 reporting cities. Authorizations for the construction of these houses were issued in the period from November 1944 to September 1945, and WPB-ascribed ceilings were removed with the lifting of controls last fall. The average increase of 30 percent, the report states, demonstrates the effect of removal of controls together with the acceleration of price increases in real estate generally.

Comparison with price indexes

Average price rises in all types of real estate included in the NHA survey far exceed advances of "yardstick" price indexes. The wholesale price index for all commodities (Bureau of Labor Statistics) shows a rise of 36 percent from spring 1940 to early 1946. The wholesale price index for building materials indicates an increase of 30 percent in the same period. The consumer price index is also up 30 percent. The construction cost index of the Federal Home Loan Bank Administration for a typical single-family house is up 37 percent.

Admittedly, all of these indexes are imperfect measurements of price changes under war and transition conditions. For example, the construction cost index does not measure cost increases resulting from the use of less efficient labor in a tight labor market and from irregular and uncertain material deliveries on the site. Price indexes are deficient in expressing changes in quality of commodities and services. Even allowing for such factors, however, the differences between the quoted index figures and the average real estate price increases ascertained by the survey remain impressive.

The chart on this page shows the comparison in detail for the period from April 1940 to early 1946. What the chart does not show, however, is the steep increase since VJ Day in residential real estate for which there is no parallel in general price indexes, inasmuch as the latter have increased only a few points in the past several months.

Regional variations prominent

As would be expected, price increases have varied a great deal in different sections of the country. This is demonstrated in the chart on page 234 which shows the breakdown by Census regional divisions.

Average percentage increase in prices of homes and home sites

Period	All cities	Cities 100,000 and over	Cities under 100,000
Spring 1940 to February 1946			
Homes	*Percent*	*Percent*	*Percent*
Under $6,000	65. 1	66. 0	64. 9
$6,000–$12,000	57. 0	61. 7	55. 9
Home sites			
Raw land	60. 1	68. 7	57. 9
Building lots	61. 8	64. 0	61. 3
September 1945 to February 1946			
Homes			
Under $6,000	17. 7	17. 3	17. 8
$6,000–$12,000	14. 8	15. 8	14. 6
Home sites			
Raw land	23. 0	27. 6	21. 8
Building lots	23. 3	26. 6	22. 4
"H–2" houses (above ceilings)	30. 5	30. 0	30. 7

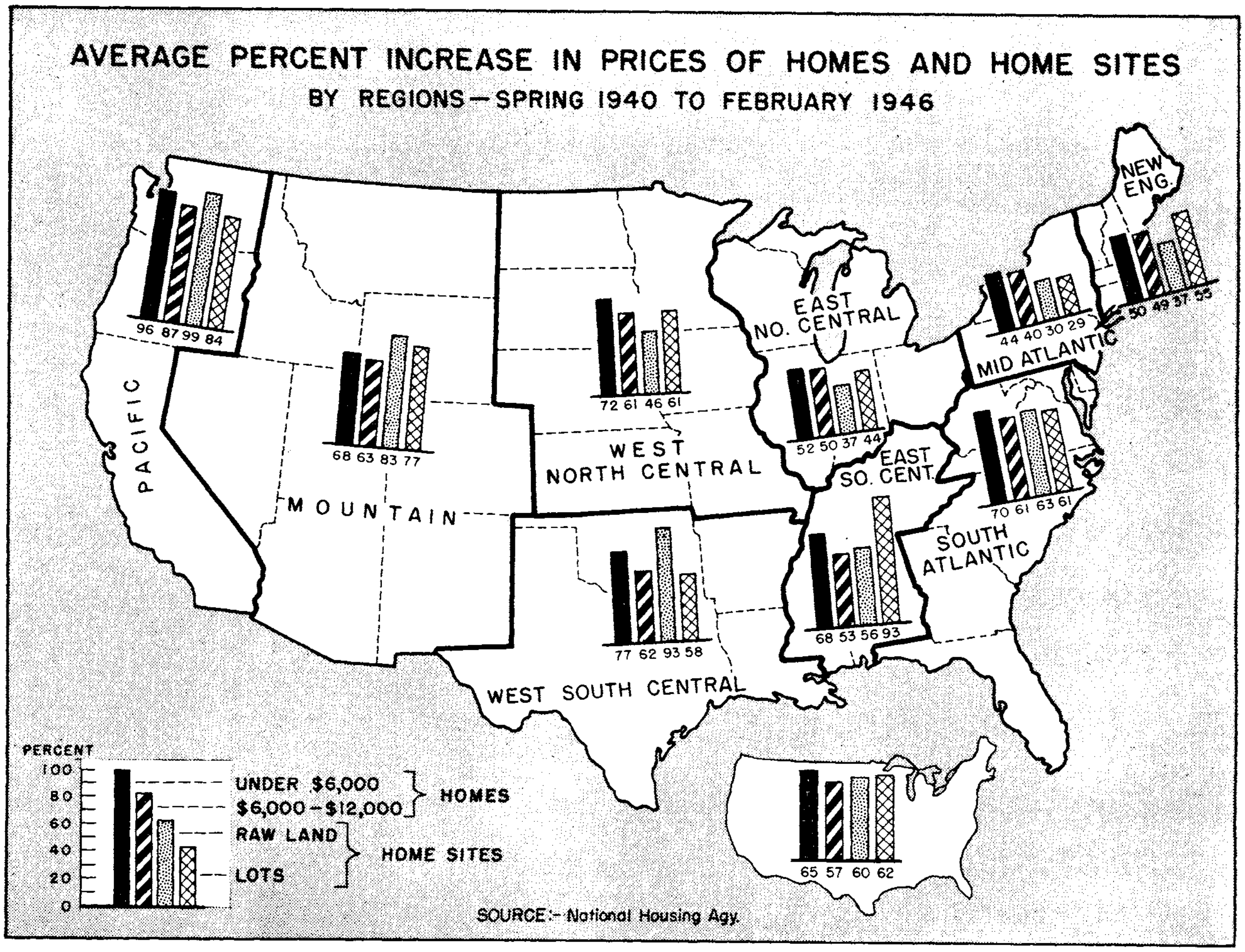
The Pacific region generally shows the largest price advances from 1940 to 1946. The West South Central and Mountain regions are next in line. It is interesting to note that price increases since 1940 are lowest in the New England and the Middle Atlantic States where the recovery of real estate even before the war had lagged behind that of the West and South. On the other hand, price increases are highest in many areas where active markets were developing before the war.

The regional picture of price rises since VJ Day is less clear. The Pacific, West North Central and East South Central regions generally indicate more than average increases. The New England and Middle Atlantic regions tend to indicate less than average increases, but there is no definite regional pattern.

The regional breakdown showed only a few exceptions to the general price characteristics revealed by the national averages. In all of the regions, price increases from 1940 to 1946 were sharper for the low-priced homes than for the medium-priced properties. In all but two of the nine regions, the same relationship was observed for price increases in homes and home sites during the short period since VJ Day.

Implications of the survey

In summarizing the statistical data obtained, the report emphasizes inherent dangers of the current condition of the real estate market. As has been pointed out, price increases for homes and home sites already are out of line with the general advance of commodity prices. In many cases, home prices today exceed the cost of replacement. If unchecked, this upward movement will hit hardest the veteran who is presently and will be for some time to come the principal home seeker. In addition, it represents a serious threat to the entire economic stabilization program—so essential to a smooth transition from war to peace and to real, long-term prosperity.



The price rise for homes and home sites cannot be dissociated from the monetary influences affecting our whole economy nor from the general advance of prices since the beginning of the war. However, it is in large measure the specific result of necessary wartime restrictions on home building and of the telescoped demand of returning veterans.

This raises serious questions as to its continuance, and should serve to dampen the sanguine expectations accompanying any boom while it lasts. As new building gets under way in volume and demand and supply approach balance, corrections appear inevitable, even after allowance for generally higher prices compared with the prewar level. Such corrections might have serious consequences to home buyers in today's market—veterans and non-veterans alike—as well as to lending institutions with billions of dollars invested in home loans, and to the stability of the real estate market.

The results of the survey also emphasize the need for an all-out effort to inject into the home market the only really effective remedy for inflation in real estate: new construction at prices which the greatest number of home seekers can afford to pay. This remedy has been presented in the Veterans' Emergency Housing Program.

Cross-Currents

(*Continued from p. 228*)

Having emerged from World War II with a reasonable holding of prices all along the line, there is need to reflect upon the economic disturbances which are possible as a result of war conditions. Too often we ascribe to the familiar 18-year real estate cycle various changes in price levels which may be more properly attributed to the unbalancing effects of a war economy. Significantly, with one exception, a war preceded each of the real estate booms in the past century. For this reason, we may gain much by studying present conditions, not simply as a phase of a cycle, but a cycle which is probably warped by pronounced war influences.

Trying to bring the many possibilities of real estate into focus, it is evident that there are many cross-currents of thought and action. Mass production or traditional construction, long-term 100-percent loans or shorter-term equity supported financing, a price structure stabilized at higher or lower than the prevailing level, private or public housing, prosperity or depression—these are just a few of the larger issues which will be settled in the future developments in real estate. Challenging and thought-provoking, too, is the possibility that in the solution of the shortage there will be forthcoming a housing surplus which may create the usual distress of depression. And the higher real estate prices go, the more serious will be our problems.

DIRECTORY CHANGES

March 16–April 15, 1946

Key to Changes

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

BOSTON DISTRICT

MASSACHUSETTS:
Boston:
**Guardian Co-operative Bank, 36 Bromfield Street.
**Trimount Co-operative Bank, 79–81 Tremont Street.

PITTSBURGH DISTRICT

PENNSYLVANIA:
Philadelphia:
**Wharton Building Association #3, 1005 Harrison Building, 4 South Fifteenth Street.
Pittsburgh:
#Eureka Federal Savings and Loan Association, 3717 Forbes Street.

WINSTON-SALEM DISTRICT

DISTRICT OF COLUMBIA:
Washington:
**Progressive Building and Loan Association, 1416 F Street, N. W
FLORIDA:
Jacksonville:
#Jacksonville Federal Savings and Loan Association.

CINCINNATI DISTRICT

OHIO:
Sylvania:
*ØThe Community Savings and Loan Association.

INDIANAPOLIS DISTRICT

INDIANA:
Crawfordsville:
**Crawfordsville Building Loan Fund and Savings Association, 124 East Main Street.

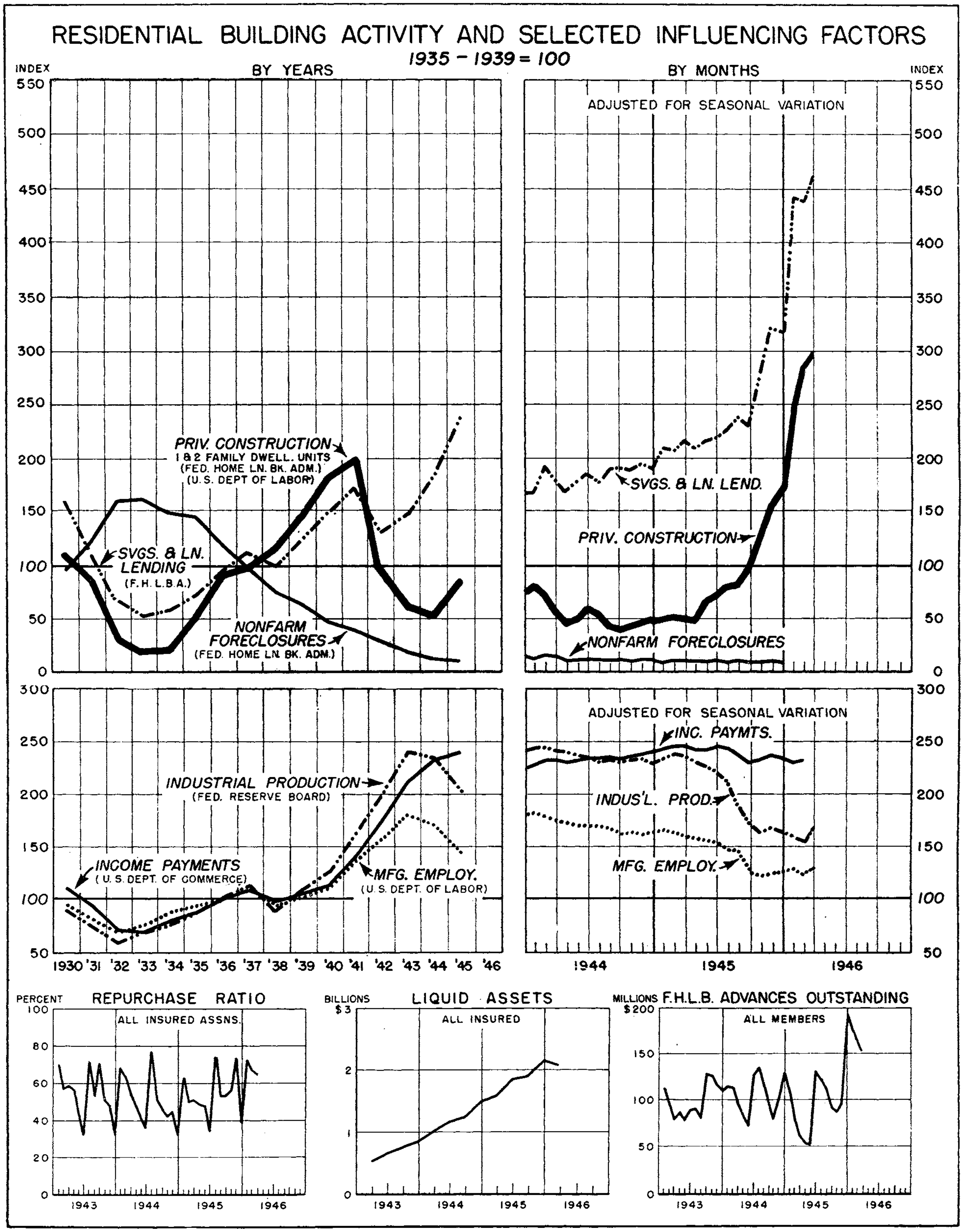
DES MOINES DISTRICT

MISSOURI:
Lilbourn:
ØØLilbourn Building and Loan Association.

SAN FRANCISCO DISTRICT

CALIFORNIA:
East Los Angeles:
*ØFirst Federal Savings and Loan Association, 4628 Whittier Boulevard.
INGLEWOOD:
*Southwest Savings and Loan Association, 2611 West Manchester Boulevard.
VAN NUYS:
**Provident Building-Loan Association, 6410 Van Nuys Boulevard.

RESIDENTIAL BUILDING ACTIVITY AND SELECTED INFLUENCING FACTORS



« « « MONTHLY SURVEY » » »

BUSINESS CONDITIONS—Production at postwar high level

Industrial activity advanced considerably during March and regained the levels of production prevailing last fall before the wave of strikes in steel, automobile and electrical equipment plants. The seasonally adjusted index of the Federal Reserve Board rose from 152 in February to 168—the highest for any month since November. Expectations are that the index for April will show only a small decline despite the coal strike, as industries have used accumulated stocks of fuel. Continued suspension of mining operations, however, will eventually bring widespread interruptions of production.

The March increase was largely due to the sharp recovery in steel production following the strike settlement. Machinery and automotive output also showed good gains. Nondurable goods production was at the highest level since last June.

Employment in nonagricultural establishments rose about 600,000 in March *after* allowance for seasonal changes. The rise was due to increases in the iron and steel group and to continued gains in trade and construction. The total number of unemployed remained at about 2,700,000.

Retail sales by department stores were up considerably during March and early April under pressure of Easter buying. Sales for the first quarter of this year were 14 percent above the same 1945 period.

The national production of civilian goods and services in the first quarter was at an annual rate of $154 billion as compared with an annual rate of only $122 billion in the first three months of 1945, according to a report of the Office of War Mobilization and Reconversion.

New low in bond yields

The yield on long-term Government bond issues reached a new low during March as prices continued—although at a slower pace—the advance begun in January. The average yield on issues callable in 15 years or more dropped from 2.33 percent in December to 2.09 percent in March.

There have been indications in recent weeks that the March figures may mark at least a temporary low point. Bond market prices declined during the second and third weeks of April, and average yields on long-term "Governments" were up to 2.18 percent in the week ending May 4.

Index [1935-1939=100]	March 1946	Feb. 1946	Percent change	March 1945	Percent change
Home construction (private)[1]	298.0	[r] 277.8	+7.3	48.6	+513.2
Foreclosure (nonfarm)[1]	8.3	7.8	+6.4	10.8	−23.1
Rental index (BLS)	108.4	108.3	+0.1	108.3	+0.1
Building material prices	139.5	135.0	+3.3	130.8	+6.7
Savings and loan lending[1]	460.8	440.5	+4.6	217.2	+112.2
Industrial production[1]	168.0	[r] 152.0	+10.5	235.0	−28.5
Manufacturing employment[1]	127.0	[r] 121.9	+4.2	166.0	−23.5
Income payments[1]	232.3	[r] 231.7	+0.3	244.1	−4.8

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

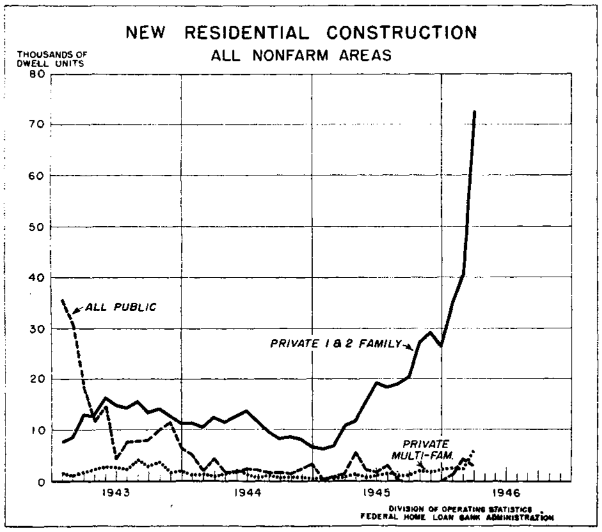
The retirement of almost $3 billion of U. S. Government obligations during March reflected the generally improved outlook for the Federal budget. Treasury receipts exceeded expenditures in both February and March. It now appears that original estimates for the first half of 1946 were too high on expenditures and too low on receipts: the result, a smaller deficit than anticipated.

BUILDING ACTIVITY—Sharp advance reported in units started

The 81,500 family dwelling units started in nonfarm areas during March presented clear-cut evidence of the gathering momentum of home building. This volume was 73 percent above the February activity and one of the largest totals for a single month since the building boom of the twenties. March permits were 35 percent above the same month in 1941—the last full year of unrestricted building. This is undoubtedly a more significant comparison than with the same month of 1945 when war conditions prevailed.

Of the total dwellings started, 78,500 were privately financed units, and nine out of ten of these were single family houses. Publicly financed projects consisting of 3,000 dwelling units were also started in March to provide temporary facilities under the Veterans' Emergency Housing Program through the re-use of war housing.

Totals for the first three months of this year indicate that almost 169,000 new family dwelling units have been started. This is nearly six times last year's volume and 16 percent more than in the



comparable 1941 period. In the latter year, first quarter permits accounted for approximately one-fifth of the year's total and, if the same ratio prevails this year, it would mean that we have already attained an annual rate of construction of about 850,000 units.

Average permit valuations of dwellings started so far this year were approximately 25 percent above the 1941 level. Although the relationship between permit valuations and actual building costs is not clear, the increase from an average of $3,404 during in the first quarter of 1941 to $4,200 in the January-March period of this year is indicative of the trend. [TABLES 1 and 2.]

BUILDING COSTS—Upward trend continued

Residential building costs continued upward during March when the FHLBA index rose to 141.0, an increase of 0.4 percent over the previous month and 3.1 percent above March 1945. Both labor and material participated in the rise over February 1946.

Wholesale prices of building materials rose 3.3 percent between February and March of this year, according to the Department of Labor index, which now stands at 139.5 compared with 135.0 for the previous month (1935–1939=100). The over-all increase in March was confined to three components—lumber, brick and tile, and cement. Since the movement of wholesale prices precedes the retail trend, a further increase in at least the material index is likely. [TABLES 3, 4 and 5].

Construction costs for the standard house

[Average month of 1935–1939=100]

Element of cost	March 1946	Feb. 1946	Percent change	March 1945	Percent change
Material	137. 2	136. 4	+0. 6	133. 1	+3. 1
Labor	148. 8	148. 3	+0. 3	143. 8	+3. 5
Total	141. 0	140. 4	+0. 4	136. 7	+3. 1

MORTGAGE LENDING—New loans exceeded $300 million

Continuing to break all previous records, new mortgage lending by savings and loan associations during March, estimated at over $300 million, was 33 percent above the volume reported in the previous month and more than 112 percent higher than the lending activity in March last year. An estimated 15 percent of lending during the reporting month represented construction loans, while nearly 68 percent was for the purchase of existing properties. Corresponding percentages for February were 14 and 68 percent; for March 1945, 5 and 74 percent.

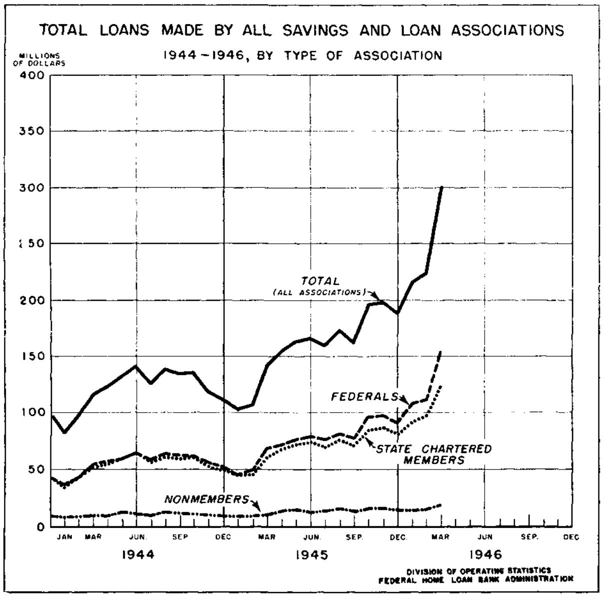
New mortgage loans distributed by purpose

[Dollar amounts are shown in thousands]

Purpose	March 1946	Feb. 1946	Percent change	March 1945	Percent change
Construction	$45, 391	$30, 866	+47. 1	$7, 406	+512. 9
Home purchase	202, 995	154, 219	+31. 6	105, 307	+92. 8
Refinancing	24, 244	19, 801	+22. 4	15, 922	+52. 3
Reconditioning	6, 198	4, 217	+47. 0	2, 559	+142. 2
Other purposes	21, 335	16, 416	+30. 0	10, 287	+107. 4
Total	300, 163	225, 519	+33. 1	141, 481	+112. 2

Loans for construction of new dwellings and for reconditioning of existing structures showed the sharpest increases over February, each type rising 47 percent. New mortgage loans for home purchase rose 32 percent; "other purposes," 30 percent; and refinancing, 22 percent.

During the first quarter of 1946, new lending activity by savings and loan associations was estimated at $743 million compared with $350 million in the first 1945 quarter—a gain of 112 percent. Construction loans showed the greatest rise during this interval, more than 600 percent, while reconditioning loans increased 121 percent and loans for home purchase were up 93 percent. [TABLES 6 and 7.]



MORTGAGE RECORDINGS—Up 24 percent during March

The upsurge in the volume of home financing activity continued at an accelerated rate during March when the recorded dollar amount of nonfarm mortgages of $20,000 and under reached another new high of $766 million. This represented an increase of 24 percent over the February volume and 77 percent above March a year ago.

Although the *number* of mortgages recorded advanced, this increase did not keep pace with the rising volume and there was a significant gain in *average size*. The average loan recorded in March was $3,911, a jump of more than $100 over February and over $550 higher than in March 1945.

Mortgage recordings by type of mortgagee

[Dollar amounts are shown in thousands]

Type of lender	Percent change from Feb. 1946	Percent of March 1946 amount	Cumulative recordings (3 months)	Percent of total recordings
Savings and loan associations	+27. 5	36. 2	$715, 449	35. 4
Insurance companies	+19. 1	4. 1	84, 118	4. 2
Banks, trust companies	+28. 2	23. 6	460, 672	22. 8
Mutual savings banks	+35. 8	4. 4	83, 288	4. 1
Individuals	+16. 0	21. 3	455, 064	22. 6
Others	+16. 3	10. 4	220, 262	10. 9
Total	+23. 8	100. 0	2, 018, 853	100. 0

All types of financing institutions, as well as individual lenders, gained in the upswing from the previous month. The $277 million total for savings and loan associations was 27 percent more than in February, and represented well over one-third of all recording activity.

Financing during the first quarter of 1946 exceeded $2 billion and was 79 percent greater than in the same three months last year. Savings and loan associations, banks and trust companies and mutual savings banks increased their share of total recordings with a corresponding decrease in the participation of insurance companies, individuals and others. [TABLES 8 and 9.]

BANK SYSTEM—Balance of advances dropped $12,000,000

Advances to member institutions by the Federal Home Loan Banks stood at $153 million at the end of March—down $12 million during the month, following the usual seasonal trend. The balance outstanding was more than twice the volume of a year ago and the highest for this month since 1942. Of the individual Banks, five reported larger net balances than at the end of February, with the remaining six accounting for the over-all decline.

The more than $14 million in new advances made to members during March represented an all-time high for this period of the year. The previous March peak occurred at the time of the Bank Holiday in 1933.

Repayments during the month aggregated $26 million, which also established a new record for March data. They were $3.6 million higher than in February and more than $5 million above the level of March 1945—the previous peak. The San Francisco District, with repayments of over $10.5 million accounted for more than 40 percent of the total. [TABLE 12.]

SHARE CAPITAL—Repurchase ratios continued above 1945 level

Net growth in the private share capital of all operating savings and loan associations amounted to almost $85 million during March. This compared with a $70 million net of new investments over withdrawals in the previous month and $78 million in March of last year.

New private share capital flowing into these institutions during March totaled more than $243

(*Continued on p. 246*)

Table 1.—**BUILDING ACTIVITY**—Estimated number of new family dwelling units provided in all urban areas in March 1946, by Federal Home Loan Bank District and by state

[Source: U. S. Department of Labor]

Federal Home Loan Bank District and state	Total urban residential construction			Private residential construction						Public residential construction		
				1- and 2-family dwellings			3- and more-family dwellings					
	Mar. 1946	Feb. 1946	Mar. 1945	Mar. 1946	Feb. 1946	Mar. 1945	Mar. 1946	Feb. 1946	Mar. 1945	Mar. 1946	Feb. 1946	Mar. 1945
UNITED STATES	52,625	32,936	8,059	44,429	25,864	7,249	5,538	2,639	718	2,658	4,433	72
Boston	2,074	1,044	67	1,907	529	55	20	4	12	147	511	
Connecticut	362	123	18	362	99	18					24	
Maine	86	6		45	2		9	4		32		
Massachusetts	1,400	825	47	1,274	338	35	11		12	115	487	
New Hampshire	42	7		42	7							
Rhode Island	150	82	2	150	82	2						
Vermont	34	1		34	1							
New York	4,117	1,796	85	3,175	1,069	82	225	141	3	717	586	
New Jersey	1,669	808	34	1,246	391	31	81	20	3	342	397	
New York	2,448	988	51	1,929	678	51	144	121		375	189	
Pittsburgh	2,721	1,398	53	2,174	748	34	262	211	19	285	439	
Delaware	74	51		74	11			40				
Pennsylvania	2,271	1,130	45	1,754	534	26	232	157	19	285	439	
West Virginia	376	217	8	346	203	8	30	14				
Winston-Salem	8,664	4,859	1,293	6,572	4,315	1,056	2,082	496	237	10	48	
Alabama	805	751	189	754	601	189	51	150				
District of Columbia	854	181	273	194	47	152	650	86	121	10	48	
Florida	3,089	1,498	344	1,872	1,264	288	1,217	234	56			
Georgia	897	627	117	894	623	117	3	4				
Maryland	775	538	99	770	538	99	5					
North Carolina	876	653	90	826	641	90	50	12				
South Carolina	215	199	13	193	189	13	22	10				
Virginia	1,153	412	168	1,069	412	108	84		60			
Cincinnati	3,921	2,464	401	3,359	2,222	347	362	216	54	200	26	
Kentucky	445	381	26	437	331	26	8	50				
Ohio	2,436	1,441	218	2,094	1,280	196	342	161	22			
Tennessee	1,040	642	157	828	611	125	12	5	32	200	26	
Indianapolis	3,887	2,212	274	3,802	2,142	250	85	70	24			
Indiana	1,177	569	165	1,142	528	141	35	41	24			
Michigan	2,710	1,643	109	2,660	1,614	109	50	29				
Chicago	3,415	2,088	1,026	3,001	1,263	972	306	43	54	108	782	
Illinois	2,472	1,838	977	2,190	1,029	931	282	27	46		782	
Wisconsin	943	250	49	811	234	41	24	16	8	108		
Des Moines	3,124	1,118	257	2,775	1,050	257	237	36		112	32	
Iowa	708	209	40	596	177	40				112	32	
Minnesota	1,306	265	162	1,185	261	162	121	4				
Missouri	871	585	33	755	566	33	116	19				
North Dakota	111	25	4	111	12	4		13				
South Dakota	128	34	18	128	34	18						
Little Rock	7,350	5,982	1,529	6,691	4,811	1,501	143	36	28	516	1,135	
Arkansas	229	242	66	217	242	66	12					
Louisiana	558	444	313	546	370	313	12	4			70	
Mississippi	485	347	126	481	339	126	4	8				
New Mexico	222	158	66	214	158	66	8					
Texas	5,856	4,791	958	5,233	3,702	930	107	24	28	516	1,065	
Topeka	2,295	1,973	452	2,144	1,436	430	131	122	22	20	415	
Colorado	681	435	291	552	403	269	109	32	22	20		
Kansas	458	449	31	454	433	31	5	16				
Nebraska	325	142	27	320	142	27	6					
Oklahoma	831	947	103	818	458	103	13	74			415	
San Francisco	11,057	8,002	2,602	8,829	6,279	2,265	1,685	1,264	265	543	459	72
Arizona	562	190	118	182	168	118	12	22		368		
California	7,585	5,868	1,878	5,892	4,402	1,709	1,518	1,007	97	175	459	72
Idaho	230	164	60	227	164	60	3					
Montana	184	59	38	184	54	38		5				
Nevada	92	100	21	83	75	21	9	25				
Oregon	730	645	106	661	548	106	69	97				
Utah	424	231	24	383	160	24	41	71				
Washington	1,174	718	319	1,163	684	175	21	34	144			
Wyoming	76	27	38	64	24	14	12	3	24			

Table 2.—**BUILDING ACTIVITY**—Estimated number and valuation of new family units started in all urban and nonfarm 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–March totals		Monthly totals			January–March totals	
	Mar. 1946	Feb. 1946	Mar. 1945	1946	1945	Mar. 1946	Feb. 1946	Mar. 1945	1946	1945
Nonfarm										
Total	81,500	r 47,063	13,200	168,572	29,400	$363,794	r $187,437	$38,306	$715,782	$84,198
Private construction	78,500	r 42,510	11,615	159,334	26,577	357,995	179,872	34,625	699,394	76,303
1-family dwellings	70,051	r 37,857	9,898	141,903	22,783	322,808	163,860	29,803	633,691	65,331
2-family dwellings [1]	2,751	1,889	949	6,035	1,592	11,953	6,969	2,594	24,144	4,301
3-and more family dwellings [2]	5,698	2,764	768	11,396	2,202	23,234	9,043	2,228	41,559	6,671
Public construction	3,000	r 4,553	1,585	9,238	2,823	5,799	r 7,565	3,681	16,388	7,895
Urban										
Total	52,625	r 32,936	8,039	113,164	19,253	256,868	r 139,218	26,351	518,096	60,537
Private construction	49,967	r 28,503	7,967	104,388	18,341	251,625	131,886	26,166	502,497	57,233
1-family dwellings	41,778	r 24,072	6,350	87,636	14,773	217,320	116,568	21,542	438,986	46,709
2-family dwellings [1]	2,651	1,792	899	5,752	1,480	11,605	6,659	2,496	23,211	4,082
3-and more family dwellings [2]	5,538	2,639	718	11,000	2,088	22,700	8,659	2,128	40,300	6,442
Public construction	2,658	r 4,433	72	8,776	912	5,243	r 7,332	185	15,599	3,304

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

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

[Average month of 1935–1939=100]

Federal Home Loan Bank District and city	1946		1945			1944	1943	1942	1941	1940
	Apr.	Jan.	Oct.	July	Apr.	Apr.	Apr.	Apr.	Apr.	Apr.
New York:										
Camden, N. J.	....	158.6	....	145.2	145.2	140.7	137.3	138.8	117.3	108.8
Newark, N. J.	....	171.4	....	161.9	161.9	157.1	156.1	137.0	114.7	106.6
Albany, N. Y.	161.1	159.7	157.4	151.6	151.4	140.4	130.4	123.2	119.4	103.3
Buffalo, N. Y.	151.6	149.6	149.2	147.1	149.4	140.0	130.8	125.4	112.0	103.8
Indianapolis: [1]										
Indianapolis, Ind.	142.7	141.7	141.6	140.5	139.5	134.2	121.6	118.2	104.8	99.0
Detroit, Mich.	160.7	156.3	153.4	153.6	152.9	149.6	128.8	123.3	108.7	102.0
Des Moines: [1]										
Des Moines, Iowa	122.7	121.5	121.4	120.8	120.8	118.4	116.1	115.2	106.0	102.6
St. Louis, Mo.	148.8	150.3	149.5	132.9	126.9	123.1	120.6	125.1	109.0	99.1
Fargo, N. D.	129.5	128.1	128.1	127.8	128.3	124.7	122.3	115.8	104.9	102.4
Sioux Falls, S. D.	135.9	133.8	133.1	133.0	131.9	127.7	126.2	119.4	108.3	101.5
San Francisco: [1]										
Phoenix, Ariz.	122.9	121.9	121.9	122.3	122.4	118.0	111.5	112.9	104.3	99.0
Los Angeles, Calif. [2]	161.4	153.7	153.7	151.9	151.4	148.2	132.9	120.3	102.7	95.3
San Francisco, Calif.	141.1	138.4	136.5	136.1	136.3	134.5	....	121.6	105.5	102.1
Boise, Idaho	138.9	138.9	138.9	138.9	138.1	136.8	126.4	126.2	112.4	106.2
Reno, Nev.	133.9	130.8	133.5	133.1	133.0	127.5	120.6	117.5	109.2	105.5
Portland, Oreg.	151.5	142.5	142.4	141.5	143.4	140.9	133.0	115.1	104.2	98.9
Salt Lake City, Utah	132.0	130.5	130.4	129.5	129.1	126.8	122.8	119.6	106.2	102.8
Seattle, Wash.	137.9	135.7	135.3	139.6	138.9	133.7	126.6	123.8	110.6	103.6

[1] Indexes from April 1941 through January 1946 are based on retail material prices collected by the Bureau of Labor Statistics.
[2] BLS figures are confined to April 1945 through January 1946.

This index is designed to measure the changes in prices of construction materials and average hourly earnings for building workers, weighted to reflect variations in the cost of constructing a standard house. It provides a basis for the study of cost trends within an individual community or in different cities.

Material costs are based on prices for a limited bill of the more important items. Current prices are furnished by the BLS and are based on information from a group of dealers in each city who report on prices for material delivered to job site, in average quantities, for residential construction. Because of wartime conditions, some of the regular items are not available at times and, therefore, substitutions must be made of similar products which are being sold.

Labor costs are based on prevailing rates for residential construction and reflect total earnings, including overtime and bonus pay. Either union or nonunion rates are used according to which prevails in the majority of cases within the community.

Figures presented in this table include all revisions up to the present time. Revisions are unavoidable, however, as more complete information is obtained.

Cities in FHLB Districts of New York, Indianapolis, Des Moines and San Francisco report in January, April, July and October; those in the Pittsburgh, Cincinnati and Little Rock Districts in February, May, August and November; and those in the Boston, Winston-Salem, Chicago and Topeka Districts in March, June, September and December. These reports are published in the subsequent month's issue of the REVIEW.

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

[Average month of 1935-1939=100]

Element of cost	Mar. 1946	Feb. 1946	Jan. 1946	Dec. 1945	Nov. 1945	Oct. 1945	Sept. 1945	Aug. 1945	July 1945	June 1945	May 1945	Apr. 1945	Mar. 1945
Material	137.2	136.4	135.5	135.2	135.0	134.6	134.1	133.9	133.8	133.5	133.4	133.2	133.1
Labor	148.8	148.3	147.8	147.3	147.1	146.1	145.0	144.4	144.0	143.9	143.8	143.8	143.8
Total	141.0	140.4	139.6	139.2	139.0	138.4	138.0	137.4	137.2	137.0	136.8	136.8	136.7

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

[Source: U. S. Department of Labor]

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

Period	All building materials	Brick and tile	Cement	Lumber	Paint and paint materials	Plumbing and heating	Structural steel	Other
1944: March	127.5	110.4	102.7	167.8	128.4	120.6	103.5	111.2
1945: March	130.8	121.8	109.1	171.3	130.7	121.4	103.5	112.3
April	130.8	121.7	109.1	171.4	130.7	121.4	103.5	112.3
May	131.0	121.8	109.1	171.9	130.8	121.4	103.5	112.6
June	131.1	122.1	109.1	172.5	130.7	121.7	103.5	112.8
July	131.2	122.9	109.1	172.7	130.4	121.7	103.5	112.8
August	131.5	122.8	109.1	172.9	131.9	122.7	103.5	112.8
September	131.8	123.7	109.3	172.6	132.3	124.8	103.5	113.0
October	132.1	126.8	109.6	172.8	132.3	124.8	103.5	113.1
November	132.5	128.4	109.9	173.2	132.4	124.8	103.5	114.0
December	133.4	128.4	110.3	175.7	132.5	124.8	103.5	114.5
1946: January	134.0	128.7	110.0	176.5	132.5	124.8	103.5	115.3
February	135.0	128.7	111.4	178.3	132.5	124.9	109.7	115.9
March	139.5	129.2	112.3	186.6	132.5	129.4	109.7	115.9
Percent change:								
March 1946–February 1946	+3.3	+0.4	+0.8	+4.7	0.0	0.0	0.0	0.0
March 1946–March 1945	+6.7	+6.1	+2.9	+8.9	+1.4	+2.9	+6.0	+3.2

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
1944	$95,243	$1,064,017	$163,813	$30,751	$100,228	$1,454,052	$669,433	$648,670	$135,949
January–March	28,194	202,984	36,353	5,747	21,994	295,272	135,103	130,281	29,888
March	9,127	81,846	14,422	2,266	8,469	116,130	53,883	50,686	11,561
1945	180,550	1,357,555	196,011	40,736	137,826	1,912,678	911,671	836,874	164,133
January–March	14,259	259,942	40,613	6,421	28,556	349,791	165,769	153,715	30,307
March	7,406	105,307	15,922	2,559	10,287	141,481	69,430	60,688	11,363
April	9,541	113,684	16,800	2,951	10,778	153,754	71,375	67,955	14,424
May	13,032	120,244	15,887	3,396	10,520	163,079	75,607	71,921	15,551
June	17,567	116,798	17,147	3,364	12,435	167,311	79,603	74,219	13,489
July	17,658	112,761	15,622	3,351	11,007	160,399	76,355	70,264	13,780
August	20,730	120,557	17,146	3,971	11,259	173,663	82,197	75,644	15,822
September	16,375	113,103	16,786	3,980	12,189	162,433	77,321	70,642	14,470
October	23,985	135,224	18,751	4,857	13,562	196,379	95,815	84,819	15,745
November	24,481	135,685	19,411	4,487	14,095	198,159	96,709	85,804	15,646
December	22,922	129,557	17,848	3,958	13,425	187,710	90,920	81,891	14,899
1946									
January–March	107,064	502,556	65,417	14,218	53,269	742,524	377,033	313,353	52,138
January	30,807	145,342	21,372	3,803	15,518	216,842	109,146	92,103	15,593
February	30,866	154,219	19,801	4,217	16,416	225,519	111,927	97,305	16,287
March	45,391	202,995	24,244	6,198	21,335	300,163	155,960	123,945	20,258

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

[Dollar amounts are shown in thousands]

Federal Home Loan Bank District and class of association	New loans			Cumulative new loans (3 months)		
	March 1946	February 1946	March 1945	1946	1945	Percent change
UNITED STATES	$300,163	$225,519	$141,481	$742,524	$349,791	+112.3
Federal	155,960	111,927	69,430	377,033	165,769	+127.4
State member	123,945	97,305	60,688	313,353	153,715	+103.9
Nonmember	20,258	16,287	11,363	52,138	30,307	+72.0
Boston	17,160	12,038	7,541	41,201	20,268	+103.3
Federal	8,308	5,427	3,742	19,336	8,688	+122.6
State member	7,558	5,269	3,059	18,044	9,491	+90.1
Nonmember	1,294	1,342	740	3,821	2,089	+82.9
New York	27,190	19,436	12,741	67,199	31,069	+116.3
Federal	10,989	7,418	4,385	26,229	10,580	+147.9
State member	12,298	9,165	6,241	30,897	15,238	+102.8
Nonmember	3,903	2,853	2,115	10,073	5,251	+91.8
Pittsburgh	23,463	16,113	11,198	56,441	28,110	+100.8
Federal	12,214	8,073	5,395	29,001	13,198	+119.7
State member	7,245	4,910	3,661	17,225	9,882	+74.3
Nodmember	4,004	3,130	2,142	10,215	5,030	+103.1
Winston-Salem	39,390	33,005	17,097	104,209	44,638	+133.5
Federal	22,768	18,383	9,577	57,915	24,217	+139.2
State member	14,458	12,371	6,656	39,337	18,000	+118.5
Nonmember	2,164	2,251	864	6,957	2,421	+187.4
Cincinnati	50,637	36,886	24,140	121,191	55,789	+117.2
Federal	23,581	16,014	11,273	55,325	24,290	+127.8
State member	24,792	19,301	11,465	60,633	27,757	+118.4
Nonmember	2,264	1,571	1,402	5,233	3,742	+39.8
Indianapolis	18,388	14,430	7,517	45,085	20,111	+124.2
Federal	10,731	7,815	3,961	25,314	10,308	+145.6
State member	7,235	6,171	3,323	18,477	8,812	+109.7
Nonmember	422	444	233	1,294	991	+30.6
Chicago	31,312	22,940	17,176	76,041	38,937	+95.3
Federal	13,692	9,831	7,437	33,399	16,283	+105.1
State member	15,737	11,894	8,635	38,602	19,427	+98.7
Nonmember	1,883	1,215	1,104	4,040	3,227	+25.2
Des Moines	17,737	14,237	8,915	44,550	21,124	+110.9
Federal	9,577	7,912	4,561	24,034	10,172	+136.3
State member	6,297	4,449	3,139	15,528	7,793	+99.3
Nonmember	1,863	1,876	1,215	4,988	3,159	+57.9
Little Rock	15,477	13,029	7,448	40,762	19,641	+107.5
Federal	7,882	6,673	3,647	20,962	9,713	+115.8
State member	7,494	6,195	3,717	19,450	9,678	+101.0
Nodmember	101	161	84	350	250	+40.0
Topeka	16,981	12,471	7,645	41,519	20,069	+106.9
Federal	9,672	7,174	4,087	23,984	10,703	+124.1
State member	5,185	4,036	2,314	13,076	5,936	+120.3
Nonmember	2,124	1,261	1,244	4,459	3,430	+30.0
San Francisco	42,428	30,934	20,063	104,326	50,035	+108.5
Federal	26,546	17,207	11,365	61,534	27,617	+122.8
State member	15,646	13,544	8,478	42,084	21,701	+93.9
Nonmember	236	183	220	708	717	−1.3

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

MARCH 1946

[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	$277,408	$31,083	$180,656	$33,914	$162,986	$79,926	$765,973
Boston	18,172	585	7,128	16,211	7,227	3,070	52,393
Connecticut	2,428	406	2,942	3,498	2,362	1,060	12,696
Maine	772	21	414	962	578	55	2,802
Massachusetts	12,744	139	2,734	9,810	3,163	1,405	29,995
New Hampshire	569	19	240	912	341	29	2,110
Rhode Island	1,387		664	533	549	513	3,646
Vermont	272		134	496	234	8	1,144
New York	20,277	2,025	14,130	13,713	21,473	7,814	79,432
New Jersey	4,575	822	4,705	893	5,013	2,502	18,510
New York	15,702	1,203	9,425	12,820	16,460	5,312	60,922
Pittsburgh	19,994	2,230	18,909	847	10,094	4,360	56,434
Delaware	324	165	320	144	421	127	1,501
Pennsylvania	18,072	1,682	15,704	703	8,900	4,003	49,064
West Virginia	1,598	383	2,885		773	230	5,869
Winston-Salem	24,706	3,518	9,792	330	21,924	4,633	64,903
Alabama	1,119	405	820		1,472	518	4,334
District of Columbia	4,486	489	841		2,646	713	9,175
Florida	4,023	993	1,473		8,167	1,172	15,828
Georgia	2,406	221	1,385		1,322	516	5,850
Maryland	6,852	219	2,153	330	2,487	167	12,208
North Carolina	2,301	557	820		1,616	570	5,864
South Carolina	502	208	591		787	291	2,379
Virginia	3,017	426	1,709		3,427	686	9,265
Cincinnati	59,823	4,113	24,589	1,113	9,631	8,324	107,593
Kentucky	4,911	547	1,922		573	269	8,222
Ohio	53,308	2,531	20,026	1,113	8,323	2,826	88,127
Tennessee	1,604	1,035	2,641		735	5,229	11,244
Indianapolis	19,539	2,941	18,569	32	5,118	2,880	49,078
Indiana	2,219	1,363	7,340	32	1,763	1,196	23,913
Michigan	7,320	1,578	11,228		3,355	1,684	25,165
Chicago	33,531	1,869	13,554	48	11,403	12,534	72,939
Illinois	27,062	1,439	7,225		7,203	11,161	54,090
Wisconsin	6,469	430	6,329	48	4,200	1,373	18,849
Des Moines	15,523	2,644	13,872	577	7,926	6,804	47,346
Iowa	4,667	399	4,300		1,708	518	11,592
Minnesota	5,848	771	3,950	577	1,945	2,370	15,461
Missouri	4,138	1,394	5,096		3,914	3,879	18,421
North Dakota	594	42	251		135	22	1,044
South Dakota	276	38	275		224	15	828
Little Rock	13,797	4,288	4,298		11,836	4,729	38,948
Arkansas	1,346	223	728		825	97	3,219
Louisiana	3,599	356	283		2,580	774	7,592
Mississippi	828	211	520		771	206	2,536
New Mexico	292	6	102		445	13	858
Texas	7,732	3,492	2,665		7,215	3,639	24,743
Topeka	15,129	1,483	5,725		8,925	3,542	34,804
Colorado	2,478	196	1,396		4,371	901	9,342
Kansas	4,805	325	1,306		1,319	967	9,722
Nebraska	1,678	490	579		607	186	3,540
Oklahoma	6,168	472	1,444		2,628	1,488	12,200
San Francisco	36,917	5,387	50,091	1,043	47,429	21,236	162,103
Arizona	1,898	112	827		2,426	102	5,365
California	23,944	4,134	39,179		37,713	16,908	121,878
Idaho	853	48	251		724	165	2,041
Montana	739	22	409		708	46	1,924
Nevada	266	27	202		592	25	1,112
Oregon	2,480	348	1,862	146	2,297	1,069	8,202
Utah	834	264	965		474	149	2,686
Washington	5,435	406	6,013	897	2,071	2,710	17,532
Wyoming	468	26	383		424	62	1,363

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
1945	$2,009,707	35.7	$244,432	4.4	$1,091,021	19.4	$216,982	3.9	$1,402,103	24.9	$658,945	11.7	$5,623,190	100.0
January-March	374,017	33.2	54,585	4.8	209,042	18.6	36,442	3.2	307,419	27.3	145,107	12.9	1,126,612	100.0
March	151,361	34.9	20,669	4.8	80,000	18.5	13,599	3.1	114,971	26.5	52,737	12.2	433,337	100.0
April	157,181	34.5	19,718	4.3	88,749	19.5	15,680	3.4	118,713	26.1	55,749	12.2	455,790	100.0
May	172,421	35.4	21,459	4.4	91,023	18.7	18,981	3.9	125,849	25.8	57,702	11.8	487,435	100.0
June	176,051	36.1	21,801	4.5	91,336	18.8	18,572	3.8	121,800	25.0	57,481	11.8	487,041	100.0
July	169,784	36.2	20,173	4.3	90,199	19.2	18,062	3.9	116,964	24.9	54,087	11.5	469,269	100.0
August	181,156	37.0	20,359	4.2	93,358	19.1	18,488	3.8	120,015	24.5	56,013	11.4	489,389	100.0
September	172,551	37.2	18,935	4.1	91,661	19.7	18,472	4.0	111,384	24.0	51,154	11.0	464,157	100.0
October	207,006	37.2	22,229	4.0	110,429	19.9	23,711	4.3	131,590	23.7	60,928	10.9	555,893	100.0
November	205,100	36.6	23,061	4.1	114,636	20.5	23,310	4.1	130,986	23.4	63,087	11.3	560,180	100.0
December	194,440	36.9	22,112	4.2	110,588	21.0	25,264	4.8	117,383	22.2	57,637	10.9	527,424	100.0
1946														
January-March	715,449	35.4	84,118	4.2	460,672	22.8	83,288	4.1	455,064	22.6	220,262	10.9	2,018,853	100.0
January	220,420	34.8	26,936	4.2	139,126	21.9	24,401	3.9	151,601	23.9	71,633	11.3	634,117	100.0
February	217,621	35.2	26,099	4.2	140,890	22.8	24,973	4.0	140,477	22.7	68,703	11.1	618,763	100.0
March	277,408	36.2	31,083	4.1	180,656	23.6	33,914	4.4	162,986	21.3	79,926	10.4	765,973	100.0

Table 10.—SAVINGS—Sales of U. S. bonds [1]

[Thousands of dollars]

Period	Series E	Series F	Series G	Total	Redemptions
1944	$12,379,891	$772,767	$2,891,427	$16,044,085	$3,263,168
1945	9,822,065	595,153	2,519,749	12,936,967	5,332,496
March	712,133	26,487	150,456	889,076	437,892
April	684,424	23,112	130,100	837,636	381,198
May	1,194,712	62,940	282,437	1,540,089	404,209
June	1,467,673	178,003	532,379	2,178,055	382,536
July	1,031,778	47,409	215,288	1,294,475	406,103
August	571,286	21,629	106,825	699,740	515,161
September	420,058	17,760	76,296	514,114	514,382
October	509,706	7,922	106,842	624,470	595,663
November	865,022	53,839	264,760	1,183,621	510,675
December	908,232	83,323	261,966	1,253,521	534,151
1946					
January	640,862	40,342	278,356	959,560	587,395
February	366,977	30,277	225,150	622,404	536,703
March	371,274	27,116	227,981	626,371	603,688

[1] U. S. Savings Bonds Division. Actual deposits made to the credit of the U. S. Treasury.

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

[Premium paying; thousands of dollars]

Period	Title II [2]		Title VI (603)	Total insured at end of period
	New	Existing		
1945: March	$37	$16,480	$29,886	$6,174,205
April	63	14,813	26,885	6,215,966
May	80	22,272	23,707	6,262,025
June	374	18,841	20,413	6,301,653
July	347	18,207	19,056	6,339,263
August	666	17,286	14,992	6,372,207
September	968	15,165	12,634	6,400,974
October	1,228	18,606	15,253	6,436,061
November	1,777	18,887	10,779	6,467,504
December	1,965	18,051	11,383	6,498,903
1946: January	3,095	24,275	11,293	6,537,566
February	3,728	20,005	7,508	6,568,807
March	3,757	24,348	6,273	6,603,185

[1] Figures represent gross insurance written during the period and do not take account of principal repayments on previously insured loans.
[2] Figures since January 1946 are estimated.

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

[Thousands of dollars]

Federal Home Loan Bank	Lending operations, March 1946		Principal assets, March 31, 1946			Capital and principal liabilities, March 31, 1946			Total assets, March 31, 1946 [1]
	Advances	Repayments	Advances outstanding	Cash [1]	Government securities	Capital [2]	Debentures	Member deposits	
Boston	$622	$1,069	$11,314	$1,853	$11,325	$20,584	$2,000	$938	$24,534
New York	913	4,001	8,186	1,955	33,606	28,988	3,000	11,865	43,871
Pittsburgh	2,001	1,008	15,364	2,310	8,023	17,697	6,000	2,033	25,765
Winston-Salem	1,642	2,387	15,544	2,338	4,123	19,405	2,500	149	22,069
Cincinnati	1,641	1,290	16,455	2,329	27,691	28,905	5,000	12,586	46,626
Indianapolis	1,379	520	10,454	1,420	12,925	15,531	4,000	5,277	24,837
Chicago	1,504	1,592	30,665	2,620	8,392	24,678	12,500	4,507	41,757
Des Moines	649	2,616	10,316	767	13,321	14,891	8,500	1,026	24,462
Little Rock	1,242	797	6,627	810	7,624	12,980	1,000	123	15,108
Topeka	498	225	3,436	510	8,550	11,127	1,000	398	12,529
San Francisco	2,237	10,655	24,871	3,352	30,098	26,974	23,000	8,350	58,440
March 1946 (Combined total)	14,368	26,160	153,232	20,264	165,678	221,850	68,500	47,252	339,998
February 1946	13,703	22,573	165,023	19,688	149,595	220,527	68,500	45,254	336,105
March 1945	2,770	20,882	61,059	24,740	233,377	209,547	50,000	60,742	320,469

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

Table 13.—**INSURED ASSOCIATIONS**—Progress of institutions insured by the FSLIC

[Dollar amounts are shown in thousands]

Period and class of association	Number of associations	Total assets	Net first mortgages held	Cash	Government bond holdings	Private repurchasable capital	Government share capital	Federal Home Loan Bank advances	Operations: New mortgage loans	Operations: New private investments	Operations: Private repurchases	Operations: Repurchase ratio
ALL INSURED												
1943: March	2,415	$3,690,918	$2,868,410	$260,749	$241,818	$3,105,080	$120,138	$66,970	$61,139	$83,403	$48,955	58.7
December	2,447	4,182,728	3,009,025	302,556	581,651	3,573,896	69,693	100,340	70,973	118,496	37,885	32.0
1944: March	2,452	4,327,868	3,035,201	228,303	788,854	3,710,356	50,868	90,103	87,163	104,494	56,693.	54.3
June	2,461	4,583,568	3,117,585	239,936	954,934	3,922,705	50,832	118,743	105,245	127,945	46,560	36.4
September	2,460	4,713,875	3,202,359	256,250	997,983	4,092,609	37,721	86,840	101,658	122,016	56,102	46.0
December	2,466	5,012,662	3,259,819	269,701	1,227,451	4,333,739	37,701	123,466	83,408	142,291	45,985	32.3
1945: March	2,465	5,136,903	3,300,601	327,151	1,262,429	4,538,426	28,781	54,365	110,287	138,709	71,488	51.5
June	2,471	5,549,563	3,433,871	282,911	1,585,708	4,786,912	28,751	124,936	126,824	163,156	56,279	34.5
September	2,476	5,725,962	3,572,964	303,195	1,607,844	4,981,869	23,367	92,618	122,098	146,290	77,855	53.2
December	2,475	6,148,230	3,763,128	307,712	1,839,008	5,219,910	23,366	185,210	144,664	180,352	71,777	39.8
1946: March	2,485	6,359,998	4,051,583	279,543	1,792,418	5,432,080	19,373	144,111	238,268	198,176	129,573	65.4
FEDERAL												
1943: March	1,467	2,300,638	1,839,302	156,792	146,537	1,953,846	96,109	46,820	37,850	54,824	30,238	55.2
December	1,466	2,617,431	1,915,771	183,038	373,325	2,257,002	55,021	74,780	43,647	76,677	21,569	28.1
1944: March	1,466	2,709,897	1,927,122	135,664	509,170	2,346,042	39,957	63,892	53,883	68,276	36,182	53.0
June	1,465	2,881,276	1,972,881	48,913	620,016	2,488,785	39,948	84,602	64,474	83,856	25,969	31.0
September	1,464	2,961,860	2,024,635	151,862	652,085	2,599,565	29,562	60,877	63,489	79,126	35,570	45.0
December	1,464	3,168,731	2,058,045	166,764	810,013	2,760,927	29,647	90,257	51,586	93,400	26,049	27.9
1945: March	1,465	3,237,942	2,081,813	192,904	832,311	2,895,120	22,616	37,109	69,430	91,627	46,574	50.8
June	1,465	3,528,027	2,164,653	178,377	1,052,668	3,058,683	22,616	97,940	79,603	106,770	33,601	31.5
September	1,467	3,632,197	2,255,283	178,411	1,067,837	3,182,465	18,058	71,252	77,321	96,180	51,428	53.5
December	1,467	3,923,501	2,382,101	194,678	1,213,609	3,348,567	18,058	137,839	90,920	120,195	44,352	36.9
1946: March	1,469	4,050,719	2,571,919	169,884	1,175,285	3,481,382	14,539	109,213	155,960	132,145	86,471	65.4
STATE												
1943: March	948	1,390,280	1,029,108	103,957	95,281	1,151,234	24,029	20,150	23,289	28,579	18,717	65.5
December	981	1,565,297	1,093,254	119,518	208,326	1,316,894	14,672	25,560	27,326	41,819	16,316	39.0
1944: March	986	1,617,971	1,108,079	92,639	279,684	1,364,314	10,911	26,211	33,280	36,218	20,511	56.6
June	996	1,702,292	1,144,704	91,023	334,918	1,433,920	10,884	34,141	40,771	44,089	20,591	46.7
September	996	1,752,015	1,177,724	104,388	345,898	1,493,044	8,159	25,963	38,169	42,890	20,532	47.9
December	1,002	1,843,931	1,201,774	102,937	417,438	1,572,812	8,054	33,209	31,822	48,891	19,936	40.8
1945: March	1,000	1,898,961	1,218,788	134,247	430,118	1,643,306	6,165	17,256	40,857	47,082	24,914	52.9
June	1,006	2,021,536	1,269,218	104,534	533,010	1,728,229	6,135	26,996	47,221	56,386	22,678	40.2
September	1,009	2,093,765	1,317,681	124,784	540,007	1,799,404	5,309	21,366	44,777	50,110	26,427	52.7
December	1,008	2,224,729	1,381,027	113,034	625,399	1,871,343	5,308	47,371	53,744	60,157	27,425	45.6
1946: March	1,016	2,309,279	1,479,664	109,659	617,133	1,950,698	4,834	34,898	82,308	66,031	43,102	65.3

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

[Thousands of dollars]

End of period	Insured savings and loans [1]	Mutual savings banks [2]	Insured commercial banks [3]	Postal savings [4]
1943: March	$3,105,080			$1,305,427
June	3,270,834	$11,104,707	$16,897,124	1,577,526
September	2,834,079			1,357,718
December	3,573,896	11,707,025	18,572,406	1,787,994
1944: March	3,710,356			1,905,864
June	3,922,705	12,428,026	20,543,888	2,034,136
September	4,092,609			2,197,701
December	4,333,739	13,331,811	23,362,909	2,342,297
1945: March	4,538,426			2,513,197
June	4,786,912	14,378,413	[r] 26,363,106	2,659,575
September	4,981,869			2,836,097
December	5,219,910	15,332,202	29,295,108	2,933,189
1946: March	5,432,080			3,043,000

[1] Private repurchasable capital as reported to the FHLB Administration.
[2] *Month's Work*. All deposits.
[3] FDIC. Total time deposits of individuals, partnerships and corporations.
[4] Balance on deposit to credit of depositors, including unclaimed accounts. March total is unaudited.
[r] Revised.

Table 15.—**FORECLOSURES**—Estimated nonfarm real estate foreclosures, by Federal Home Loan Bank District

Federal Home Loan Bank District	Foreclosures: Mar. 1946	Foreclosures: Feb. 1946	Foreclosures: Jan. 1946	Cumulative (3 months): 1946	Cumulative (3 months): 1945	Percent change
UNITED STATES	1,101	914	1,102	3,117	3,924	−20.6
Boston	73	68	79	220	437	−49.7
New York	269	219	246	734	938	−21.7
Pittsburgh	230	170	261	661	693	−4.6
Winston-Salem	140	112	123	375	374	+0.3
Cincinnati	89	73	110	272	415	−34.5
Indianapolis	29	21	34	84	223	−62.3
Chicago	46	49	34	129	139	−7.2
Des Moines	45	40	39	124	159	−22.0
Little Rock	26	31	12	69	153	−54.9
Topeka	84	58	110	252	226	+11.5
San Francisco	70	73	54	197	167	+18.0

Share Capital

(*Continued from p. 239*)

million—42 percent higher than in the same 1945 period. Repurchases, amounting to approximately $159 million, were substantially higher (71 percent) than a year ago. This difference in the rate of increase in repurchases and new investments was reflected in higher repurchase ratios. Continuing the trend, the repurchase ratio for all operating savings and loan associations during March was 65.2 compared with 54.4 in March 1945.

In the first quarter of this year the net new investments added to the accounts of all savings and loan associations amounted to almost $245 million as against $233 million in the first quarter of last year. The repurchase ratio for the January-March period for all associations was 69.3 during 1946 compared with 58.7 during 1945.

Share investments and repurchases, March 1946

[Dollar amounts are shown in thousands]

Item and period	All associations	All insured associations	Uninsured members	Nonmembers
Share investments:				
1st 3 mos. 1946	$798, 793	$664, 342	$85, 188	$49, 263
1st 3 mos. 1945	563, 553	459, 555	64, 668	39, 330
Percent change	+42	+45	+32	+25
March 1946	243, 363	198, 176	27, 966	17, 221
March 1945	170, 887	138, 709	20, 319	11, 859
Percent change	+42	+43	+38	+45
Repurchases:				
1st 3 mos. 1946	$553, 902	$457, 209	$58, 316	$38, 377
1st 3 mos. 1945	330, 580	258, 520	41, 935	30, 125
Percent change	+68	+77	+39	+27
March 1946	158, 627	129, 573	18, 784	10, 270
March 1945	93, 035	71, 488	12, 820	8, 727
Percent change	+71	+81	+47	+18
Repurchase ratio: (percent)				
1st 3 mos. 1946	69. 3	68. 8	68. 5	77. 9
1st 3 mos. 1945	58. 7	56. 3	64. 8	76. 6
March 1946	65. 2	65. 4	67. 2	59. 6
March 1945	54. 4	51. 5	63. 1	73. 6

INSURED ASSOCIATIONS—Total assets increased $85 million

The assets of all associations insured by the FSLIC increased well over 1 percent during March and approached $6.4 billion. The $85 million rise included that from the net gain of 4 insured associations, which now total 2,485. Over-all assets of all insured associations have risen almost 24 percent since the end of March 1945 when there were 2,465 insured associations. New mortgage lending during the month totaled $238,300,000 for all insured associations, of which $156,000,000, or about 65 percent, was made by Federals and $82,300,000, or nearly 35 percent, by state chartered associations. New investments of $198,200,000 and repurchases amounting to $129,600,000 were reported by insured associations in March. [TABLE 13.]

Federal associations

Assets of the 1,469 Federal associations aggregated $4.1 billion at the end of March. This represented more than a 25-percent advance over the amount reported during the same month last year and over 1 percent more than the February volume. Net first mortgages outstanding at the end of March, $2.6 billion, comprised 64 percent of total assets.

Progress in number and assets of Federals

[Dollar amounts are shown in thousands]

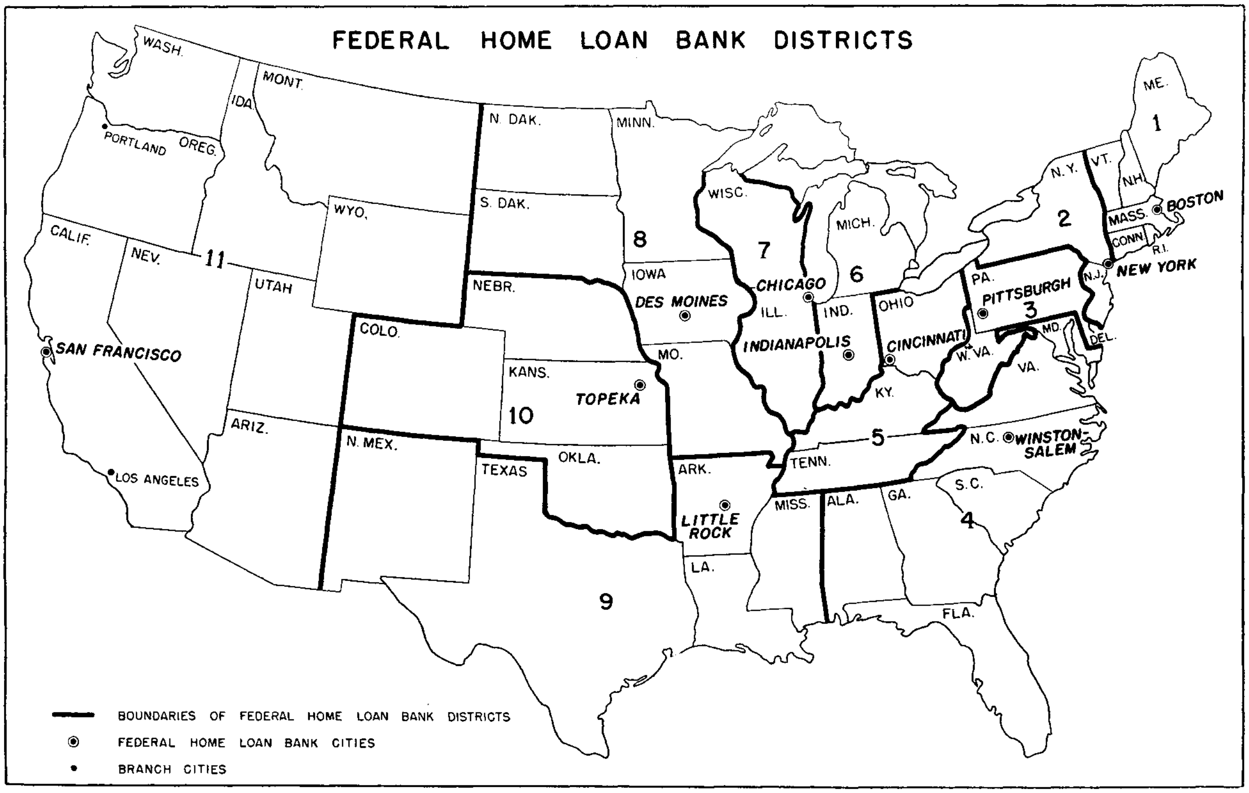
Class of association	Number		Approximate assets	
	March 31, 1946	Feb. 28, 1946	March 31, 1946	Feb. 28 1946
New	632	631	$1, 403, 573	$1, 387, 266
Converted	837	837	2, 647, 146	2, 612, 571
Total	1, 469	1, 468	4, 050, 719	3, 999, 837

FORECLOSURES—First quarter actions 21 percent below last year

Nonfarm foreclosures averaged slightly more than 1,000 cases per month during the first quarter. The estimated total of 3,117 was 6 percent below the preceding quarter and one-fifth less than the same 1945 period.

On a seasonally adjusted basis, the activity in the three months ending in March was about 8 percent of the average for the 1935-1939 base period. The February index was the lowest for any month in this series.

Geographically, declines from the preceding quarter were registered in 8 of the 11 Bank Districts. The Winston-Salem, Indianapolis and Topeka areas reported more foreclosures than in the fourth quarter of 1945. [TABLE 15.]



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