FEDERAL HOME LOAN BANK

REVIEW

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NATIONAL HOUSING AGENCY

Wilson W. Wyatt, Administrator

FEDERAL HOME LOAN BANK ADMINISTRATION

John H. Fahey, Commissioner

Contents

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APPROVED BY THE BUREAU OF THE BUDGET

The REVIEW in Brief

Financial requirements of the Veterans' Emergency Housing Program

NHA estimates indicate that more than $16 billion will be required to finance the VEHP—$13.8 billion for permanent lending, and $2.5 billion for constructions loans in 1946 and 1947, plus additional funds to cover construction to be completed in 1948. Non-program demands are expected to total about $13 billion.

Almost half of this total may be realized by repayments of the outstanding mortgage debt. An unprecedented two-year rise of $15.2 billion is expected in the residential mortgage debt. From roughly $26 billion at the end of 1945, the net increase may bring the total to $31.4 billion at the close of 1946 and $41.2 billion by the end of 1947.

The potential resources of the home financing industry indicate adequate capacity to meet these requirements through three major channels: individual savings invested in mortgage lending institutions; liquid assets currently held and potential direct investments by individuals; and secondary credit facilities of the FHLB System. [*Page 285.*]

The trend of member association assets during the war

Assets of savings and loan members of the FHLB System increased almost 60 percent during the war and stood at nearly $7.7 billion at last year-end; net additions to savings accounts totaled $2.8 billion. Almost half of both of these gains occurred in 1945. The average size of member associations went above the $2-million mark.

A most significant shift in asset structure was the addition of $2 billion to Government bond holdings which at the close of last year equaled more than one-fourth of total assets. In four years, mortgage loans outstanding rose $900 million, but repayments within 3 percent of the 1941–1945 average balance outstanding indicated a nearly complete turnover in this portfolio.

Government investments were substantially reduced; total borrowed money rose $86 million. Reserves and undivided profits went up 63 percent which maintained the prewar reserve ratio. [*Page 289.*]

Who holds the backlog of savings?

Although wartime savings of the American public reached an unprecedented volume—$130 billion by the end of 1945—over half are owned by only 10 percent of the population, while a quarter of the people hold no liquid assets at all. The majority of spending units have no checking or savings accounts but nearly two out of three own some savings bonds. This concentration of personal savings is bound to have significant repercussions on postwar spending patterns. [*Page 295.*]

Thrift and mortgage financing operations of banks

In general, 1945 accentuated wartime trends in insured commercial and mutual savings banks. Assets, Government bond holdings and private savings soared to new highs. However, a slight decline was noted in the rate of savings in the last half of last year.

Residential mortgage loan portfolios of insured commercials increased for the first time since 1942, while mutual savings banks showed their smallest wartime decline in this respect. Real estate owned by both types of banks again dropped sharply. [*Page 298.*]

May highlights

NHA estimates of VEHP progress through May 31 indicate 406,000 units actually under way. This is 34 percent of 1946 goal. Conventional construction accounted for two out of every three units, with conversion of existing dwellings and re-use of war housing making up most of the balance.

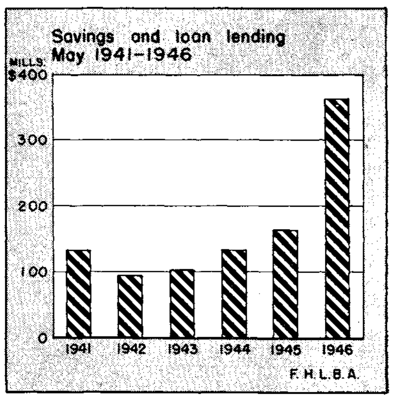
Construction costs continued to increase, with a 1-percent gain registered by both the FHLBA standard house index and the BLS series for wholesale building materials. Gains during past few months have been at an accelerated rate.

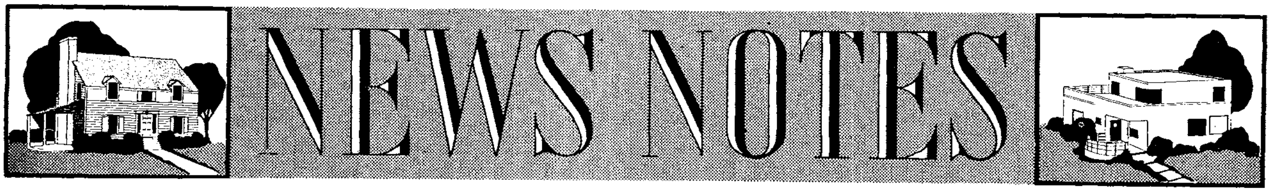
Net inflow of private savings into all savings and loan associations amounted to $100 million—the largest for any month in 1946. Repurchase ratios continued to be about 10 points above last year's levels.

New mortgage lending by these institutions totaled $360 million, bringing the 1946 aggregate to almost $1.5 billion. **Lending during the past three months—March, April and May—has been at an annual clip of better than $4 billion.** May loans for new construction were nearly half again as great as the prewar high.

Total mortgages of $20,000 or less recorded by all lenders were approaching the rate of $1 billion a month; May total, $964 million.

Termination of labor-management difficulties during May and early June brought peace and relative quiet to the production scene for the first time in several months. The Federal Reserve industrial production index went down 5 points during May, but **June output was probably the best so far this year.**





Building materials bottlenecks attacked

Bottlenecks in the lumber and steel industries were the targets of two recent CPA moves. Action in these cases is expected to increase construction lumber reserves by 4 billion feet, hardwood flooring by 270 million feet annually, and to counteract the effects of recent work stoppages in steel and coal.

In amending PR 33, the CPA extended Government control to the production of *all* sawmills and increased the amount of each mill's and distributor's reserves. In addition, it raised the quantities of construction and hardwood flooring lumber which distributors and manufacturers can receive, and changed the kinds of orders for which lumber, millwork and hardwood flooring can be sold.

The second action which will apply to the third quarter of 1946 established an emergency distribution system for steel. This new plan provides for certified orders to be given preference in production and shipments by steel mills and warehouses. These orders, certain of which may be self-certified while others require CPA authorization, are to insure that the steel will be used in the manufacture of specified critical items. Housing products which may be self-certified are: pressed steel bathtubs; sinks and lavatories; warm air and floor furnaces; furnace pipe, fittings and duct work; and steel registers and grills.

FHA loans on existing properties continued

Under the authority of an Act of Congress signed by the President on July 1, the Federal Housing Administration will be able to continue insuring mortgages on existing homes.

Public Law 480 amends Section 203 (a) of the National Housing Act by removing both the termination date and the limitation of insurance on existing homes to 35 percent of all insurance.

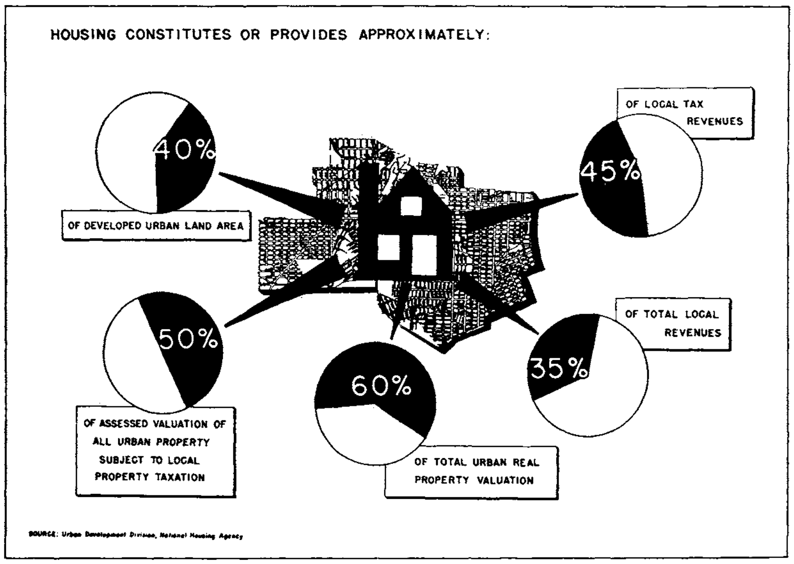
In commenting on the new Act, the FHA Administrator stated that this year the volume of FHA mortgage insurance on existing homes has been larger than ever before.

Home research center established

Plans for a new home research center to help solve building problems have been approved by the board of trustees of the University of Illinois. Covering a four-block area of the Urbana campus, the new project would consist of a $400,000 demonstration center and production yard surrounded by three blocks of test houses. The plans for the center were developed under the University's Small Homes Council.

The demonstration center and production yard will permit applied experiments which are impossible in the fixed surroundings of individual research homes. Here, for such purposes as photography or demonstration, a home can be built with cutaway sections, or without a roof. Full-size structural elements such as actual kitchens or farmhouse work rooms can be built, tested and displayed in the center. It will include facilities for short courses and related activities of interest to builders, dealers, contractors, workers and the general public.

Among the individual test houses around the demonstration plant will be homes for technical research and some for family occupancy for studies involving typical use. Research will cover such fields as materials, construction, operation, landscaping and block layouts.



Vacancy ratio almost non-existent

Only 803,000 habitable dwelling units were on the sales or rental market last November, according to a study made by the Bureau of the Census at the request of the National Housing Agency. This represented a vacancy ratio of 2 percent for the country at large, but only 1 percent in urban areas. Furthermore, locality surveys made since that time indicate that the total vacancy percentage is even less today.

A breakdown by type of locality shows that 716,000 of these available units were in nonfarm areas, 252,000 in urban places, 464,000 were rural nonfarm dwelling units and 87,000 rural-farm vacancies.

FINANCIAL REQUIREMENTS OF THE VETERANS' EMERGENCY HOUSING PROGRAM

Home financing institutions face the challenging prospect of providing $16 billion in mortgage money if the VEHP goal of 2,450,000 privately owned homes is met. The outstanding debt on residential properties may jump more than 50 percent by the end of 1947.

■ THE greatest housebuilding surge this nation has ever known is now under way. To assure the construction of 2,700,000 homes to provide shelter for returning servicemen and their families, all sectors of the construction world, the architect and the land developer, the builder and subcontractor, the journeyman and his helper, the mortgage lender and the material producer are all setting their sights, preparing their programs and rolling up their sleeves. Provisions have been made under the Veterans' Emergency Housing Program to facilitate and integrate the efforts of these private individuals and institutions by breaking existing bottlenecks and by anticipating those which may arise in the course of the program.

Top priority has been given to expansion of production of critical building materials and construction labor supply. However, it has generally been assumed that the supply of mortgage funds will be adequate to provide for the needs of the program as well as non-program requirements. Estimates of the volume of funds necessary for mortgage purposes during the next two years, prepared by the Economics and Housing Finance Branch of the Office of the Administrator, National Housing Agency, in general, support this impression. There is some probability, however, that as home construction gets into full stride several frictional spots may develop which will present a challenge to the home financing industry.

New construction under VEHP

Compared with recent years, the volume of home mortgage investments needed to meet the target of the program is indeed staggering. Of the goal of 2,700,000 new units established under this housing program, 200,000 will be temporary re-use units financed with public funds, 50,000 will be provided by trailers, and 2,450,000 units are expected to be financed by private funds amounting to $13.8 billion for permanent mortgages alone. In deriving the estimate for new construction under VEHP it was assumed that the average value of all dwelling units constructed under the program will be about $6,500 and the average mortgage $5,850, or 90 percent of the value of the property. A large volume of these homes will undoubtedly be financed with 100-percent GI loans, and a smaller number of units purchased with a down payment or without debt. Rental housing units may be constructed under the reactivated FHA Title VI allowing 90-percent financing, or with conventional loans.

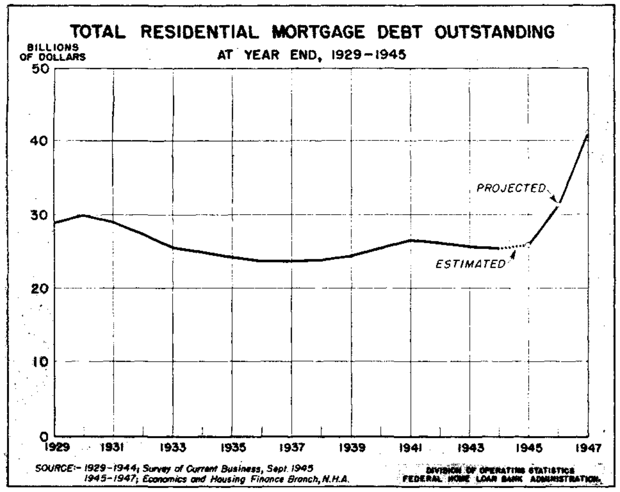
Related to the requirements for permanent loans on new construction is the amount necessary to finance the construction itself. It is estimated that the entire program will require in excess of $11 billion in construction loans, but because of the repayment of these funds upon completion of the dwellings or conversion to long-term mortgages, a revolving fund of $2.5 billion should suffice. The average monthly requirement dur-

PROGRESS OF THE VEHP

406,000 units started account for 34 percent of 1946 goal of 1,200,000

Type of unit	Number started
Total	406,000
New conventional	[1] 268,000
Prefabs	[2] 10,000
Temporary re-use	[3] 69,000
Conversions	[4] 47,000
Trailers	[5] 12,000

[1] Data are from Bureau of Labor Statistics, based on building permits. May figures are preliminary.
[2] Based on preliminary results of NHA survey of prefab manufacturers' production.
[3] Data furnished by Federal Public Housing Authority. Starts are measured in quota units. The total quota units are somewhat less than the total number of living accommodations since 2 dormitory units represent 1 quota unit.
[4] Data from Federal Housing Administration. Priority authorizations adjusted to allow for estimated number of authorizations not resulting in conversion starts and the time lag between authorization and construction start.
[5] Factory shipment data as obtained from U. S. Bureau of Census. Includes preliminary NHA estimate for May.



ing the course of 1946 and 1947 is somewhat less than $2 billion, while the amount of construction loans outstanding at the end of 1946 and 1947 is estimated at $2.1 and $2.2 billion, respectively.

The gross financial requirement for the total program is then $13.8 billion for permanent lending plus $2.5 billion for construction loans, a sum of $16.3 billion. The requirements for 1946 and 1947 amount to $4.9 billion and $10.5 billion, or $15.4 billion for both years. These annual estimates include permanent loans required during the year and construction loans outstanding at year-end, but omit the volume of permanent mortgages needed for 450,000 units begun in 1947 but not completed until the following year.

Non-program requirements

In addition to the VEHP, consideration must be given to the non-program demands on financial resources. In 1946 roughly $730 million worth of permanent mortgages will be placed on units begun in 1945. In addition, data for the first four months of the year indicate that approximately $8.3 billion in mortgages may be issued during the full year 1946 to finance the purchase of existing homes, to refinance existing mortgages, and to provide for reconditioning and other purposes. Because of the anticipated decline in transfer of existing homes as the completion of new dwelling units hits full stride, the financial requirements in 1947 for existing dwellings is expected to be approximately one-third less than the 1946 estimate, or in the vicinity of $5.5 billion.

Thus, during 1946 and 1947, total program and non-program mortgage lending for residential purposes is estimated at $14 and $16 billion, respectively, or an aggregate of $30 billion. Almost half of this amount may be realized by repayments on the outstanding mortgage debt. This is a combination of normal amortization and prepayments together with abrupt termination of outstanding mortgages brought about by sales transactions and refinancing. Sustained high incomes and a large volume of refinancing will bring mortgage repayments in 1946 to a level 40 percent above the previous year, according to indications observed during the first four months. However, in 1947 repayments are expected to return to a level approximating that of 1945.

If the balance of the need is met, the total residential mortgage debt of the nation will increase $15.2 billion in two years, an unprecedented rise. From roughly $26 billion at the end of 1945, the net increase in mortgage debt will bring the outstanding total to $31.4 billion at the end of 1946 and $41.2 billion by the end of 1947.

In order to view the anticipated increase in residential debt in proper perspective, it is important to relate it to the entire debt structure. In 1930 the ratio of residential mortgage debt to the total net public and private debt outstanding was approximately 16 percent. The 1946–1947 increase in residential mortgage debt should be measured against a greatly increased base of total debt which now stands in the vicinity of $400 billion. When the 1947 estimate of $41.2 billion outstanding in residential mortgages is related to this figure, the mortgage volume does not appear unduly high.

Capacity of industry to meet requirements

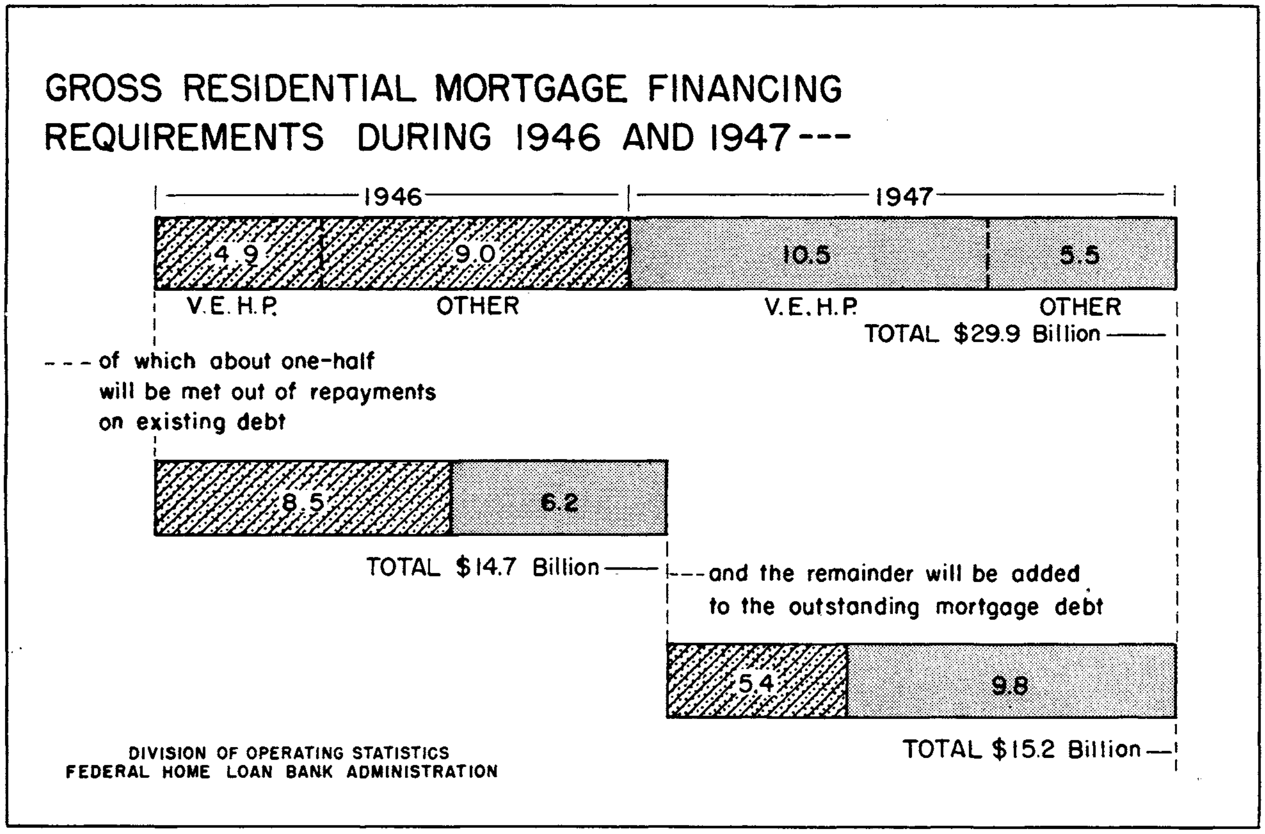
Judging from the potential resources of the home financing industry, the over-all capacity to meet the requirements will be forthcoming. Essentially there are three major channels through which funds can flow into the mortgage market: (1) the net increase in savings of individuals deposited in lending institutions; (2) liquid assets currently held by these institutions and potential direct investments by individuals; and (3) the secondary credit facilities of the FHL Bank System.

Despite the expectation that national income during the next two years will be sustained at least at the 1945 level of approximately $160 billion, the amount saved by individuals is expected to decline. During the latter half of the 1930's the increase in savings by individuals in savings and loan associations, mutual savings banks, insured commercial banks and life insurance companies averaged about $2 billion annually. During the war years the increase of savings in these institutions rose sharply, adding $6.3 billion in 1943, $10.1 billion in 1944, with preliminary figures for 1945 showing at least an equal increase.

The net amount of savings placed with mortgage lenders during this and the coming year will be conditioned by several factors. The accumulated demand for consumer and consumer durable goods may, if prices are not too high and production adequate, modify traditional expenditure patterns and absorb much of the funds which would otherwise flow into savings. Another divertive factor is the resurgence of investment in the stock market and venture enterprises. The proportion of total savings deposited with mortgage lenders will be further conditioned by the rate of return offered by these institutions in competition with alternative outlets for savings, including the purchase of Government bonds through the payroll deduction plan. At this point it is difficult to anticipate the annual increase in 1946 and 1947, but it may safely be assumed to fall well below the $10 billion for 1944 and substantially above the annual increase of $2 billion for 1935–1939. It must be remembered that only part of these funds will flow into mortgages, for some of these financial institutions, particularly commercial banks, ordinarily invest only a small portion of their funds in home financing.

In addition to savings, liquid assets represented by cash and United States Government securities accumulated in lending institutions constitute a second source of mortgage funds. Of course, it cannot be assumed that more than a fraction of these amounts will even be potentially available for investment in mortgages, but they nevertheless give some indication of magnitude. On one hand, extensive cash holdings will be required for the anticipated high level of business activity, while on the other, the possibilities of reducing U. S. Government holdings are limited. However, different types of institutions hold different relationships to the mortgage market which affect their long-term asset composition.

At the end of 1945 operating savings and loan associations held approximately $3 billion in cash



and Government securities while only 60–65 percent of their assets were in the form of mortgage loans. Under ordinary conditions a substantially larger proportion of their assets is invested in mortgages, nearly all of which are on 1- to 4-family residential properties. The likelihood of conversion of U. S. bond holdings into mortgages is greatest for this type of institution.

Insured commercial banks hold $113 billion in liquid assets, but because of the predominantly commercial character of this type of institution, only a small proportion of these liquid assets can be expected to be converted into mortgages.

At the end of June 1945, life insurance companies held in excess of $19 billion in cash and U. S. Government bonds, and about $6.8 billion in real estate mortgages. In recent years several of the larger companies have made direct investments in large-scale rental projects and have thereby played a greater role in financing residential properties than the mortgage data alone would indicate. The potential increase in mortgage investments by life insurance companies can be gauged by the fact that their present mortgage portfolio represents only 20 percent of total assets while it comprised 40 percent in the late twenties.

Cash and "Governments" held by mutual savings banks at the end of 1945 totaled more than $11 billion. Their real estate loans amounted to $4.2 billion of which approximately 60 percent were on 1- to 4-family homes. "Mutuals" operate in 17 states, but their activities are concentrated predominantly in New England and the Middle Atlantic area.

Individuals have always been an important element in the mortgage market. In the past two years this group recorded an average of $1.3 billion of mortgages on nonfarm properties. Although there are no specific data on the amount of liquid assets held by those individuals interested in making mortgage loans, they can be expected to participate to the extent of approximately $1 billion annually, at least in the next two years.

The third principal source of funds is represented by the potential credit facilities of the Federal Home Loan Bank System. This nationwide system of 11 regional Banks, with 3,700 members having total assets of more than $9 billion, provides a reserve credit mechanism for home mortgages paralleling the role of the Federal Reserve System in the field of commercial credit and the Farm Credit Administration in the agricultural field.

Summary

Although it is not possible to draw up a precise statement of funds available to meet the home financing needs of 1946 and 1947, nevertheless these estimates indicate a real challenge to the supply of credit in the residential mortgage market as the emergency building program approaches its climax in 1947. Whether these funds will be forthcoming depends upon the success of the VEHP on the all-important production front, the removal of construction cost uncertainties and developments in the general capital market. However, the use of the FHA firm commitment in large volume under the revised Title VI operation and the maximum $4,000 guaranty under the GI Bill, will undoubtedly go a long way toward activating hesitant mortgage funds.

Although from a national viewpoint potential mortgage funds appear adequate, geographic dislocations may occur as the program develops. This contingency can be met by the utilization of the existing facilities of the Federal Home Loan Bank System, the Federal National Mortgage Association, and of the Reconstruction Finance Corporation. In addition, the RFC Mortgage Company is collaborating with the Veterans' Administration in the formulation of plans for the establishment of a secondary market for GI home loans. Through these instrumentalities it will be possible to channel funds into areas where the local resources are not sufficient to meet the increased volume of current demands.

In the final analysis, mortgage credit competes for funds in the general money market. All indications point to competition from other sources, although the stabilization and possible reduction of the Federal debt will remove one of the alternative investment outlets. Periods of prosperity are almost invariably times of rapid capital formation. General industrial expansion will not only compete for credit but will also draw heavily for equity capital expansion. In view of the large volume of reserve bank credit in the commercial banking system and the wide scope of operations open to the Federal Reserve System and RFC, an acute shortage of money should be avoidable.

The next two years will offer mortgage lenders of all types unparalleled opportunities for portfolio expansion. Outstanding mortgages are expected to increase over 50 percent during this period, the most rapid increase in the mortgage lending

(*Continued on p. 302*)

THE TREND OF MEMBER ASSOCIATION ASSETS DURING THE WAR

Comparing the combined balance sheet of all member savings and loan associations at the end of 1941 and 1945 reveals the extensive changes in operation during the war. Significant shifts were also noted during the past year.

■ DURING the war the total assets of all savings and loan members of the Federal Home Loan Bank System increased 60 percent, growing from approximately $4.8 billion at the end of 1941 to almost $7.7 billion at the close of 1945. This growth paralleled the trend shown by nearly all types of financial institutions during this period as the nation accumulated the greatest volume of liquid assets in its economic history.

The net additions to savings accounts in these member associations during the four-year period totaled $2.8 billion—more than double the increase of the previous four years. On the other side of the balance sheet, however, the institutions were having difficulty in finding outlets for these incoming funds through their normal investment channels. The result was an unprecedented rise in their Government bond accounts.

Despite their rapid rate of growth and lower rates of return on investment portfolios, the member associations were able to keep pace in the building of reserves and entered the postwar period with a slightly higher ratio of reserves to total assets than prevailed at the beginning of the war.

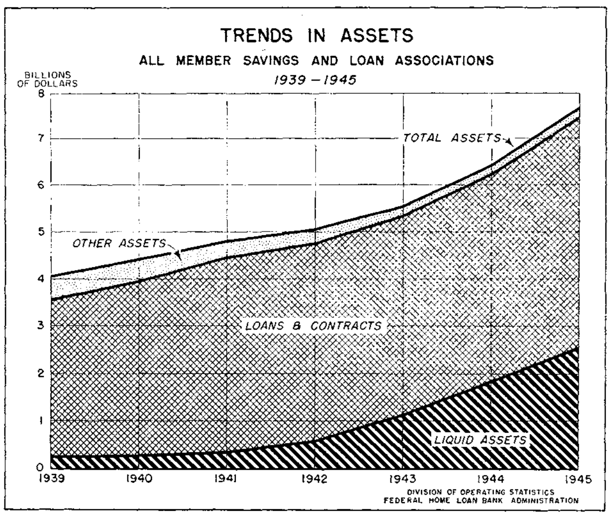
That significant shifts took place during the past year is evident from the fact that this 12-month period accounted for well over one-half of the net addition to mortgage loan accounts since December 1941. More than a billion dollars was added to savings accounts. Further, the rate of asset growth during the past year was the highest during the entire period and made up 44 percent of the four-year gain. For the first time the average size of member associations was above the $2 million mark—$2,100,000 at the end of 1945, compared with $1,757,000 a year previous.

All in all, the war provided an opportunity for "tightening the belt" in preparation for the nation's postwar housing program. The effectiveness of these measures is demonstrated by the lead which savings and loan associations have taken in the financing of GI loans for veterans and their wholehearted support of the Veterans' Emergency Housing Program. With an active campaign for additional savings to supplement their already liquid position, savings and loan members of the Bank System are ready to play an important role in the financing of new home construction and the purchase of existing properties.

Details of the 1941–1945 changes

The condensed balance sheets on pages 292–293 show the trend of principal asset and liability items from December 31, 1941 through the end of last year. On the asset side, probably the most significant shift was the creation of a Government bond portfolio, which by the close of 1945 amounted to more than one-fourth of total assets. Savings and loan members of the Bank System added more than $2 billion of these securities to an account which amounted to only $75 million at the time we entered the war. Cash on hand and in banks increased by more than one-third, reaching a total of $384 million on December 31, 1945.

The net gain in mortgage loans outstanding from 1941 to 1945 was just over $900 million.



Combined statement of condition of all savings and loan members

NOTE: Percentage figures show the ratio

BALANCE SHEET ITEM	COMBINED	BOSTON	NEW YORK	PITTSBURGH	WINSTON-SALEM
Number of members	3,658	218	359	437	405
ASSETS					
First mortgage loans *(including interest and advances)*	$4,823,417,503 62.79%	$529,441,263 69.47%	$527,463,146 62.57%	$338,490,560 72.07%	$598,758,170 66.79%
Other loans *(including share loans)*	14,813,251 0.19%	2,391,570 0.31%	1,845,497 0.22%	1,633,893 0.35%	2,011,725 0.22%
Real estate sold on contract	92,623,882 1.21%	139,012 0.02%	6,394,465 0.76%	2,966,822 0.63%	1,072,286 0.12%
Real estate owned	18,278,727 0.24%	913,592 0.12%	5,929,250 0.70%	1,269,948 0.27%	431,858 0.05%
Federal Home Loan Bank Stock	71,819,895 0.94%	5,737,865 0.75%	6,944,100 0.82%	4,351,400 0.93%	7,115,700 0.79%
U. S. Government obligations	2,181,169,251 28.39%	181,153,533 23.77%	233,517,261 27.70%	90,003,816 19.16%	240,248,980 26.80%
Other investments *(including accrued interest)*	28,759,987 0.37%	3,544,236 0.47%	4,829,781 0.57%	279,105 0.06%	1,610,591 0.18%
Cash on hand and in banks	383,896,226 5.00%	32,784,436 4.30%	49,155,349 5.83%	27,275,563 5.81%	39,561,805 4.41%
Office building *(net)*	53,601,631 0.70%	3,471,529 0.46%	5,105,196 0.61%	2,665,504 0.57%	4,443,886 0.50%
Furniture, fixtures, and equipment *(net)*	4,579,360 0.06%	174,047 0.02%	795,659 0.10%	403,391 0.09%	611,912 0.07%
Other assets	8,534,211 0.11%	2,372,959 0.31%	1,039,492 0.12%	304,919 0.06%	584,059 0.07%
Total assets	$7,681,493,924 100.00%	$762,124,042 100.00%	$843,019,196 100.00%	$469,644,921 100.00%	$896,450,972 100.00%
LIABILITIES AND CAPITAL					
U. S. Government	$ 20,820,970 0.27%	$ 560,000 0.07%	$ 5,863,445 0.69%	$ 231,200 0.05%	$ 1,731,000 0.19%
Private repurchasable capital	6,509,029,236 84.73%	635,684,145 83.41%	719,563,247 85.35%	397,618,274 84.66%	765,773,986 85.42%
Mortgage pledged shares	83,689,173 1.09%	36,057,129 4.73%	12,495,164 1.48%	12,555,284 2.67%	8,284,507 0.92%
Advances from Federal Home Loan Bank	189,982,114 2.47%	12,896,870 1.69%	15,592,204 1.85%	15,629,712 3.33%	16,466,650 1.84%
Other borrowed money	134,751,848 1.76%	11,676,500 1.53%	28,397,641 3.37%	2,494,778 0.53%	21,345,868 2.38%
Loans in process	109,605,174 1.43%	3,388,732 0.45%	2,042,206 0.24%	3,422,153 0.73%	13,907,978 1.55%
Other liabilities	56,877,076 0.74%	5,328,887 0.70%	5,809,316 0.69%	4,572,782 0.97%	5,326,534 0.60%
Permanent, reserve or guaranty stock	26,411,696 0.34%	- -	- -	- -	7,478 0.00%
Deferred credits to future operations	8,418,199 0.11%	51,448 0.01%	918,707 0.11%	258,848 0.06%	996,556 0.11%
Specific reserves	8,845,286 0.12%	284,861 0.04%	1,123,520 0.14%	853,687 0.18%	1,080,414 0.12%
General reserves	359,619,686 4.68%	34,252,695 4.49%	31,688,509 3.76%	25,485,546 5.43%	40,764,819 4.55%
Undivided profits	173,443,466 2.26%	21,942,775 2.88%	19,525,237 2.32%	6,522,657 1.39%	20,765,182 2.32%
Total Liabilities and Capital	$7,681,493,924 100.00%	$762,124,042 100.00%	$843,019,196 100.00%	$469,644,921 100.00%	$896,450,972 100.00%

of the Federal Home Loan Bank System, December 31, 1945

of the items listed to total assets

CINCINNATI	INDIANAPOLIS	CHICAGO	DES MOINES	LITTLE ROCK	TOPEKA	PORTLAND	LOS ANGELES
558	220	458	235	266	206	127	169
$ 812,123,968 56.60%	$257,443,652 52.30%	$488,865,590 64.15%	$266,460,766 63.71%	$233,809,848 71.92%	$182,484,527 67.74%	$152,776,628 44.30%	$435,299,385 65.61%
1,097,987 0.08%	679,500 0.14%	1,633,949 0.21%	504,203 0.12%	1,218,194 0.37%	247,312 0.09%	613,617 0.18%	935,804 0.14%
7,353,654 0.51%	26,728,944 5.43%	21,568,795 2.83%	4,215,465 1.01%	1,015,587 0.31%	5,270,286 1.96%	14,279,638 4.14%	1,618,928 0.24%
3,515,873 0.24%	705,182 0.14%	2,841,834 0.37%	910,750 0.22%	431,766 0.13%	562,050 0.21%	199,932 0.06%	566,692 0.09%
13,430,400 0.94%	7,951,200 1.61%	7,933,400 1.04%	5,542,500 1.33%	2,713,330 0.83%	2,292,200 0.85%	2,152,400 0.62%	5,655,400 0.85%
500,261,651 34.87%	167,810,478 34.09%	189,633,732 24.88%	117,883,899 28.19%	67,637,042 20.81%	65,078,703 24.16%	153,230,026 44.43%	174,710,130 26.33%
6,838,463 0.48%	1,045,297 0.21%	3,320,441 0.44%	1,215,782 0.29%	2,064,181 0.64%	584,933 0.22%	2,531,280 0.73%	895,897 0.14%
74,892,035 5.22%	24,347,634 4.95%	40,946,894 5.37%	17,596,124 4.21%	14,079,296 4.33%	10,202,141 3.79%	15,274,817 4.43%	37,780,132 5.69%
14,000,038 0.97%	4,824,552 0.98%	3,843,011 0.51%	2,946,356 0.70%	1,734,780 0.53%	2,316,685 0.86%	3,275,817 0.95%	4,974,277 0.75%
445,799 0.03%	356,286 0.07%	535,711 0.07%	185,283 0.04%	182,482 0.06%	151,461 0.05%	312,784 0.09%	424,545 0.06%
794,128 0.06%	380,273 0.08%	1,005,647 0.13%	751,629 0.18%	209,765 0.07%	201,048 0.07%	258,413 0.07%	631,879 0.10%
$1,434,753,996 100.00%	$492,272,998 100.00%	$762,129,004 100.00%	$418,212,757 100.00%	$325,096,271 100.00%	$269,391,346 100.00%	$344,905,352 100.00%	$663,493,069 100.00%
$ 1,057,025 0.07%	$ 850,000 0.17%	$ 1,687,100 0.22%	$ 33,000 0.01%	$ 682,000 0.21%	$ 601,000 0.22%	$ 2,643,100 0.77%	$ 4,882,100 0.74%
1,244,305,641 86.73%	429,821,231 87.31%	629,076,534 82.54%	364,425,266 87.14%	271,699,998 83.58%	229,944,089 85.36%	298,310,025 86.49%	522,806,800 78.80%
3,935,792 0.27%	644,468 0.13%	4,603,984 0.61%	1,667,544 0.40%	1,056,076 0.32%	1,219,134 0.45%	396,080 0.11%	774,011 0.12%
16,149,868 1.13%	11,444,262 2.33%	34,238,286 4.49%	17,008,580 4.07%	7,247,288 2.23%	2,650,753 0.99%	5,863,051 1.70%	34,794,590 5.24%
17,514,406 1.22%	5,001,196 1.02%	7,410,353 0.97%	5,735,500 1.37%	4,997,315 1.54%	4,449,775 1.65%	12,183,000 3.53%	13,545,516 2.04%
16,575,734 1.16%	2,662,365 0.54%	18,421,308 2.42%	5,378,026 1.29%	2,942,264 0.90%	4,975,753 1.85%	4,332,877 1.26%	31,555,778 4.76%
8,798,791 0.61%	2,773,622 0.56%	10,523,474 1.38%	2,302,952 0.55%	3,380,112 1.04%	2,638,791 0.98%	1,590,238 0.46%	3,831,577 0.58%
15,702,197 1.09%	60,000 0.01%	- -	16,100 0.00%	770,700 0.24%	676,667 0.25%	1,115,354 0.32%	8,063,200 1.21%
1,944,971 0.14%	1,186,369 0.24%	1,396,662 0.18%	302,587 0.07%	144,751 0.04%	379,271 0.14%	339,729 0.10%	498,300 0.07%
1,145,262 0.08%	956,203 0.19%	619,795 0.08%	436,059 0.10%	572,388 0.18%	429,168 0.16%	505,764 0.15%	838,165 0.13%
69,862,047 4.87%	23,749,480 4.83%	43,866,835 5.76%	16,244,603 3.89%	23,330,304 7.18%	15,922,655 5.91%	10,492,373 3.04%	23,959,820 3.61%
37,762,262 2.63%	13,123,802 2.67%	10,284,673 1.35%	4,662,540 1.11%	8,273,075 2.54%	5,504,290 2.04%	7,133,761 2.07%	17,943,212 2.70%
$1,434,753,996 100.00%	$492,272,998 100.00%	$762,129,004 100.00%	$418,212,757 100.00%	$325,096,271 100.00%	$269,391,346 100.00%	$344,905,352 100.00%	$663,493,069 100.00%

This compares with an increase of more than $1.3 billion in the preceding four-year period. Considering that the volume of new mortgage lending by member associations during the war was almost 40 percent greater than in the years 1938 through 1941, this points up the high rate of mortgage repayment and rapid turnover of loan portfolios which characterized the war years. Loan repayments during the four years came within *3 percent* of the average balance of loans outstanding from 1941 through 1945. *This indicates that a nearly complete turnover of loan portfolios occurred during the war.*

The process of liquidating the real estate owned account was virtually completed with the elimination of nine-tenths of the balance shown at the end of 1941. At the start of the war these properties accounted for almost 4 percent of total association assets, but the $18 million remaining on the books at the close of last year amounted to less than one-fourth of 1 percent of total resources of these institutions.

On the credit side of the ledger

The 74-percent increase in funds invested by the public in all member associations during the past four years amounted to $2.8 billion, to bring the total of savings accounts in excess of $6.5 billion. The gain of the war years was considerably more than twice the additions to savings in these institutions from 1938 through 1941—a comparable length of time.

The flow of funds permitted still further repayment of monies invested by the Treasury and the Home Owners' Loan Corporation during the early years of the Bank System. Almost $175 million of these Government funds were repaid, leaving a balance of only $21 million. This was less than one-tenth of the original amount invested by the Government.

While the total borrowed money at the end of 1945 was $86 million greater than at the start of the war, all of this increase occurred last year.

More than $200 million was added to the reserve and undivided profits accounts of member associations during the four-year period. The 63-percent increase was slightly higher than the rate of gain in total assets so that the reserve ratios prevailing at the start of the war were maintained in spite of the substantial growth which took place.

Mortgage loans retained their position as the dominant asset throughout the war, although their relation to total assets dropped steadily from 82 percent in 1941—the post-depression high—to a low of 63 percent at the end of 1945. Counter-

Combined statement of condition for member savings and loan associations

[Dollar amounts are shown in thousands]

Balance sheet item	Dec. 31, 1945	Dec. 31, 1944	Dec. 31, 1941	Change December 31, 1944 to December 31, 1945		Change December 31, 1941 to December 31, 1945	
				Dollar amount	Percent	Dollar amount	Percent
ASSETS							
First mortgage loans	$4, 823, 418	$4, 273, 721	$3, 918, 967	+$549, 697	+12. 9	+$904, 451	+23. 1
Other loans	14, 813	12, 002	32, 562	+2, 811	+23. 4	−17, 749	−54. 5
Real estate sold on contract	92, 624	116, 747	173, 598	−24, 123	−20. 7	−80, 974	−46. 6
Real estate owned	18, 279	36, 827	189, 429	−18, 548	−50. 4	−171, 150	−90. 4
Federal Home Loan Bank stock	71, 820	62, 251	47, 553	+9, 569	+15. 4	+24, 267	+51. 0
U. S. Government obligations	2, 181, 169	1, 490, 747	75, 244	+690, 422	+46. 3	+2, 105, 925	+2, 798. 8
Other investments	28, 760	22, 976	21, 039	+5, 784	+25. 2	+7, 721	+36. 7
Cash on hand and in banks	383, 896	347, 348	278, 696	+36, 548	+10. 5	+105, 200	+37. 7
Office building (net)	53, 602	47, 807	47, 229	+5, 795	+12. 1	+6, 373	+13. 5
Furniture, fixtures and equipment (net)	4, 579	4, 891	5, 293	−312	−6. 4	−714	−13. 5
Other assets	8, 534	7, 445	8, 148	+1, 089	+14. 6	+386	+4. 7
Total assets	7, 681, 494	6, 422, 762	4, 797, 758	+1, 258, 732	+19. 6	+2, 883, 736	+60. 1
LIABILITIES AND CAPITAL							
U. S. Government investment	20, 821	35, 529	195, 692	−14, 708	−41. 4	−174, 871	−89. 4
Private repurchasable capital	6, 509, 029	5, 500, 972	3, 748, 001	+1, 008, 057	+18. 3	+2, 761, 028	+73. 7
Mortgage pledged shares	83, 689	103, 446	130, 777	−19, 757	−19. 1	−47, 088	−36. 0
Advances from Federal Home Loan Banks	189, 982	126, 882	217, 881	+63, 100	+49. 7	−27, 899	−12. 8
Other borrowed money	134, 752	63, 527	21, 345	+71, 225	+112. 1	+113, 407	+531. 3
Loans in process	109, 605	35, 134	66, 786	+74, 471	+212. 0	+42, 819	+64. 1
Other liabilities	56, 877	52, 279	39, 069	+4, 598	+8. 8	+17, 808	+45. 6
Permanent, reserve or guaranty stock	26, 412	25, 936	26, 519	+476	+1. 8	−107	−0. 4
Deferred credits to future operations	8, 418	10, 311	16, 044	−1, 893	−18. 4	−7, 626	−47. 5
Specific reserves	8, 845	7, 543	8, 050	+1, 302	+17. 3	+795	+9. 9
General reserves	359, 620	313, 610	211, 337	+46, 010	+14. 7	+148, 283	+70. 2
Undivided profits	173, 444	147, 593	116, 257	+25, 851	+17. 5	+57, 187	+49. 2
Total liabilities and capital	7, 681, 494	6, 422, 762	4, 797, 758	+1, 258, 732	+19. 6	+2, 883, 736	+60. 1

Percentage distribution of balance sheet items for all savings and loan members of the Federal Home Loan Bank System, 1945 and 1944

Balance sheet item	All savings and loan members		Federal		Insured state		Uninsured state	
	1945	1944	1945	1944	1945	1944	1945	1944
Number of member associations	3,658	3,656	1,467	1,464	1,004	995	1,187	1,197
ASSETS	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
First mortgage loans	62.79	66.54	60.81	65.13	62.48	66.14	68.19	70.17
Other loans (including share loans)	0.19	0.19	0.17	0.14	0.18	0.15	0.27	0.35
Real estate sold on contract	1.21	1.82	0.93	1.40	1.48	2.38	1.50	2.01
Real estate owned	0.24	0.57	0.18	0.41	0.26	0.62	0.35	0.87
Federal Home Loan Bank stock	0.94	0.97	0.99	1.03	0.90	0.93	0.86	0.89
U. S. Government obligations	28.39	23.21	30.96	25.61	27.99	22.51	22.55	18.79
Other investments (including accrued interest)	0.37	0.36	0.13	0.10	0.66	0.65	0.60	0.55
Cash on hand and in banks	5.00	5.41	4.97	5.27	5.21	5.66	4.77	5.39
Office building (net)	0.70	0.74	0.70	0.73	0.68	0.77	0.71	0.75
Furniture, fixtures and equipment (net)	0.06	0.08	0.07	0.10	0.06	0.08	0.03	0.04
Other assets	0.11	0.11	0.09	0.08	0.10	0.11	0.17	0.19
Total assets	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
LIABILITIES AND CAPITAL								
U. S. Government investment	0.27	0.55	0.41	0.90	0.22	0.39		
Private repurchasable capital	84.73	85.65	85.49	87.26	84.41	85.08	83.29	82.79
Mortgage pledged shares	1.09	1.61	0.06	0.10	0.52	1.17	4.48	5.51
Advances from Federal Home Loan Banks	2.47	1.97	3.50	2.83	2.07	1.77	0.45	0.35
Other borrowed money	1.76	0.99	2.24	1.44	1.67	0.55	0.67	0.56
Loans in process	1.43	0.55	1.67	0.59	1.51	0.71	0.69	0.23
Other liabilities	0.74	0.82	0.69	0.78	0.91	0.97	0.63	0.71
Permanent, reserve or guaranty stock	0.34	0.40			1.03	1.21	0.25	0.27
Deferred credits to future operations	0.11	0.16	0.10	0.14	0.11	0.18	0.13	0.19
Specific reserves	0.12	0.12	0.12	0.12	0.11	0.12	0.12	0.10
General reserves	4.68	4.88	3.76	3.80	5.24	5.66	6.20	6.28
Undivided profits	2.26	2.30	1.96	2.04	2.20	2.19	3.09	3.01
Total liabilities and capital	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

balancing this trend was the rise in importance of the Government bond portfolio which rose from less than 2 percent to 28 percent of total assets during the same period. The cash account was maintained at about the same level proportionately, accounting for 5 percent of total assets. As previously pointed out, real estate owned dropped from 4 percent to less than one-fourth of 1 percent.

On the liability side the ratio of private savings rose from 78 percent to a level of almost 85 percent of total resources. The ratio of borrowed money dropped slightly—from 5 to 4 percent. Reserves and undivided profits inched upward from 6.83 percent to 6.94 percent of total assets.

Changes during 1945

Assets of all member associations rose a billion and one-quarter dollars during 1945—the largest gain for any single year. Of this amount, $690 million was reflected in their Government bond holdings and $550 million in first mortgage loans. Other gains included $37 million in cash on hand and $10 million in Federal Home Loan Bank stock owned by the member institutions. There were declines of $19 million in real estate owned and $24 million in real estate sold on contract.

Percentagewise, these changes were: Government bonds, up 46 percent; mortgage loans, up 13 percent; FHLB stock, up 15 percent; cash, up 11 percent; real estate owned, down 50 percent; and real estate sold on contract, down 21 percent. Total assets were up almost 20 percent in the 12-month period.

The increase of just over $1 billion in private savings in 1945 was the most striking detail in changes shown by liabilities and capital accounts. About $72 million was added to reserves and undivided profits accounts. Borrowed money was up $134 million. The higher rate of new lending activity was reflected in a $74-million jump in loans in process. Repayment of Home Owners' Loan Corporation and Treasury investments in these institutions during the year amounted to almost $15 million.

The ratio of Government bonds increased from 23 to 28 percent of total assets during 1945. Mortgage loans were down 4 points to 63 percent. The ratios of real estate owned, real estate sold on contract, FHLB stock and cash on hand all showed small declines.

No account on the credit side of the balance sheet showed a change of as much as one percentage point in relation to total resources.

★ ★ ★ WORTH REPEATING ★ ★ ★

BIG DREAMS: "We have not required that new houses be markedly better than old houses. We have been content if the new house had a few superficial cliches of improvement that were popular at the time the house was built . . . It is my considered opinion, after many years of observing and evaluating houses, that 99% of the newly built houses could have been at least 20% better if they had been more thoughtfully and intelligently planned. And at no extra cost. That is another way of saying that a lot of people failed to get the greatest good out of their money because they failed to dream big enough dreams."

Elizabeth Gordon, Editor, *House Beautiful*, May 1946.

LET'S BE REALISTIC: "Home ownership should be considered less in terms of sugar-coated romance, nostalgia and sentimentality and more in terms of satisfying demands of the family budget and the human welfare."

Earl S. Johnson, University of Chicago, *Practical Home Economics*, May 1946.

POTENTIAL MARKET: "Construction costs are recognized as the critical problem hindering both the adequate production of housing and the equitable distribution of the available supply . . . Stated in approximate terms, the potential market for new housing doubles for each $1,000 that the cost of housing is reduced below $5,000. So far, there has not been enough building in these lower price ranges to meet either the needs of families or the opportunities of the large market."

Clarence W. Farrier, National Housing Agency, *Journal of Housing*, May 1946.

SKILLFUL LENDER: "No absolute protection exists against the economic risks of a capitalistic economy. The skill of the mortgage lender is determined by his ability to conduct his business in such a manner that he avoids or reduces the economic risks which sometimes defy prediction. That is not an easy task. It embraces a twofold responsibility to himself and to the borrower. The lender not only should make a safe loan from his standpoint, but also a loan which will prove helpful to the borrower and which the borrower has a good chance of liquidating."

L. Douglas Meredith, National Life Insurance Co., *Insured Mortgage Portfolio*, First Quarter 1946.

A COST OF WAR: "The great housing shortage that now plagues nearly every urban community in the nation represents one of the real costs of war. Though the United States escaped destruction by bomb and shell, the economic and social forces which the war set in motion were equally effective in creating an enormous deficit of living accommodations."

Samuel J. Dennis, Bureau of Foreign and Domestic Commerce, *Dun's Review*, June 1946.

DILEMMA: "The lender of institutional funds faces a terrible dilemma. He must decide whether to make loans on this basis, depending upon the Government guaranty, or to refuse to depart from the standards of practice that have been ingrained in institutional lenders since time immemorial. If he chooses the first alternative, he moves in the direction of larger and larger dependence upon a Governmental participation in his business; if he chooses the latter, he finds it difficult to reconcile his conscience."

Ernest M. Fisher before the Regional Savings and Mortgage Conference of the American Bankers Association, Des Moines, Ia.

WHY SAVINGS BONDS? "By diverting into savings bonds the excess monies held by the people we fight inflation by transferring the Government debt to the individual as an investor and lay the groundwork for future prosperity by assuring business a power supply of savings which can and will be released by individuals according to their desire to buy goods through regular channels of industry when legitimate business men will have goods to sell at fair prices and at fair profits."

Lewis E. Pierson, State Chairman, Savings Bond Division, U. S. Treasury, in *Association News Bulletin*, June 14, 1946.

SERVICE: "The Congress deliberately placed upon the lenders' shoulders the burden of seeing that the veterans are not afforded credit under conditions carrying certain assurance of failure; in other words, for seeing that they *are* extended credit, the Government guaranteeing or insuring a portion thereof, only where the conditions are such as to afford reasonable assurance of success. That spells service of a high order."

Edward E. Odom, Veteran's Administration, before 26th annual conference of the National Association of Mutual Savings Banks.

THE BOOKSHELF

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

THE ECONOMICS OF HOUSING. Laura M. Kingsbury. 1946. 177 pp. $2.50. Columbia University Press, 2960 Broadway, New York 27, N. Y.

THE BOOK OF HOUSES. John P. Dean and Simon Breines. Crown Publishers, 419 Fourth Ave., New York, N. Y. 1946. 144 pp. $2.00.

HOUSES FOR VETERANS—NO CASH DOWN: by Brendon Shea in *The Atlantic Monthly*, June 1946.

YOUR BUILDING CODE: By Miles L. Colean. February 1946. 29 pp. National Committee on Housing, Inc., One Madison Avenue, New York 10, N. Y. 35¢.

REBUILDING OUR COMMUNITIES: By Walter Gropius. Paul Theobald, Chicago, 1945. 61 pp. $1.75.

THE KEY TO YOUR NEW HOME: by Lewis Storrs, Jr. $2.75. Whittlesey House, 1946

YOUR HOME TOMORROW: 96 pp. 1945. $1.50. Industrial Publications, Inc., 59 E. Van Buren St., Chicago 5, Ill.

REMODEL FOR VETERANS: A HANDBOOK FOR DEALERS, CONTRACTORS AND FINANCIAL INSTITUTIONS, 1946. Federal Housing Administration, Washington 25, D. C.

WHO HOLDS THE BACKLOG OF SAVINGS?

The Division of Program Surveys, Department of Agriculture, at the request of the Federal Reserve Board, has conducted a comprehensive national survey of liquid asset holdings, spending and saving which sheds new light on a hitherto unknown factor in our economy. This first report summarizes the major findings.

DURING the war American people saved a larger portion of their income than ever before and accumulated unprecedented amounts of liquid assets, primarily in U. S. Savings Bonds and in savings and checking accounts. The extent of these funds and the purposes for which they will be used in the next few months and years—together with the intentions of consumers to continue savings programs now under way—will have fundamental effects upon our postwar economy.

To obtain factual information on the distribution of these personal holdings—estimated at $130 billion at the end of 1945—and on the uses that people expected to make of them under current conditions, the Board of Governors of the Federal Reserve System requested the Division of Program Surveys of the Bureau of Agricultural Economics, Department of Agriculture, to undertake a national interview survey in the first quarter of 1946 of a selected sample of the population.[1] Information was obtained on 1945 income and changes in income during the year, on liquid assets at the start and end of the year, and on 1945 savings and changes in savings during the year. In addition, questions were asked to determine the attitudes of those interviewed toward savings, their intended use of asset holdings and their likely purchases of consumer durable goods, houses and other assets. The manner in which such purchases would be financed as well as prospective savings programs were also studied.

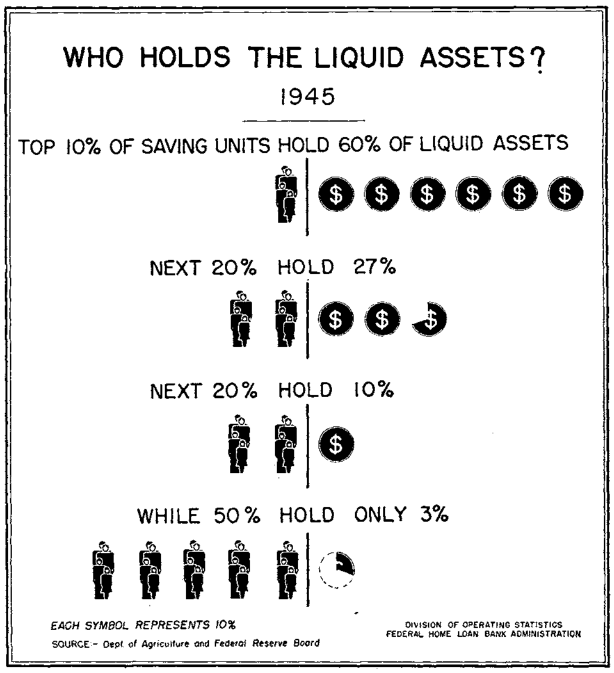
Major findings

The personal holdings in U. S. savings bonds, checking accounts and savings accounts, which represent the bulk of the wartime savings of individuals, are concentrated in a relatively small segment of the population. Ten percent of the spending units in the United States own 60 percent of these liquid assets. A quarter of the spending units have no bonds or bank deposits at all, and another quarter own only 3 percent of the aggregate personal holdings in these forms. (A "spending unit" is defined as all persons living in the same dwelling and belonging to the same family who depend on a common or pooled income to meet their major expenses.)

Because of this concentration, the effect on the postwar economy of the personal liquid assets accumulated during the war will depend in the main on how a relatively small part of the population decides to use its holdings.

Although in 1945 the concentration of income was somewhat less pronounced than before the war, about 30 percent of the spending units of the nation saved nothing out of 1945 income. Most of the money which was saved during the past year was put away by a small proportion of the people.

People's expressed intentions for 1946 indicate that several billion of liquid assets will be used for



[1] *National Survey of Liquid Asset Holdings, Spending, and Saving,* Division of Program Surveys, Bureau of Agricultural Economics, Department of Agriculture, Washington, D. C. This article presents the highlights of Part I of the report prepared by the Division of Program Surveys, and summarized in the June issue of the *Federal Reserve Bulletin.*

consumption and investment during this year. But, just as before the end of the war, most people consider their liquid assets as earmarked for long-range purposes and not available for current expenditures. Therefore, they intend to finance most of their planned expenditures, including those for durable goods and houses, out of current income or by borrowing.

According to people's present expectations, they will save considerably less in 1946 than they did last year, even if incomes are good. Those who accounted for most of the 1945 savings expect to save much less this year. Some of them plan to spend income for large items not previously available, and some feel that higher prices will compel them to spend more for living expenses.

Some of the details

The answer to the question of who holds the liquid assets may be found in several ways. The survey reveals that the amounts of liquid assets held by different spending units differ greatly. One-fourth of the reporting units had no liquid assets at all. Others (29 percent) had less than $500 in total liquid assets and the influence of these on the national economy would be negligible. About one out of five spending units had $2,000 or more.

The majority of spending units had no checking or savings accounts. On the other hand, nearly two out of every three reported some holdings of U. S. savings bonds.

Statistics on the 1945 savings support the conclusion that the higher the income the greater the proportion of savings. For example, the top

1945 Concentration of income, saving and liquid asset holdings

Spending units by percentage classes	Total for each class as percentage of national total [1]			
	Money income	Gross saving [2]	Net saving [2]	Liquid asset holdings [3]
Top:	*Percent*	*Percent*	*Percent*	*Percent*
10 percent	29	53	60	60
20 percent	45	72	82	77
30 percent	58	84	96	87
40 percent	69	92	105	93
50 percent	78	97	111	97
Bottom 50 percent	22	3	−11	3

[1] The table shows the percentage of the national totals accounted for by the 10 percent of the income receivers with the highest incomes, the 10 percent of the savers with the highest saving, and the 10 percent of the liquid asset holders with the largest holdings, and so on for other percentage classes. The spending units with the highest income are not necessarily those with the highest saving or asset holdings, so that different individual units may be included in each percentage class.

[2] Gross saving comprises all individual positive saving (income in excess of expenditures), while net saving is positive saving less dissaving (expenditures in excess of income).

[3] Excluding currency.

fifth of the spending units received 45 percent of the 1945 money income; but, this same fraction accounted for almost three-quarters of the liquid asset holdings.

In summarizing the analysis of the distribution of personal liquid asset holdings, the report studies the effects of action taken by many small holders as compared with the effects of action taken by a few large holders. It appears that even if 50 percent of all spending units decided to use all their liquid assets, but these were the poorest units, only small amounts of money—3 percent of all personal liquid assets—would be involved. On the other hand, a simultaneous decision on the part of the small percentage of spending units which hold large amounts of liquid assets to use these resources would be of great importance.

Intended use in 1946

"Let's take your war bonds—do you think you'll use any of your bonds for any purpose during 1946? How about your savings account?" These and other similar questions were used to draw out expenditure plans for the current year. The survey showed that the majority of holders of each type of liquid asset do not intend to draw upon these assets in 1946. Unforeseen emergencies may change these resolutions, but at present only 8 percent of the holders of savings bonds and one-quarter of the holders of savings and checking accounts feel sure that they will use some of these assets.

Estimating the total amount of liquid resources that will be used presented certain difficulties, so questions were framed to gauge the probable expenditures for specific purchases of certain consumer durable goods and housing. Projecting the survey results proportionately for the total population, it is estimated that from 2.6 to 3.5 million people want to build or buy houses; from 3.6 to 5.4 million people want to buy cars; and 9.9 to 13.7 million people want to buy other consumer durable goods. These current plans furnish valuable clues concerning the extent of consumer demand during the year.

Those surveyed were asked how much they expected to spend for these purchases. The average for houses (old and new) was just over $5,000; for cars, $1,100; and for other consumer durable goods, $320. By applying these average amounts to the estimated number of prospective buyers, it may be estimated that in 1946 people plan to spend $4 to $6 billion for cars, $3.2 to $4.4 billion for other consumer durables and from $13 to $17.5 billion for nonfarm houses.

People plan to finance their purchases primarily out of current income or by borrowing. In the case of consumer durables (including cars) about a quarter of the proposed expenditure would come from existing liquid asset holdings, around two-fifths from current income, and roughly one-third from borrowing. In the case of housing, on the other hand, where about a quarter of expenditure would also come from liquid assets, only one-sixth would come from current earnings, and almost three-fifths from borrowing. It is noteworthy, however, that nearly two-fifths of the people who expect to buy houses felt they could finance the venture without drawing on bonds and savings accounts.

Although it was difficult to estimate closely the total amount, it appeared that people plan to draw out of their liquid assets between $2 and $2.7 billion for durable goods (including automobiles) and from $3 to $4 billion for housing during during 1946. The net decrease in liquid asset holdings will probably be smaller than indicated by these amounts, for some of the money withdrawn for the intended purchases will be replaced during the course of the year.

Savings in 1945 and 1946

In 1945, about one-sixth of the spending units lived beyond their incomes. The amounts they withdrew from previous assets for consumption purposes amounted to more than 12 percent of the amounts saved by the other spending units, thus reducing the aggregate net increase in savings. Among those who did save, many put aside such small amounts that the combined totals were not significant from the point of view of the national economy. At the other extreme, the top 10 percent of all spending units accounted for more than half of the 1945 savings. In summary: out of every 100 spending units, 70 were able to save something out of their 1945 income, 13 about broke even and 17 used previous savings for current expenditures.

How much will the American people save in the current year? This question is of primary importance to home financing institutions who look to the continued inflow of money in savings accounts as a source of funds for financing home construction. The accuracy of the estimates depends, of course, on how fully the people are able to realize their present expectations. Changes in incomes or prices and other unforeseen circumstances may materially affect individual savings programs. Nevertheless, the projection of the trend of past savings may be made more realistic if people's intentions in this direction are known.

Saving expectations in 1946

[Percentage of all spending units except farmers]

Expected to save in 1946	Amounts saved in 1945: Over $1,000	$200 to $999	$1 to $199	Nothing	All spending units
	Percent	*Percent*	*Percent*	*Percent*	*Percent*
More than in 1945	17	19	25	22	21
About the same	32	32	27	49	34
Less than in 1945	34	27	19		19
No definite expectation	13	13	16	16	15
Not ascertained	4	9	13	13	11
Total	100	100	100	100	100

Of all spending units, 21 percent expected to save more in 1946 than they did last year and an almost equally large group said they would save less this year. One-third indicated that they would probably save about the same amount. These figures take on added significance, however, if these intentions are related to the amounts of money which these people saved during 1945. Among those who saved $1,000 or more last year (and it must be remembered that these accounted for 70 percent of the 1945 net savings), 34 percent expected to save *less* this year contrasted with only 17 percent who would be saving more.

Considering the contribution of the various groups to total savings, the report concludes that the American people as a whole expect to save less in 1946 than they saved in 1945 and that the difference may be substantial.

Further reports to come

Parts II and III of the survey will be available soon and will be digested in the REVIEW. They will analyze the relation of liquid asset holdings to income, occupation, age, place of residence and motives in saving.

The story of the scientific basis upon which the survey was conducted is in itself an interesting chapter, as well as the evaluation of the reliability of the findings. These aspects are covered in copies of the full report which are available from the Division of Program Surveys, Bureau of Agricultural Economics, Department of Agriculture, Washington 25, D. C.

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THRIFT AND MORTGAGE FINANCING OPERATIONS OF BANKS

The 1945 year-end statements of insured commercial and mutual savings banks round out the picture of wartime trends in their thrift and mortgage financing activities. The changes reported during last year provide some clues to probable future developments in these fields.

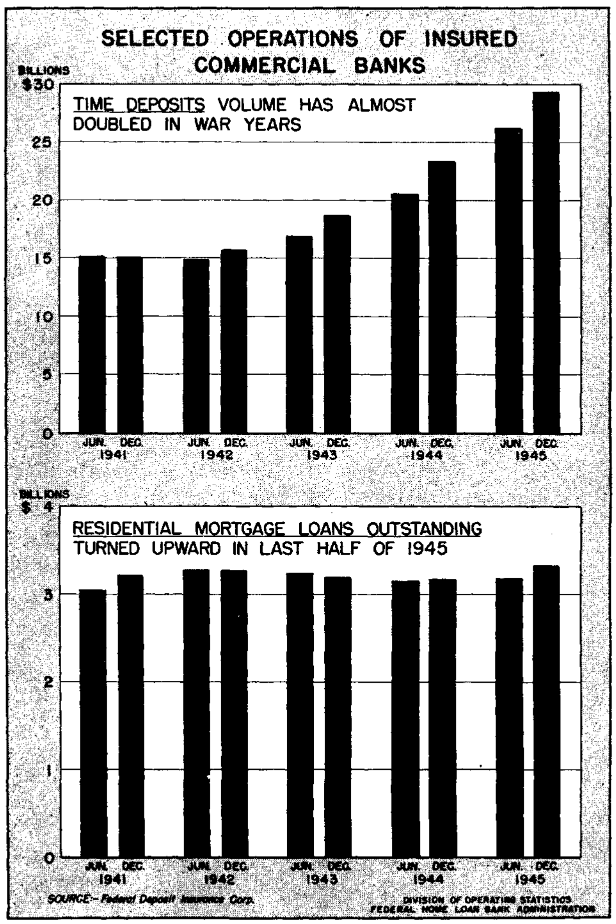
■ THE first effects of reconversion, which got under way only in the latter part of 1945, were reflected in varying degrees in the experience of insured commercial banks and mutual savings banks. For the most part, the year brought a continuation of the trends evident since Pearl Harbor. Assets of both groups soared to new highs, as did Government bond portfolios. Real estate owned dropped to all-time lows. Private savings entrusted to these institutions reached unprecedented volumes but it is significant to note that the last half of the year saw a small decline in the *rate* of this increase. Mortgage financing activity increased to the extent that the loan portfolios of insured commercial banks showed the first gain in three years. While the mortgage holdings of mutual savings banks declined again, the rate of this contraction was smaller than in recent years.

The following analysis, together with that of savings and loan members of the Bank System which is presented in this issue, shows that the same general patterns prevailed in these three important segments of the thrift and home financing industry.

Insured commercial banks

Although data in this article are confined to those commercial banks which are insured by the Federal Deposit Insurance Corporation (as carried in the annual reports of that agency), the figures tell the story for *all* commercial banks. The institutions covered represent about 98 percent of total industry assets, real estate lending and time deposits of individuals, partnerships and corporations.

As a background for the specific analysis of the thrift and real estate operations of these banks, the following gives some idea of what the war years brought in terms of the general position of the industry. Between December 31, 1941 and the close of 1945, total assets of all insured commercial banks more than doubled—going from $76.8 billion to $157.6 billion. During this period, U. S. Government obligations have become the most important single type of bank asset, on the basis of an increase from 21 percent of aggregate assets in 1941 to 56 percent last year. Simultaneously, wartime conditions have made it impossible for real estate loans to maintain their prewar position in relation either to total loans or to total assets. As a result, the former ratio dropped from 6.5 percent to 2.7 percent, while the latter declined from 4.2 to 2.1 percent.



However, 1945 marked the turning point in the recently decreasing volume of residential real estate mortgage loans of insured commercial banks. For the first time since 1942 an annual increase was recorded, based on the stepping-up of home building activity added to an already active sales market. The total outstanding at the end of 1945—$3.3 billion—was $175 million, or 5.5 percent, above 1944 and represented a record amount of loans secured by residential real estate. In the "defense" year of 1941 the total portfolio aggregated only $3.2 billion. Thus, in spite of adverse wartime conditions, over $100 million was added to total residential loans outstanding.

The improved condition shown last year was general throughout the country when insured commercial banks in all FHLB Districts showed advances in residential mortgage holdings in contrast to only four during 1944. However, there was wide disparity in the rates of gain, with little geographical pattern discernible. The accompanying table shows the dollar amounts of increases which, percentagewise, ranged from less than 1 percent in Pittsburgh and San Francisco to 27 percent in the Little Rock area. The 1944 gain varied between 0.5 percent in Chicago and 9 percent in Des Moines.

Residential loans outstanding reported by states in the San Francisco region—$889,685,000—was by far the greatest for any Bank District. At the other end of the scale, Topeka showed the smallest amount—$51,908,000. This pattern showed no shift on a long-time basis inasmuch as these two Districts were top and bottom in 1941. However, at that time their portfolios totaled $893,283,000 and $33,982,000, respectively.

Only in Pennsylvania, the District of Columbia and California did the residential mortgage loan portfolio of all insured commercial banks decline during 1945. In the two former areas the drop was less than that registered in 1944; California reported $11 million less in mortgage loans outstanding at the end of last year than in 1944 when the decrease had been about $5 million.

Real estate overhang

Available figures do not permit analysis of the volume of residential real estate owned by insured commercial banks. However, according to FDIC reports, the book value of "real estate other than bank premises" declined 88 percent from the $263 million shown in 1941. At the end of last

Residential mortgage holdings and time deposits of insured commercial banks, 1945

[Thousands of dollars]

Federal Home Loan Bank District and state	Residential mortgage loans		Time deposits	
	Dec. 31, 1945	Change during 1945	Dec. 31, 1945	Change during 1945
UNITED STATES	$3, 330, 266	+$174, 716	$29, 277, 162	+$5, 929, 778
Boston	222, 722	14, 738	1, 614, 768	289, 382
Connecticut	63, 317	6, 765	339, 607	55, 496
Maine	13, 042	245	173, 089	28, 625
Massachusetts	80, 000	452	724, 358	136, 687
New Hampshire	8, 328	173	60, 223	10, 754
Rhode Island	21, 355	1, 094	191, 224	36, 768
Vermont	36, 680	6, 009	126, 267	21, 052
New York	475, 816	14, 852	5, 026, 492	943, 938
New Jersey	225, 638	7, 128	1, 740, 811	343, 038
New York	250, 178	7, 724	3, 285, 681	600, 900
Pittsburgh	313, 985	2, 599	2, 754, 760	519, 373
Delaware	11, 542	659	54, 128	8, 800
Pennsylvania	268, 877	−1, 674	2, 474, 677	456, 666
West Virginia	33, 536	3, 614	225, 955	53, 907
Winston-Salem	229, 122	21, 700	2, 183, 653	476, 360
Alabama	16, 221	2, 557	226, 386	49, 560
District of Columbia	30, 018	−2, 297	203, 139	36, 193
Florida	14, 338	636	259, 916	71, 627
Georgia	32, 179	6, 619	277, 086	64, 441
Maryland	39, 889	2, 070	388, 631	72, 501
North Carolina	19, 568	4, 475	282, 620	77, 379
South Carolina	7, 319	1, 213	73, 525	16, 701
Virginia	69, 590	6, 417	472, 350	87, 958
Cincinnati	299, 707	13, 845	2, 689, 466	563, 596
Kentucky	26, 733	2, 477	189, 148	36, 467
Ohio	250, 701	6, 838	2, 144, 805	443, 937
Tennessee	22, 273	4, 530	355, 513	83, 192
Indianapolis	284, 541	33, 829	2, 530, 987	515, 841
Indiana	94, 835	4, 066	706, 551	151, 081
Michigan	189, 706	29, 763	1, 824, 436	364, 760
Chicago	237, 454	21, 161	3, 201, 984	702, 271
Illinois	143, 703	14, 254	2, 159, 889	460, 021
Wisconsin	93, 751	6, 907	1, 042, 095	242, 250
Des Moines	252, 094	23, 071	1, 831, 834	388, 620
Iowa	47, 714	5, 116	433, 203	84, 244
Minnesota	69, 335	6, 228	685, 548	149, 864
Missouri	126, 487	10, 680	571, 141	119, 201
North Dakota	3, 284	137	77, 475	19, 123
South Dakota	5, 274	910	64, 467	16, 188
Little Rock	73, 232	15, 454	861, 373	203, 930
Arkansas	7, 813	1, 800	84, 266	19, 669
Louisiana	14, 072	1, 842	237, 239	58, 281
Mississippi	9, 613	2, 537	113, 879	24, 542
New Mexico	6, 499	2, 280	35, 810	10, 050
Texas	35, 235	6, 995	390, 179	91, 388
Topeka	51, 908	7, 754	546, 380	117, 526
Colorado	14, 913	2, 313	196, 946	46, 047
Kansas	13, 595	2, 312	129, 975	28, 028
Nebraska	7, 557	497	122, 444	26, 284
Oklahoma	15, 843	2, 632	97, 015	17, 167
San Francisco	889, 685	5, 713	6, 035, 465	1, 208, 940
Arizona	12, 147	1, 207	79, 010	18, 678
California	771, 798	—11, 312	4, 681, 594	915, 731
Idaho	8, 966	518	80, 779	18, 965
Montana	4, 822	1, 212	81, 215	19, 335
Nevada	6, 743	899	43, 982	10, 416
Oregon	14, 042	2, 623	349, 070	68, 778
Utah	25, 368	1, 687	155, 846	30, 630
Washington	41, 428	8, 874	524, 662	118, 025
Wyoming	4, 371	5	39, 307	8, 382

year this account totaled only $31 million after being more than cut in half during 1945. At the close of 1944 the value of owned real estate was $64 million. These data, interpreted in the light of the known experience of other types of lending institutions, indicate that a substantial drop undoubtedly has occurred in the *residential* overhang of insured commercial banks.

Time deposits of insured commercial banks

One of the outstanding developments in the early postwar period has been the continuation of the exceptional volume of private savings. Predictions of a decline in the rate of savings because of reconversion problems materialized only on a very small scale during early postwar months.

Insured commercial banks, in common with other types of thrift institutions, shared in last year's record volume. The time deposits of individuals, partnerships and corporations went up nearly $6 billion, or 25 percent. On December 31, 1945, they stood at $29.3 billion which was 93 percent above the $15.1 billion reported at the end of 1941.

In spite of the fact that these figures show total time deposits, the overwhelming proportion of these funds represent the savings of individuals. At the end of June 1945, the only recent date for which a breakdown is available, the time deposits of individuals represented 94 percent of all the time deposits which were held by insured commercial banks.

The dollar amount added to these savings deposits last year was greater than the 1944 increase, while the *rate* of gain was only fractionally less—25.4 last year and 25.8 percent in 1944. However, the change from war to reconversion was not without effect on the thrift patterns of the American people. It is significant to note that both the dollar and the percentage gains in the last half of the year were slightly less than during the January–June period. Both on the basis of this trend and current industrial developments as they affect our wage-price structure, it seems reasonable to believe that the high-water mark in the rate of individual savings has been passed.

All FHL Bank Districts and every state appeared in the increase column last year, with a somewhat narrower gap between the extremes than had been the case in 1944. States in the San Francisco region again showed the greatest dollar volume of savings as well as the greatest dollar increase, up $1.2 billion to $6 billion, while the Topeka area remained last in both respects with an increase of $117.5 million. These amounts were all in excess of those shown in 1944. The Topeka gain represented the largest percent increase among Bank Districts (31 percent) while the Boston District, where savings went up 22 percent, had the smallest proportionate increase. The range among the states was 39 percent in New Mexico to 19 percent in Delaware.

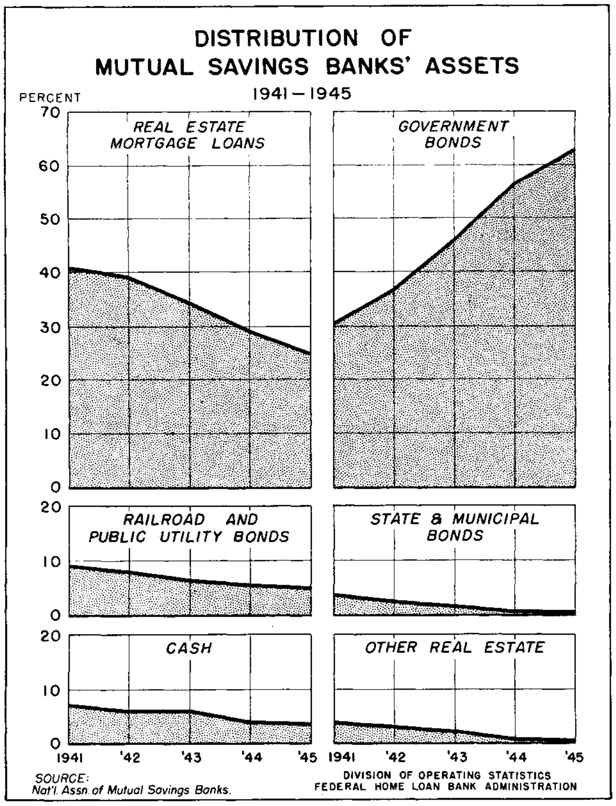
Mutual savings banks

Mutual savings banks also finished the war in a generally strengthened position. Between the year of Pearl Harbor and that of VJ Day they had increased their assets by over $5 billion, or 44 percent, from $11.8 billion to $17 billion. During last year alone the gain amounted to $2 billion, or 14 percent above 1944. The same war-induced expansion that characterized the Government bond portfolios of other financial institutions was apparent among mutual savings banks as the dollar volume of these securities rose from $3.6 billion to $10.6 billion. It is interesting to note that last year's $2-billion gain corresponded almost exactly to that shown by total assets. The 1941 year-end statement of condition showed that "Governments" represented 30 percent of total assets, while by 1944 the percentage had risen to 56 and last year was 63 percent, which was higher than that of either insured commercial banks or savings and loan associations.

Real estate owned

The real estate owned by these institutions dropped 92 percent during the war and at the end of 1945 amounted to less than $37 million. Favorable conditions which characterized the real estate market last year permitted a 63-percent decline from $99 million carried on the books at the end of 1944. Expressed as a percentage of total assets, this account had shrunk from 3.8 percent in 1941 to 0.2 percent last year. In 1945, only Vermont showed as much as 1 percent of assets represented by owned real estate. Trends in the principal asset items of these institutions are illustrated in the accompanying chart.

It is impossible to tell the exact position of *residential* mortgage holdings of mutual savings banks inasmuch as there is no breakdown by type of property. Therefore, figures (year-end reports of the National Association of Mutual Savings Banks) include all outstanding real estate loans.



The war years brought a continuation of the downward trend in the total of real estate mortgage loans held by these institutions. Whereas at the close of 1941 mortgages totaled $4.8 billion and represented 41 percent of assets, by last year-end these holdings had shrunk to $4.2 billion, or only 25 percent of all resources.

In contrast to the experience of insured commercial banks and savings and loan associations, 1945 did not show a reversal of this trend. On December 31, 1945, loans secured by real estate totaled $4.2 billion after a drop of $96 million. The 2-percent decrease last year, the smallest percentage drop experienced during the war years, brought to 12 percent the total decline since 1941. Except for Vermont, this downward trend was general in all 17 states in which mutual savings banks operate. In that state, real estate holdings represented 36 percent of total assets last year in contrast to 35 percent at the close of 1944.

Savings

The extent of mutual savings bank thrift operations during the war is illustrated by the fact that between December 31, 1941 and the close of 1945, over a million new depositors were added to the books and total savings increased by better than $4.8 billion. Last year's statement of condition showed an aggregate of $15.3 billion in this account, representing a gain of $2 billion, or 15 percent, in 12 months. This *rate* of advance was 1 percent above that shown in 1944, but again, as in the case of insured commercial banks, the greater part of this increment came in the first half of the year. This slight trend away from wartime savings was even more evident in the number of accounts. During the July–December period, the total number of depositors decreased in five states, although an over-all gain for the year was recorded.

Increases in the volume of savings were, however, general throughout all "mutual" states. New York and Massachusetts, already the leaders in savings volume, continued to show the greatest dollar gains. These increases amounted to $1 billion and $295 million, respectively, which was considerably in excess of the advances recorded in those states in 1944.

On the basis of last year's activities, the average for all types of deposits was $907 compared with $817 in 1944. In 1941 this average amounted to $666.

Standards Tightened for Priority Housing

■ TWO important steps were taken during June to provide additional protection for the veteran who buys or rents a home built under the Veterans' Emergency Housing program: minimum property standards were established, and provision made for the inspection of new construction.

Under the "HH Minimum Property Requirements," sales and rental housing built with priority assistance will be required to conform to minimum space, arrangement and construction standards. Aside from site and neighborhood provisions, these standards are identical with FHA standards under the National Housing Act.

Regulations were also amended to require home builders to submit detailed plans and specifications in applying for priorities and to provide for inspection of housing under construction with priority assistance. Two inspections will be made: when the dwelling is "roughed in," and when it is substantially completed. The inspections will be limited to compliance with plans and specifications.

VEHP Financing

(*Continued from p. 288*)

history of this nation. For this reason, it is more important than ever that the mortgage lender proceed with full understanding of the economic climate in which the loans are being made and without sacrificing public responsibility. It is common knowledge that many questionable practices have been adopted by some; practices which not only cast shadow on all lenders, but which are potential dangers to the entire mortgage structure. There is not need to enumerate them here. Every active lender comes into contact with them in a competitive market and they have been discussed at trade association meetings and in the press. If a sound mortgage system is to be maintained in this period of unprecedented demand, lenders must exercise self-discipline and at the same time fulfill their obligation to the prospective home-owning veteran.

Community Action on VEHP

■ BY mid-June, Mayor's Emergency Housing Committees had swung into action in more than 340 cities. In these communities, which cover 90 percent of the country's major population centers, groups including representatives of the local government, builders, materials dealers and manufacturers, real estate operators and mortgage lenders, labor, veterans, minority, religious, civic, public interest and consumer organizations were already at work on the Veterans' Emergency Housing Program.

A recent summary of reports received in the office of the Housing Expediter show, among others, these specific approaches to the problem:

Rochester, New York—revised its building code to permit erection of prefabricated homes and sold 50 city-owned lots at a nominal price for this purpose.

Portland and Eugene, Oregon—set up a "pool" for recording all building materials in the area so that builders might speedily locate dealers who could supply their needs.

Cedar Rapids, Iowa—employed an architect to draw plans for conversion of 42 buildings. Five veterans' organizations united in a project to buy 60 surplus RFC grain bins for conversion into $3,000 homes.

Lorain, Ohio—worked with purchasing agents of industrial concerns to expedite materials through legitimate channels for allocation to local builders.

In addition, sites for temporary housing have been provided by numerous localities, while other cities have undertaken revisions of building codes to bring them into line with present emergency conditions.

"Generally speaking," Mr. Wyatt said, "reports indicate this phase of the VEHP is off to a good start in most sections of the country."

New Board of Directors for San Francisco

■ THE appointment of four public interest directors and the election of eight other directors for the Federal Home Loan Bank of San Francisco have been announced by Harold Lee, Governor of the Bank System. Their terms of office will commence August 1.

Public interest directors: Ben A. Perham, president, Perham Fruit Company, Yakima, Washington; C. W. Leaphart, Dean of the Law School, Montana State University, Missoula, Montana; L. H. Hoffman, president, Hoffman Construction Company, Portland, Oregon; William A. Davis, president, First Federal Savings and Loan Association, Oakland, California.

Directors at large: Guy E. Jaques, Portland Federal Savings and Loan Association, Portland, Oregon; R. J. Fremou, Western Montana Building and Loan Association, Missoula, Montana.

Class A directors: Roy E. Hegg, San Diego Federal Savings and Loan Association, San Diego, California; Fred J. Bradshaw, American Savings and Loan Association, Salt Lake City, Utah.

Class B directors: Douglas H. Driggs, Western Savings and Loan Association, Phoenix, Arizona; L. C. Wetzel, First Federal Savings and Loan Association, Walla Walla, Washington.

Class C directors: Worth D. Wright, First Federal Savings and Loan Association, Idaho Falls, Idaho; I. W. Dinsmore, Rawlins Federal Savings and Loan Association, Rawlins, Wyoming.

Mr. Perham was selected to serve as chairman and Mr. Davis as vice chairman of the new board of directors. The elected members are from eight of nine states in the San Francisco Bank District.

Rents in the United States, 1929—1944

■ BETWEEN 1929 and 1944 the relative importance of rent as a component of gross national product declined significantly, according to a study published recently by the National Income Unit of the Bureau of Foreign and Domestic Commerce. Total rent payments dropped from 11.1 percent of gross national product in 1929 to 6.5 percent in 1944.

The country's economic output as measured by gross national product fell almost 45 percent from 1929 to 1934, while in this same period total rents dropped approximately 35 percent. By 1940, gross national product had almost regained its 1929 position but rents lagged 15 percent below the earlier year. Although both items continued to move upward through 1944, rents advanced only about 35 percent while the gross national product doubled.

Distortions in the national economy due to war prevented total rents from rising as much as they normally would in the face of such increased over-all activity. Government requirements absorbed nearly half of the national product and private construction had to be sharply curtailed. In addition, total rents were held down by rent controls in areas of residential shortages.

Over the 15-year period covered by the study, gross rental payments by tenants showed considerable variation. In 1929 aggregate rents approximated $11 billion, but by 1933 were down to $7 billion. Recovering to $10 billion by 1941, total rents progressed to an all-time record of almost $13 billion in 1944.

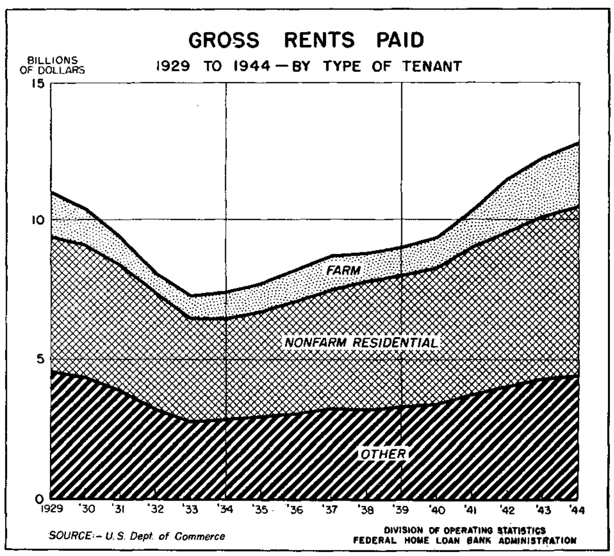
Some significant shifts in the relative importance of components making up the aggregate rentals were noted by the Bureau. Comparatively resistant to cyclical influences, the nonfarm housing portion accounted for 44 percent of the total in 1929; 51 percent in 1933 and 46 percent in 1944. As the accompanying chart shows, farm rents experienced both the sharpest decline and the greatest recovery.

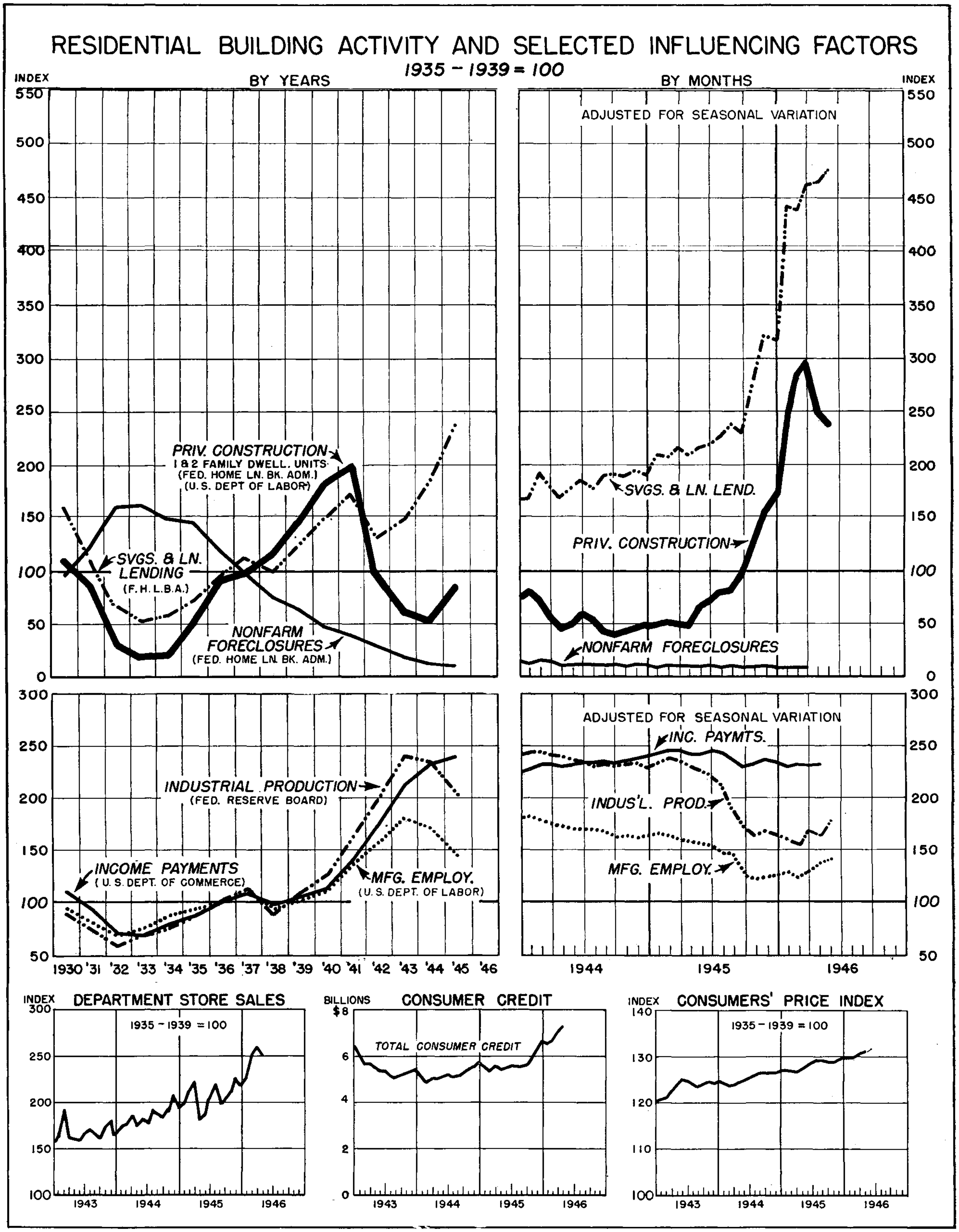
Factors affecting housing rents

Rental rates, especially for residential properties, play a primary role in determining rental totals, rising or falling with the economic temperature of the nation. Going rates, however, characteristically trail general conditions since rates are usually subject to advance contracts. Over a period of time the number of properties in different categories likewise exerts a telling influence on rental totals. The effectiveness of this factor is closely related to vacancy rates and the proportion of owner occupancy.

On an index of 1929=100, the Bureau reported that the total nonfarm housing rents rose to 119 by 1943. The gain after 1940 accrued from the strengthening of average rents and from a growth in the number of tenant-occupied dwellings as most of the privately constructed and all the temporary war housing was channeled into the rental markets during the early days of the war. That trend seems to have been decisively reversed after 1943, with the emphasis shifting to home ownership as revealed by sample surveys in 122 cities, conducted jointly since September 1944 by the Bureau of Labor Statistics and the Bureau of the Census. (See "Wartime Increases in Home Ownership," FHLB REVIEW, June 1946.) The sharp rise in residential real estate prices—spawned and fed by acute shortages of housing, wartime building restrictions, rent controls but no ceilings on real estate sales prices—acted as a powerful magnet to draw rental housing into the extremely profitable sales market.

Individuals received almost two-thirds of the total rents paid between 1929 and 1944. As is usual, this type of landlord collected about three-fourths of all residential rents and nearly six-tenths of both farm and "other" rents. Business landlords as a group received one-half as much in rental payments as individuals collected.




RESIDENTIAL BUILDING ACTIVITY AND SELECTED INFLUENCING FACTORS
1935 – 1939 = 100
BY YEARS
BY MONTHS
INDEX
ADJUSTED FOR SEASONAL VARIATION
PRIV. CONSTRUCTION
1 & 2 FAMILY DWELL. UNITS
(FED. HOME LN. BK. ADM.)
(U.S. DEPT OF LABOR)
SVGS. & LN. LENDING
(F.H.L.B.A.)
NONFARM FORECLOSURES
(FED. HOME LN. BK. ADM.)
SVGS. & LN. LEND.
PRIV. CONSTRUCTION
NONFARM FORECLOSURES
INDUSTRIAL PRODUCTION
(FED. RESERVE BOARD)
INCOME PAYMENTS
(U.S. DEPT. OF COMMERCE)
MFG. EMPLOY.
(U.S. DEPT. OF LABOR)
INC. PAYMTS.
INDUS'L. PROD.
MFG. EMPLOY.
1930 '31 '32 '33 '34 '35 '36 '37 '38 '39 '40 '41 '42 '43 '44 '45 '46
1944
1945
1946
DEPARTMENT STORE SALES
1935 – 1939 = 100
CONSUMER CREDIT
BILLIONS
TOTAL CONSUMER CREDIT
CONSUMERS' PRICE INDEX
1935 – 1939 = 100
1943
1944
1945
1946

« « « MONTHLY SURVEY » » »

BUSINESS CONDITIONS—May production lowest in four months

With the whole field of industrial relations considerably calmer than for many months, settlement of the coal and railway strikes was followed by a quick recovery of the industries affected. The end of the prolonged dispute in the copper industry and the successful outcome of maritime difficulties further brightened the outlook for increased industrial activity. As the REVIEW went to press, the farm machinery disputes were the major unresolved labor-management problems. Material shortages and the uncertain fate of over-all price control had been counteracted as disturbing elements, to some extent, by the upward revision of many individual price ceilings.

Industrial production as a whole declined somewhat in May. For that month, the Federal Reserve Board's seasonally adjusted index was down to 160 percent of the 1935–1939 average, against 165 percent in April and 168 in March. The expansion of industrial production following the settlement of various wage disputes pointed to June activity surpassing the March level.

As a direct result of the mine strike, total production of bituminous coal in the first five and one-half months of 1946 amounted to only 210 million tons compared to 274 million tons in the same period last year. Steel production during the last week in June was back to 87 percent of capacity although it had been perhaps more adversely affected by the coal and rail troubles than any other major industry. The previous shortage of steel accentuated by the latest interruptions of production led the CPA to set up an emergency system of distribution for the third quarter of 1946, with special allotments for critical housing and farm machinery production.

Index [1935–1939=100]	May 1946	April 1946	Percent change	May 1945	Percent change
Home construction (private)[1]	239.4	256.7	−6.7	65.2	+267.2
Rental index (BLS)	108.4	108.4	0.0	108.3	+0.1
Building material prices	142.7	141.3	+1.0	131.0	+8.9
Savings and loan lending [1]	477.9	465.2	+2.7	215.7	+121.6
Industrial production [1]	160.0	[r] 165.0	−3.0	225.0	−28.9
Manufacturing employment [1]	141.0	[r] 139.1	+1.4	164.5	−14.3
Income payments [1]	240.2	[r] 236.4	+1.6	241.9	−0.7

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

The upward movement of ceiling prices is reflected in the steady rise in the Department of Labor's general index of prices of twenty-eight basic commodities in primary markets. Registering an 8-point gain between April 30 and June 21, the index on that date was 198.1 (August 1939=100).

The general level of department store sales remained high during May, standing about one-third above comparable figures for last year. Displaying the usual seasonal pattern, such sales made a slight recovery after the relatively sharp post-Easter decline.

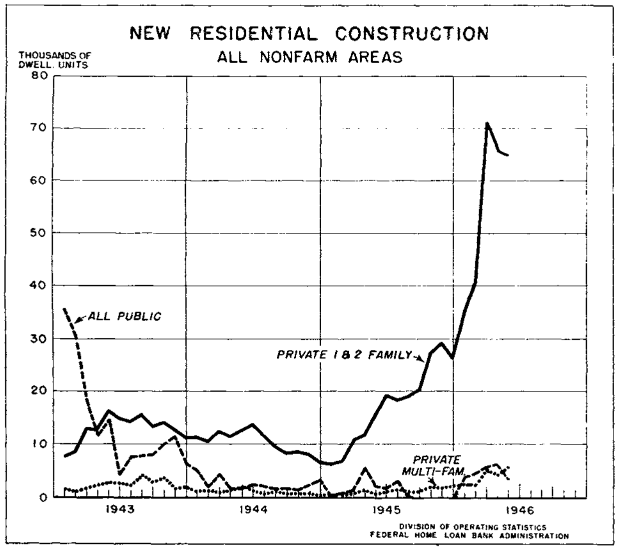
Money in circulation rose to $28,118,000,000 in May to exceed the $28-billion mark for the first time since December. Although a seasonal expansion may be expected in May, the increase this year was probably greater because the May 30 holiday was followed by the first Saturday bank closing in eastern states.

Slightly more than half a million persons were added to the civilian labor force during May, the Bureau of the Census reported. Since employment increased somewhat more than additions to the labor force, unemployment dropped fractionally. Agricultural pursuits claimed most of the new workers.

BUILDING ACTIVITY—Permit totals down 5,000 units from April

Construction totals for May were approximately 5,000 units below the previous month and 10,000 under the peak reached in March of this year on the basis of building permits reported to the Bureau of Labor Statistics, U. S. Department of Labor. Permits issued in all nonfarm areas of the country aggregated almost 73,000 units, of which 69,000 were to be privately financed and less than 4,000 were Government financed.

Cumulative figures for the first five months of this year indicate the substantial progress which has been made in the resumption of home building. Permits have been taken out or contracts awarded for almost 325,000 units of which 300,000 are to be private construction. This is equal to an annual rate of nearly 800,000 units for total construction and well over 700,000 for the private



portion. This year will see the highest volume of home building since 1928. Already the 1946 year-to-date figures for private construction are above the annual totals for any of the past three years.

The above permit data do not reflect the substantial number of additional housing units being provided through the conversion and modernization of existing dwellings. It is estimated that well over 50,000 have already been added to the supply through this channel. [TABLES 1 and 2.]

BUILDING COSTS—Upward trend accentuated in May

Reflecting recent price and wage adjustments, May residential building costs showed a slight acceleration in their long-term advance. The total cost index for the standard six-room frame house stood at 143.5 percent of the 1935–1939 average after a rise of 1 percent during the month. The gain since May 1945 amounted to almost 5 percent, of which over half of the rise has occurred since the first of the year. Increasing labor charges in these comparisons were more marked than advancing material costs with the result that these components had reached 152.3 and 139.2, respectively, in May. At the year-end they stood at 147.3 and 135.2.

Wholesale prices, as reflected in the Department of Labor combined index, also advanced 1 percent during May. Plumbing, heating and structural steel were the only components not contributing to this gain which brought the over-all index to 142.7. The increase since last May has amounted to 8.9 percent, and again, as in the case of the index for the standard house, most of this rise (7 percent) has taken place since the first of the year. [TABLES 3, 4 and 5.]

Construction costs for the standard house

[Average month of 1935–1939=100]

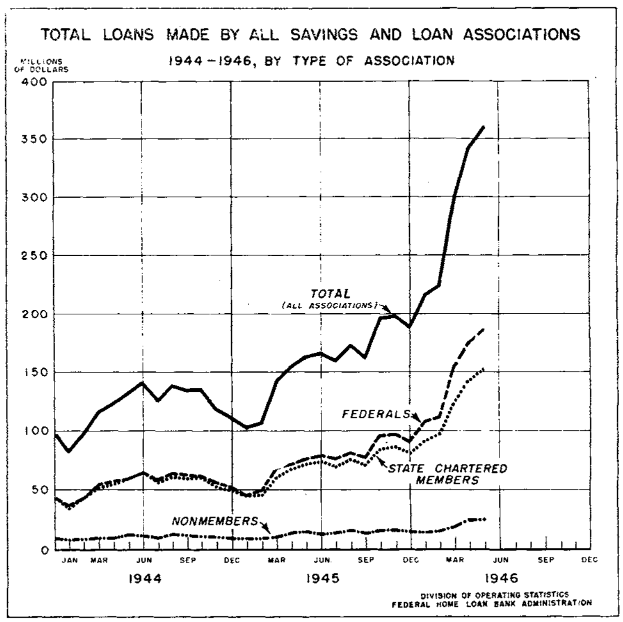
Element of cost	May 1946	April 1946	Percent change	May 1945	Percent change
Material	139.2	138.0	+0.9	133.4	+4.3
Labor	152.3	150.3	+1.3	143.8	+5.9
Total	143.5	142.1	+1.0	136.8	+4.9

MORTGAGE LENDING—May volume more than doubled in 1945 comparison

Savings and loan associations have continued to chalk up successively higher records in lending volume for each month so far in 1946. At no previous time, at least since the boom of the 1920's, had total loans of these institutions topped $200,000,000 in any one month, but each of the first five months of this year has been well in excess of this figure.

From a total of $188,000,000 in December 1945, the over-all lending volume of associations has climbed steadily to the level of $361,000,000 in May, and further rises are to be expected.

Construction loan volume is now expanding more rapidly than any other class. The $62,000,-



New mortgage loans distributed by purpose

[Dollar amounts are shown in thousands]

Purpose	May 1946	April 1946	Percent change	May 1945	Percent change
Construction	$62, 189	$53, 202	+16. 9	$13, 032	+377. 2
Home purchase	243, 458	235, 877	+3. 2	120, 244	+102. 5
Refinancing	24, 451	24, 882	−1. 7	15, 887	+53. 9
Reconditioning	6, 954	6, 796	+2. 3	3, 396	+104. 8
Other purposes	24, 246	22, 242	+9. 0	10, 520	+130. 5
Total	361, 298	342, 999	+5. 3	163, 079	+121. 5

000 loaned for this purpose in May represented a new top figure for any month on record; this was nearly half again as great as lending in July of 1941—the prewar high.

Although not rising at anywhere near the rate shown by construction loans, money advanced for purchasing existing homes continued to dominate the lending pattern for savings and loan associations. During May, home purchase loans increased but 3 percent, while loans for home construction rose 17 percent. Still, two-thirds of total lending during May was for purchase of homes, while only about one-sixth of the aggregate went for the construction of new homes. [Tables 6 and 7.]

MORTGAGE RECORDINGS—Monthly volume nears billion-dollar mark

The level of mortgage financing activity continued to rise during May. The estimated $964,000,000 of nonfarm mortgages of $20,000 or less recorded during the month represented an advance of 9 percent over the preceding month and was almost double the May 1945 volume. Quite contrary to the usual seasonal pattern—a downward trend during the late autumn and winter months—the monthly volume of real estate financing has risen substantially in every month since the end of the war, with the exception of December and February.

The increased volume of new construction has of course played a dominant role in boosting mortgage activity to the current high level. However, of perhaps equal importance in producing this rise has been the increased turnover of existing properties coupled with a steady advance in real estate prices. Although not a refined indicator of real estate prices, it is of interest to note that the average size of all mortgages of $20,000 or less has risen as much during the nine months since VJ Day as during the preceding four years.

Mutual savings and commercial banks and trust companies have shown the greatest percentage gains during the first five months of the year. Recordings of mutual savings banks were up 153 percent; banks and trust companies, 136 percent. Other increases were: savings and loan associations, 94 percent; "other" mortgagees, 67 percent; insurance companies, 64 percent; and individuals, 49 percent. [Tables 8 and 9.]

Mortgage recordings by type of mortgagee

[Dollar amounts are shown in millions]

Type of lender	May		Cumulative	
	1946 amount	Percent change from 1945	1946 (5 months)	Percent of total
Savings and loan associations	$333	+93. 2	$1, 364	35. 2
Insurance companies	39	+81. 1	157	4. 1
Banks, trust companies	241	+165. 1	916	23. 7
Mutual savings banks	52	+173. 2	180	4. 6
Individuals	187	+48. 8	823	21. 3
Others	112	+93. 9	431	11. 1
Total	964	+97. 9	3, 871	100. 0

FHLB SYSTEM—Outstanding advances rose $2.7 million

The rising volume of mortgage lending by member savings and loan associations was again reflected in a high volume of advances made by the Federal Home Loan Banks. The May total of $33.7 million was almost three times as much as the previous record for that month (1937). It was over five times the volume advanced in May 1945 and more than a third again as great as the total of April advances. All Banks participated in this stepped-up activity during the reporting month, with San Francisco showing the largest dollar increase and New York the smallest.

Repayments during May totaled $17 million, a record for that month and over twice the amount received in the same 1945 period. However, May receipts this year were $5 million below the April figure. The Boston, Pittsburgh, Chicago, Des Moines and Topeka Banks reported higher volumes of repayments during the month, which were more than offset, however, by the declines shown in the remaining six districts.

These operations resulted in an increased total of advances outstanding at the end of the reporting period. The balance of $173 million was $17 million more than the amount shown at the end of April. All Banks contributed to this gain, with the largest increment occurring in Cincinnati where the amount outstanding rose $2.7 million. San Francisco and Winston-Salem also showed gains in excess of $2 million, while only the Boston, Des Moines and Topeka Banks added less than $1 million to their total Bank advances outstanding.

On the basis of preliminary figures available as the REVIEW went to press, it seems probable that the June balance of advances outstanding exceeded the $200-million mark. [TABLE 12.]

INSURED ASSOCIATIONS—Operations continued at high level

Assets of all insured savings and loan associations stood at almost $6.6 billion at the end of May—up approximately $130 million during the month. The number of insured institutions reached 2,488 which was two more than at the end of April.

Current operations continued at record levels. New mortgage loans totaled $286 million, the highest monthly volume yet registered and 6 percent above the previous reporting period. The gain in private savings accounts ($82 million) was the largest so far this year, bringing the total private repurchasable capital to $5.6 billion. The May repurchase ratio was down somewhat from April in line with seasonal trends, but was still 11 points above the same month of last year. [TABLE 13.]

Progress in number and assets of Federals

[Dollar amounts are shown in thousands]

Class of association	Number		Approximate assets	
	May 31, 1946	April 30, 1946	May 31, 1946	April 30, 1946
New	633	632	$1, 457, 552	$1, 429, 801
Converted	838	837	2, 746, 505	2, 688, 275
Total	1, 471	1, 469	4, 204, 057	4, 118, 076

Federal associations

The 1,471 Federally chartered savings and loan associations had assets of $4.2 billion at the end of May. This compared with 1,466 institutions having assets of $3.3 billion a year previous. New mortgage loans of these associations during the reporting month were 7 percent higher than the April total but nearly 150 percent above those in May 1945. Their private share capital accounts were up $54 million during the month.

SHARE CAPITAL—Net gain almost $100 million

The net inflow of private savings into all savings and loan associations during May was the largest for any month so far this year and was 24 percent greater than in the same month of last year. This resulted from new investments of approximately $247 million and withdrawals of $148 million. The ratio of repurchases to new investments during the month of May was 60 percent in contrast to 51 percent in the same 1945 period. This follows the trend of the past several months when higher repurchase ratios have been noted.

During the first five months of this year, new share capital investments in all associations amounted to $1,294 million, or nearly $437 million in excess of money withdrawn. Insured associations accounted for more than four-fifths of the activity and of the net inflow of share investments.

The net inflow of share capital thus far in 1946 has fallen considerably behind the rising volume of lending activity. New loans by all savings and loan associations from January through May were estimated at close to $1.5 billion. The net gain in loan portfolios was, of course, considerably less than this figure but it is believed to be well above the $437-million gain in share capital. [TABLE 14.]

GI Home Loan Data

A new statistical series on the volume of GI home loans appears for the first time on page 314. This table, based on weekly reports of the Veteran's Administration, will be shown regularly in Table 10. The information on savings bonds, formerly carried in Table 10, will be published quarterly in the future.

DIRECTORY CHANGES

May 16—May 31, 1946

Key to changes

*Admission to membership in Bank System.
**Termination of membership in Bank System.
#Federal charter granted.
ØInsurance certificate granted.

NEW YORK DISTRICT

NEW JERSEY:
Princeton:
ØPrinceton Savings and Loan Association, 20 Nassau Street.

WINSTON-SALEM DISTRICT

ALABAMA:
Dothan:
*ØDothan Federal Savings and Loan Association, 107 South Foster Street.
FLORIDA:
Jacksonville:
*ØJacksonville Federal Savings and Loan Association, 1520 Hendricks Avenue.
Quincy:
#Quincy Federal Savings and Loan Association.
Tavares:
**Lake County Federal Savings and Loan Association of Tavares, 1 Broad St., NE.

CINCINNATI DISTRICT

OHIO:
Columbus:
**The Lilley Building and Loan Company, 150 East State Street.

INDIANAPOLIS DISTRICT

MICHIGAN:
Port Huron:
**Port Huron Loan and Savings Association, 505 Water Street.

CHICAGO DISTRICT

ILLINOIS:
Edwardsville:
*Clover Leaf-Home Building and Loan Association, 406 National Bank Building.
Edwardsville:
**Clover Leaf Loan, 406 National Bank Building.

Amendment to Regulations

FHLBA
Bulletin No. 62

AMENDMENT TO THE RULES AND REGULATIONS FOR THE FEDERAL SAVINGS AND LOAN SYSTEM RELATING TO HEARINGS HELD BY THE FEDERAL HOME LOAN BANK ADMINISTRATION. (Adopted and effective June 28, 1946.)

Section 202.29 of the Rules and Regulations for the Federal Savings and Loan System has been amended by adding the following sentence:

In any hearing held by the Federal Home Loan Bank Administration, including all hearings under the Rules and Regulations for the Federal Savings and Loan System, the officer presiding is hereby empowered to require and to administer oaths and affirmations as to any witnesses there offering testimony.

This procedural action became effective upon filing with *The Federal Register* on June 28, 1946.

Five Year Plan in Norway

RECONSTRUCTION in Norway is off to a good start under the Five Year Reconstruction Plan drawn up soon after the Germans withdrew in 1944. Directing the program is the Ministry of Supply and Reconstruction which must approve plans before building can commence. In order to meet immediate needs without prejudicing the execution of the long-range opportunity of providing modern and improved cities, only temporary dwellings are now being built. Many of Norway's cities were leveled during the occupation and 100,000 housing units were lost.

Two types of structures are currently being provided to fill the gap—barracks and "bardstueres." These bardstueres are designed now to bunk 16 people and are heated by tile stoves. As housing conditions improve, the bunks will be removed and the house will contain three rooms, a kitchen and bath.

As quickly as a city's reconstruction plans are approved, permanent construction can get under way. Of the 100,000 new permanent dwellings to be provided, it has been estimated that 20 to 40 percent will be prefabricated, many two-story or two-family, semi-detached units. Since the Germans left, three new prefab factories have been started in Norway. As soon as possible these will turn from bardstueres to the production of quality, permanent houses.

Shortages in labor are more serious than those in certain materials. For instance, in spite of bad usage by the Germans, enough fine forests remain to provide well over the 6 million cubic feet estimated as the annual lumber need. For this program, the labor force is short 15,000 men. Building trades men are also lacking so, under the Five Year Plan, schools offering short courses in these trades are being established.

Financing for the housing program has been provided through the establishment of a Housing Bank. This agency, already in operation, finances up to 100 percent of the building costs for low-rent dwellings.

An example of over-all city improvement is Hammerfest, northernmost port of the country, which was practically leveled. As a result of new city planning, rubble from bombings is being used to fill in the peninsulas which act as breakwaters, and residential sections of the city will be separated from business and industrial areas.

Table 1.—**BUILDING ACTIVITY**—Estimated number of new family dwelling units provided in all urban areas in May 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					
	May 1946 p	Apr. 1946 r	May 1945	May 1946 p	Apr. 1946 r	May 1945	May 1946 p	Apr. 1946 r	May 1945	May 1946 p	Apr. 1946 r	May 1945
UNITED STATES	46,993	51,128	12,650	38,384	41,571	10,451	5,576	3,847	771	3,033	5,710	1,428
Boston	3,228	2,451	338	1,523	1,789	320	1,335	37	18	370	625	
Connecticut	325	352	35	213	298	35	112				54	
Maine	73	105	6	73	99	6		6				
Massachusetts	2,461	1,629	86	948	1,027	74	1,223	31	12	290	571	
New Hampshire	176	89	3	96	89	3				80		
Rhode Island	157	237	208	157	237	202			6			
Vermont	36	39		36	39							
New York	4,022	3,860	386	2,667	3,013	301	1,337	507	85	18	340	
New Jersey	1,293	1,636	94	966	1,007	90	309	366	4	18	263	
New York	2,729	2,224	292	1,701	2,006	211	1,028	141	81		77	
Pittsburgh	2,774	2,984	123	2,433	2,320	97	261	213	26	80	451	
Delaware	22	43	2	22	43	2						
Pennsylvania	2,457	2,502	85	2,128	1,897	59	249	205	26	80	400	
West Virginia	295	439	36	283	380	36	12	8			51	
Winston-Salem	6,026	6,009	1,289	5,449	5,196	1,176	323	319	113	254	494	
Alabama	700	815	107	666	775	103	4		4	30	40	
District of Columbia	332	217	83	240	143	59	92	74	24			
Florida	1,315	1,394	540	1,171	1,276	509	107	118	31	37		
Georgia	874	768	161	850	702	145			16	24	66	
Maryland	827	662	8	818	642	8	9	20				
North Carolina	869	1,126	162	798	715	154	29	49	8	42	362	
South Carolina	294	224	49	262	198	49	8			24	26	
Virginia	815	803	179	644	745	149	74	58	30	97		
Cincinnati	3,353	3,064	1,149	2,509	2,809	797	247	255	72	597		280
Kentucky	353	301	52	284	301	44	16		8	53		
Ohio	2,364	2,094	826	1,609	1,853	490	211	241	56	544		280
Tennessee	636	669	271	616	655	263	20	14	8			
Indianapolis	3,366	4,061	1,085	2,975	3,897	1,025	50	48	60	341	116	
Indiana	859	1,222	253	847	1,218	229	12	4	24			
Michigan	2,507	2,839	832	2,128	2,679	796	38	44	36	341	116	
Chicago	3,170	3,509	717	2,855	2,845	542	241	536	75	74	128	100
Illinois	2,172	2,396	405	1,950	1,841	358	222	475	47		80	
Wisconsin	998	1,113	312	905	1,004	184	19	61	28	74	48	100
Des Moines	2,769	3,774	412	2,692	3,433	396	77	149	16		192	
Iowa	611	893	25	569	867	25	42				26	
Minnesota	1,210	1,610	266	1,188	1,570	250	22	40	16			
Missouri	611	822	62	598	630	62	13	100			92	
North Dakota	201	192	23	201	183	23		9				
South Dakota	136	257	36	136	183	36					74	
Little Rock	5,534	6,854	2,202	5,319	5,516	2,155	165	288	47	50	1,050	
Arkansas	218	308	88	148	296	88	20	12		50		
Louisiana	406	1,359	618	406	432	618		29			898	
Mississippi	411	400	132	398	357	128	13	43	4			
New Mexico	140	87	56	140	67	56					20	
Texas	4,359	4,700	1,308	4,227	4,364	1,265	132	204	43		132	
Topeka	2,683	2,604	751	2,030	1,970	687	67	58	64	586	576	
Colorado	1,245	853	415	628	602	351	51	21	64	566	230	
Kansas	554	617	137	538	470	137	16	7			140	
Nebraska	273	393	53	253	237	53		10		20	146	
Oklahoma	611	741	146	611	661	146		20			60	
San Francisco	10,068	11,958	4,198	7,932	8,783	2,955	1,473	1,437	195	663	1,738	1,048
Arizona	156	186	132	102	138	117	6		15	48	48	
California	6,967	7,899	3,299	5,522	5,696	2,099	1,389	1,267	152	56	936	1,048
Idaho	393	411	60	226	349	60				167	62	
Montana	164	160	50	144	146	38	20	14	12			
Nevada	141	370	33	141	257	33		11			102	
Oregon	561	1,041	198	542	768	198	19	47			226	
Utah	231	625	55	215	313	51	16	28	4		284	
Washington	1,310	1,172	348	974	1,025	340	12	67	8	324	80	
Wyoming	145	94	23	66	91	19	11	3	4	68		

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Table 2.—**BUILDING ACTIVITY**—Estimated number and valuation of new family dwelling units

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

Period	Number of family dwelling units provided						Permit valuation					
	Total construction	Private construction				Public construction	Total construction	Private construction				Public construction
		Total	1-family	2-family	3- and more family			Total	1-family	2-family	3- and more-family	
Nonfarm												
1941: Jan.-May	290,984	249,479	209,109	12,002	28,368	41,505	$998,983	$867,364	$759,817	$28,515	$79,032	$131,619
May	70,690	65,097	55,461	2,957	6,679	5,593	244,614	227,425	203,540	7,039	16,846	17,189
1945: Jan.-May	67,400	56,568	48,434	3,467	4,667	10,832	203,090	174,196	150,451	10,173	13,572	28,894
May	18,700	16,535	14,735	978	822	2,165	61,391	55,697	50,082	3,254	2,361	5,694
June	22,300	20,412	18,711	619	1,082	1,888	73,528	68,288	63,228	2,092	2,968	5,240
July	23 300	19,948	17,377	823	1,748	3,352	79,991	70,881	62,511	2,811	5,559	9,110
August	20,400	20,154	18,364	668	1,122	246	74,903	74,162	67,887	2,244	4,031	741
September	21,800	21,800	19,665	888	1,247	....	80,094	80,094	72,280	3,306	4,508	....
October	29,800	29,775	26,696	929	2,150	25	124,532	124,294	111,861	3,779	8,654	238
November	31,400	31,400	28,229	1,146	2,025	....	129,195	129,195	117,642	4,379	7,174	....
December	29,100	29,100	25,116	1,426	2,558	....	127,065	127,065	112,467	4,912	9,686	....
1946: Jan.-May	324,554	299,501	266,587	11,595	21,319	25,053	1,353,972	1,305,513	1,184,064	46,118	75,331	48,459
January	43,300	39,121	34,792	1,395	2,934	4,179	169,837	162,304	147,800	5,222	9,282	7,533
February	48,100	43,357	38,704	1,889	2,764	4,743	193,414	185,048	169,036	6,969	9,043	8,366
March	82,800	76,909	68,460	2,751	5,698	5,891	363,153	352,043	316,856	11,953	23,234	11,110
April [r]	77,500	70,954	64,236	2,671	4,047	6,546	327,447	313,189	286,437	10,991	15,761	14,258
May	72,854	69,160	60,395	2,889	5,876	3,694	300,121	292,929	263,935	10,983	18,011	7,192
Urban												
1941: Jan.-May	183,700	155,715	120,070	9,818	25,827	27,985	660,171	571,928	473,533	24,543	73,852	88,243
May	43,885	39,405	30,967	2,388	6,050	4,480	158,915	145,133	123,626	5,959	15,548	13,782
1945: Jan.-May	44,414	39,065	31,324	3,278	4,463	5,349	147,044	132,859	110,032	9,786	13,041	14,185
May	12,650	11,222	9,517	934	771	1,428	46,789	43,019	37,672	3,158	2,189	3,770
June	13,626	11,988	10,437	550	1,001	1,638	52,643	48,186	43,551	1,940	2,695	4,457
July	15,913	12,956	10,464	782	1,710	2,957	59,830	51,682	43,520	2,707	5,455	8,148
August	13,059	12,915	11,206	626	1,083	144	54,800	54,262	48,199	2,138	3,925	538
September	14,619	14,619	12,567	845	1,207	....	60,133	60,133	52,537	3,197	4,399	....
October	19,496	19,496	16,582	857	2,057	....	91,114	91,114	79,194	3,551	8,369	....
November	20,417	20,417	17,421	1,069	1,927	....	93,953	93,953	82,944	4,134	6,875	....
December	19,256	19,256	15,494	1,241	2,521	....	95,040	95,040	80,639	4,275	10,126	....
1946: Jan.-May	216,738	193,865	162,288	11,094	20,483	22,873	977,492	933,273	815,544	44,577	73,152	44,219
January	30,097	25,918	21,786	1,309	2,823	4,179	126,519	118,986	105,098	4,947	8,941	7,533
February	33,126	28,503	24,072	1,792	2,639	4,623	140,019	131,886	116,568	6,659	8,659	8,133
March	55,394	50,066	41,785	2,683	5,598	5,328	262,740	252,537	217,388	11,749	23,400	10,203
April [r]	51,128	45,418	39,000	2,571	3,847	5,710	234,163	221,754	195,969	10,689	15,096	12,409
May	46,993	43,960	35,645	2,739	5,576	3,033	214,051	208,110	180,521	10,533	17,056	5,941

[r] Revised.

Table 3.—**BUILDING COSTS**—Index of wholesale prices of building materials

[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: May	129.2	110.6	105.8	171.5	128.7	121.4	103.5	111.4
1945: 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	111.0	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	124.9	115.9	121.4
April	141.3	132.0	112.4	190.9	132.8	132.4	115.9	122.0
May	142.7	132.6	112.6	192.1	133.0	132.4	115.9	125.1
Percent change:								
May 1946–April 1946	+1.0	+0.5	+0.2	+0.6	+0.2	0.0	0.0	+2.5
May 1946–May 1945	+8.9	+8.9	+3.2	+11.8	+1.7	+9.1	+12.0	+11.1

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

[Average month of 1935-1939=100]

Element of cost	May 1946	April 1946	Mar. 1946	Feb. 1946	Jan. 1946	Dec. 1945	Nov. 1945	Oct. 1945	Sept. 1945	Aug. 1945	July 1945	June 1945	May 1945
Material	139.2	138.0	[r] 137.1	[r] 136.3	135.5	135.2	135.0	134.6	134.1	133.9	133.8	133.5	133.4
Labor	152.3	150.3	148.8	148.3	147.8	147.3	147.1	146.1	145.9	144.4	144.0	143.9	143.8
Total	143.5	142.1	141.0	[r] 140.3	139.6	139.2	139.0	138.4	138.0	137.4	137.2	137.0	136.8

[r] Revised.

Table 5.—**BUILDING COSTS**—Index of building costs in representative cities [1]

[Average month of 1935-1939=100]

Federal Home Loan Bank District and city	1946		1945			1944	1943	1942	1941	1940
	June	Mar.	Dec.	Sept.	June	June	June	June	June	June
Boston:										
Hartford, Conn.	144.1	137.5	137.9	137.3	136.8	135.1	128.2	128.6	114.4	103.1
Portland, Me.	164.8	153.8	153.5	152.5	152.5	148.2	134.7	122.9	109.4	98.9
Boston, Mass.	140.8	137.9	134.2	133.6	133.6	132.8	126.9	123.9	112.4	104.0
Manchester, N. H.	132.9	[r] 129.5	128.0	127.1	127.1	120.0	114.3	108.4	101.5	98.1
Providence, R. I.	151.4	147.6	146.0	142.7	142.4	138.6	128.7	120.7	111.8	105.2
Winston-Salem:										
Birmingham, Ala.	135.6	132.0	127.6	127.4	127.4	126.5	118.8	115.8	107.1	98.1
Washington, D. C.	159.2	[r] 153.1	150.4	144.5	144.5	141.4	133.4	127.4	111.3	104.3
Atlanta, Ga.	158.0	153.5	151.7	148.3	145.7	142.5	130.1	122.7	113.9	96.5
Baltimore, Md.	162.7	156.8	155.8	152.7	150.5	148.8	141.3	128.7	114.5	103.9
Richmond, Va.	145.8	136.7	135.9	133.8	133.5	130.2	120.7	115.1	106.5	95.7
Chicago:										
Chicago, Ill.	124.8	121.8	117.2	115.3	112.6	112.0	109.5	106.7	99.9	99.2
Milwaukee, Wisc.	155.1	148.1	146.9	145.8	144.4	142.3	131.5	124.4	114.3	108.4
Topeka:										
Denver, Colo.	136.5	132.1	129.1	127.3	128.2	122.5	112.9	112.2	103.5	96.8
Wichita, Kans.	140.2	138.1	137.3	136.8	136.7	134.4	129.0	125.5	114.7	105.9
Omaha, Nebr.	142.4	140.5	139.9	137.3	137.3	133.3	126.3	125.5	111.8	106.4
Oklahoma City, Okla.	165.2	162.3	153.3	151.5	151.4	149.4	133.3	127.7	119.4	108.8

[r] Revised.

[1] For complete explanation of these data, see Statistical Supplement to April 1946 REVIEW.

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-May	49,016	387,424	64,259	11,393	38,346	550,438	251,377	244,634	54,427
May	7,338	98,872	14,415	2,967	8,931	132,523	59,229	60,141	13,153
1945	180,550	1,357,555	196,011	40,736	137,826	1,912,678	911,671	836,874	164,133
January-May	36,832	493,870	73,300	12,768	49,854	666,624	312,751	293,591	60,282
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-May	222,455	981,891	114,750	27,968	99,757	1,446,821	737,783	606,628	102,410
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
April	53,202	235,877	24,882	6,796	22,242	342,999	174,468	143,114	25,417
May	62,189	243,458	24,451	6,954	24,246	361,298	186,282	150,161	24,855

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 (5 months)		
	May 1946	April 1946	May 1945	1946	1945	Percent Change
UNITED STATES	$361,298	$342,999	$163,079	$1,446,821	$666,624	+117.0
Federal	186,282	174,468	75,607	737,783	312,751	+135.9
State member	150,161	143,114	71,921	606,628	293,591	+106.6
Nonmember	24,855	25,417	15,551	102,410	60,282	+69.9
Boston	25,556	23,098	11,782	89,855	43,434	+106.9
Federal	11,797	10,231	4,940	41,364	17,746	+133.1
State member	11,563	10,866	5,242	40,473	20,524	+97.2
Nonmember	2,196	2,001	1,600	8,018	5,164	+55.3
New York	38,578	35,522	17,680	141,299	63,811	+121.4
Federal	16,713	14,723	6,263	57,665	22,334	+158.2
State member	17,168	14,901	7,990	62,966	30,141	+108.9
Nonmember	4,697	5,898	3,427	20,668	11,336	+82.3
Pittsburgh	28,533	27,037	14,989	112,011	56,773	+97.3
Federal	15,123	14,269	6,655	58,393	26,124	+123.5
State member	9,027	8,326	5,272	34,578	19,911	+73.7
Nonmember	4,383	4,442	3,062	19,040	10,738	+77.3
Winston-Salem	52,656	46,782	19,868	203,647	83,227	+144.7
Federal	30,347	27,104	10,433	115,366	44,450	+159.5
State member	18,556	16,302	8,366	74,195	34,206	+116.9
Nonmember	3,753	3,376	1,069	14,086	4,571	+208.2
Cincinnati	55,267	55,815	27,445	232,273	110,245	+110.7
Federal	25,540	25,422	11,963	106,287	47,829	+122.2
State member	27,248	27,457	13,673	115,338	54,849	+110.3
Nonmember	2,479	2,936	1,809	10,648	7,567	+40.7
Indianapolis	21,472	21,566	9,475	88,123	38,116	+131.2
Federal	12,780	12,334	5,149	50,428	20,010	+152.0
State member	8,212	8,782	3,860	35,471	16,150	+119.6
Nonmember	480	450	466	2,224	1,956	+13.7
Chicago	37,560	36,028	17,982	149,629	75,474	+98.3
Federal	17,095	16,964	7,555	67,458	31,787	+112.2
State member	18,892	17,546	9,124	75,040	37,535	+99.9
Nonmember	1,573	1,518	1,303	7,131	6,152	+15.9
Des Moines	21,843	21,190	9,157	87,583	39,116	+123.9
Federal	12,622	12,222	4,951	48,878	19,784	+147.1
State member	6,518	6,816	3,151	28,862	14,183	+103.5
Nonmember	2,703	2,152	1,055	9,843	5,149	+91.2
Little Rock	17,607	17,081	7,276	75,450	33,184	+127.4
Federal	8,039	8,197	3,405	37,198	16,311	+128.1
State member	9,377	8,630	3,751	37,457	16,423	+128.1
Nonmember	191	254	120	795	450	+76.7
Topeka	18,192	16,262	7,682	75,973	34,916	+117.6
Federal	11,006	8,882	4,050	43,872	18,543	+136.6
State member	5,116	5,301	2,257	23,493	10,380	+126.3
Nonmember	2,070	2,079	1,375	8,608	5,993	+43.6
San Francisco	44,034	42,618	19,743	190,978	88,328	+116.2
Federal	25,220	24,120	10,243	110,874	47,833	+131.8
State member	18,484	18,187	9,235	78,755	39,289	+100.5
Nonmember	330	311	265	1,349	1,206	+11.9

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

MAY 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	$333,192	$38,862	$241,330	$51,851	$187,311	$111,892	$964,438
Boston	29,716	1,012	11,827	25,017	10,685	5,308	83,565
Connecticut	4,071	681	5,408	4,897	3,645	2,033	20,735
Maine	935	34	538	1,243	631	72	3,453
Massachusetts	21,491	277	4,389	15,917	4,811	2,653	49,538
New Hampshire	729	......	248	1,252	548	51	2,828
Rhode Island	2,152	20	1,068	1,116	774	482	5,612
Vermont	338	......	176	592	276	17	1,399
New York	27,525	2,493	19,728	21,392	26,571	10,068	107,777
New Jersey	5,974	731	6,280	1,494	6,107	3,285	23,871
New York	21,551	1,762	13,448	19,898	20,464	6,783	83,906
Pittsburgh	26,893	2,917	25,157	1,613	11,900	7,261	75,741
Delaware	376	173	343	154	453	121	1,620
Pennsylvania	24,722	2,201	21,941	1,459	10,277	6,881	67,481
West Virginia	1,795	543	2,873	......	1,170	259	6,640
Winston-Salem	30,619	4,960	12,155	588	23,129	6,332	77,783
Alabama	1,304	545	997	......	1,530	872	5,248
District of Columbia	4,928	435	1,050	......	2,542	500	9,455
Florida	5,067	2,084	2,055	......	8,076	1,510	18,792
Georgia	3,651	232	2,226	......	1,895	1,186	9,190
Maryland	8,542	294	2,501	588	2,356	451	14,732
North Carolina	2,808	636	778	......	1,658	560	6,440
South Carolina	718	233	805	......	952	468	3,176
Virginia	3,601	501	1,743	......	4,120	785	10,750
Cincinnati	61,711	3,867	27,213	1,272	10,388	9,337	113,788
Kentucky	5,297	757	2,295	......	651	285	9,285
Ohio	54,583	1,935	22,219	1,272	8,595	3,181	91,785
Tennessee	1,831	1,175	2,699	0	1,142	5,871	12,718
Indianapolis	22,803	4,254	24,837	2	6,273	5,828	63,997
Indiana	13,333	1,759	9,595	2	2,511	1,510	28,710
Michigan	9,470	2,495	15,242	......	3,762	4,318	35,287
Chicago	40,013	1,768	14,766	38	12,834	16,216	85,635
Illinois	31,493	1,329	9,237	......	8,210	14,871	65,140
Wisconsin	8,520	439	5,529	38	4,624	1,345	20,495
Des Moines	20,499	3,858	17,977	640	9,101	10,803	62,878
Iowa	4,776	380	4,838	......	1,453	1,047	12,494
Minnesota	7,991	1,314	4,952	640	2,776	3,585	21,258
Missouri	6,544	2,097	7,645	......	4,480	6,057	26,823
North Dakota	790	46	286	......	208	108	1,438
South Dakota	398	21	256	......	184	6	865
Little Rock	18,336	6,387	6,604	......	14,421	10,509	56,257
Arkansas	1,280	276	962	......	801	82	3,401
Louisiana	5,564	668	394	......	3,034	1,402	11,062
Mississippi	868	276	624	......	783	320	2,871
New Mexico	307	37	199	......	394	22	959
Texas	10,317	5,130	4,425	......	9,409	8,683	37,964
Topeka	16,435	1,619	7,241	......	9,305	4,932	39,532
Colorado	2,872	198	1,821	......	4,456	1,528	10,875
Kansas	5,635	243	2,876	......	1,436	1,596	11,786
Nebraska	1,693	521	655	......	715	152	3,736
Oklahoma	6,235	657	1,889	......	2,698	1,656	13,135
San Francisco	38,642	5,727	73,825	1,289	52,704	25,298	197,485
Arizona	1,027	93	1,303	......	3,292	183	5,898
California	24,302	4,309	58,720	......	42,100	20,202	149,633
Idaho	1,185	69	623	......	601	171	2,654
Montana	768	63	630	......	589	21	2,071
Nevada	221	23	318	......	804	45	1,411
Oregon	2,575	419	1,640	187	2,193	1,055	8,069
Utah	1,359	201	1,689	......	385	305	3,939
Washington	6,898	516	8,479	1,102	2,302	3,279	22,576
Wyoming	307	34	418	......	438	37	1,234

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-May	703,619	34.0	95,762	4.6	388,814	18.8	71,103	3.4	551,981	26.7	258,558	12.5	2,069,837	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-May	1,364,112	35.2	156,954	4.1	915,880	23.7	179,994	4.6	822,693	21.3	430,924	11.1	3,870,557	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
April	315,471	35.6	33,974	3.8	213,878	24.1	44,855	5.1	180,318	20.3	98,770	11.1	887,266	100.0
May	333,192	34.6	38,862	4.0	241,330	25.0	51,851	5.4	187,311	19.4	111,892	11.6	964,438	100.0

Table 10.—GI LENDING—Home Loans [1]

[Dollar amounts are shown in thousands]

Cumulative through	No. of applications and reports	Total loans reported closed and disbursed [2]		
		Number	Amount of guaranty and insurance	Principal amount of loan
May 3	166,311	119,834	$249,292	$564,482
May 10	176,128	121,635	253,562	573,775
May 17	187,290	124,885	261,440	588,014
May 24	199,230	129,300	272,240	611,561
May 31	209,334	133,972	283,948	634,812
June 7	221,212	140,334	299,903	670,297
June 14	233,533	148,462	320,568	712,281
June 21	246,201	157,004	341,997	756,782
June 28	257,986	165,737	364,514	804,907

[1] Records of Veterans' Administration.
[2] Totals do not include 43,270 loans acted upon and approved for loan closing. Their dollar volume, estimated at $210,000,000, brought the aggregate principal of GI home loans to about $1,015,000,000 on June 28.

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: 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	20,006	7,508	6,568,808
March	3,760	24,346	6,273	6,603,187
April	3,570	24,160	7,853	6,638,770
May	4,406	26,389	9,700	6,679,265

[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, May 1946		Principal assets, May 31, 1946			Capital and principal liabilities, May 31, 1946			Total assets May 31, 1946 [1]
	Advances	Repayments	Advances outstanding	Cash [1]	Government securities	Capital [2]	Debentures	Member deposits	
Boston	$1,874	$1,338	$12,617	$1,496	$9,484	$20,716	$2,000	$971	$23,651
New York	2,599	1,081	10,879	1,585	32,394	29,188		15,850	45,057
Pittsburgh	3,056	1,397	18,206	1,497	9,521	17,972	10,000	1,329	29,335
Winston-Salem	3,128	1,006	16,939	1,440	4,122	19,790	2,500	281	22,579
Cincinnati	3,641	890	18,693	2,016	26,183	29,170	5,000	12,985	47,206
Indianapolis	2,103	537	12,492	1,720	15,421	15,661	8,000	6,068	29,742
Chicago	4,736	3,427	34,130	2,676	4,393	25,135	12,500	3,695	41,350
Des Moines	2,651	1,818	11,974	243	12,165	15,000	8,500	975	24,491
Little Rock	1,777	170	8,039	461	9,623	13,102	5,000	102	18,212
Topeka	1,021	279	4,904	765	8,547	11,203	2,000	580	14,289
San Francisco	7,128	4,938	23,796	3,497	19,589	27,314	11,500	8,206	47,050
May 1946 (combined total)	33,714	16,881	172,669	17,396	151,442	224,251	67,000	51,042	343,002
April 1946	24,462	21,858	155,836	21,303	162,216	223,078	67,000	50,351	340,569
May 1945	6,307	7,423	50,924	23,475	271,929	211,303	50,000	86,359	347,994

[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												
1945: May	2,469	$5,292,169				$4,678,335	$28,751	$44,597	$121,808	$130,182	$62,980	48.4
June	2,471	5,549,563	$3,433,871	$282,911	$1,585,708	4,786,912	28,751	124,465	126,824	163,156	56,279	34.5
July	2,473	5,594,461				4,840,292	23,499	114,469	121,572	196,944	144,932	73.6
August	2,475	5,666,351				4,913,879	23,378	105,344	131,239	156,189	83,357	53.4
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
October	2,476	5,797,238				5,055,073	23,367	79,497	150,000	163,628	91,668	56.0
November	2,474	5,878,098				5,109,101	23,366	88,304	151,335	147,022	92,650	63.0
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: January	2,477	6,204,954				5,299,668	20,165	163,559	169,107	283,487	205,537	72.5
February	2,481	6,274,832				5,361,314	19,374	154,835	174,954	182,679	122,099	66.8
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
April	2,486	6,462,376				5,507,923	19,373	145,744	268,705	198.896	123,265	62.0
May	2,488	6,592,552				5,589,795	19,358	159,546	285,613	196,993	116,370	59.1
FEDERAL												
1945: May	1,466	3,337,648				2,988,435	22,616	29,089	75,607	85,977	40,063	46.6
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
July	1,467	3,552,154				3,089,026	18,138	90,017	76,355	129,958	100,301	77.2
August	1,469	3,595,087				3,137,136	18,069	81,805	82,197	102,190	55,016	53.8
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
October	1,466	3,676,401				3,231,187	18,058	58,694	95,815	108,252	59,925	55.4
November	1,466	3,732,490				3,271,317	18,058	62,153	96,709	97,373	59,023	60.6
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: January	1,467	3,955,391				3,395,108	15,250	124,242	109,146	190,748	144,388	75.7
February	1,468	3,999,837				3,435,482	14,540	118,501	111,927	122,452	82,173	67.1
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
April	1,469	4,118,076				3,532,406	14,539	106,599	174,467	132,092	81,241	61.5
May	1,471	4,204,057				3,586,501	14,539	115,009	186,282	130.551	78,013	59.8
STATE												
1945: May	1,003	1,954,521				1,689,900	6,135	15,508	46,201	44,205	22,917	51.8
June	1,006	2,021,536	1,269,218	104,534	533,040	1,728,229	6,135	26,525	47,221	56,386	22,678	40.2
July	1,006	2,042,307				1,751,266	5,361	24,452	45,217	66,986	44,631	66.6
August	1,006	2,071,264				1,776,743	5,309	23,539	49,042	53,999	28,341	52.5
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
October	1,010	2,120,837				1,823,886	5,309	20,803	54,185	55,376	31,743	57.3
November	1,008	2,145,608				1,837,784	5,308	26,151	54,626	49,649	33,627	67.7
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: January	1,010	2,249,563				1,904,560	4,915	39,317	59,961	92,739	61.149	65.9
February	1,013	2,274,995				1,925,832	4,834	36,334	63,027	60,227	39,926	66.3
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
April	1,017	2,344,300				1,975,517	4,834	39,145	94,238	66,804	42,024	62.9
May	1,017	2,388,495				2.003,294	4,819	44,537	99.331	66,422	38,357	57.7

Table 14.—SAVINGS—Savings and loan share investments and repurchases, May 1946

[Dollar amounts are shown in thousands]

Period	All associations: New investments	All associations: Repurchases	All associations: Net inflow	All associations: Repurchase ratio	Insured associations: New investments	Insured associations: Repurchases	Insured associations: Net inflow	Insured associations: Repurchase ratio	Uninsured associations: New investments	Uninsured associations: Repurchases	Uninsured associations: Net inflow	Uninsured associations: Repurchase ratio
1945: January-May	$887,982	$500,459	$387,523	56.4	$723,388	$387,201	$336,187	53.5	$164,594	$113,258	$51,336	68.8
May	162,084	82,091	79,993	50.6	130,182	62,980	67,202	48.4	31,902	19,111	12,791	59.9
June	204,443	78,868	125,575	38.6	163,156	56,279	106,877	34.5	41,287	22,589	18,698	54.7
July	243,361	179,183	64,178	73.6	196,944	144,932	52,012	73.6	46,417	34,251	12,166	73.8
August	196,241	104,265	91,976	53.1	156,189	83,357	72,832	53.4	40,052	20,908	19,144	52.2
September	194,823	100,506	94,317	51.6	146,290	77,855	68,435	53.2	48,533	22,651	25,882	46.7
October	202,777	119,821	82,956	59.1	163,628	91,668	71,960	56.0	39,149	28,153	10,996	71.9
November	184,046	118,881	65,165	64.6	147,022	92,650	54,372	63.0	37,024	26,231	10,793	70.8
December	223,885	94,970	128.915	42.4	180,352	71,777	108,575	39.8	43,533	23,193	20,340	53.3
1946: January-May	1,293,583	857,032	436,551	66.3	1,060,211	696,844	363,367	65.7	233,372	160,188	73,184	68.6
January	334,961	244,619	90,342	73.0	283,487	205,537	77,950	72.5	51,474	39,082	12,392	75.9
February	220,469	150,656	69,813	68.3	182,679	122,099	60,580	66.8	37,790	28,557	9,233	75.6
March	243,363	158,627	84,736	65.2	198,176	129,573	68,603	65.4	45,187	29,054	16,133	64.3
Aprll	248,077	155,455	92,622	62.7	198,896	123,265	75,631	62.0	49,181	32,190	16,991	65.5
May	246,713	147,675	99.038	59.9	196,973	116,370	80,603	59.1	49,740	31,305	18,435	62.9

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