to the lender against possible loss in the event of foreclosures. The same general advantages applied, as well, to the FHA mortgage insurance programs for rental housing.

The mortgage insurance protection feature attracted private investment, and the long-term, low-interest, fixed monthly payment features of the mortgages greatly broadened the market for new housing by reducing monthly carrying costs to levels that could be afforded by many more households. The FHA-type of financing supplied a "yardstick" for private industry, and the same general lending pattern came to be used commonly by private lenders in their non-FHA-insured lending activities. In fact, it is interesting to note that several years ago, a system of private mortgage insurance was established to serve certain savings and loan associations.

During World War II, under a program to provide privately built housing for immigrant warworkers and after World War II, when FHA (as well as VA) bent every effort to provide housing for families of returning war veterans, the FHA programs supplied the basis for development of great efficiencies in "project" construction. These large-scale projects, sometimes involving thousands of homes, provided opportunities for introducing rationalization of production and for achieving large-scale economies of mass materials purchases. Under this stimulus, such techniques as precutting, and prefabrication of such components as roof trusses and rafters and module wall sections became commonplace. Standard floor plans allowed prefabrication of sheet metal ductwork, and some developers bench-assembled plumbing "trees," allowing rapid hookup with plumbing fixtures. Millwork items were standardized, and long production runs on windows and doors allowed great economies to be achieved. Large-scale mass production also supported development of mobile equipment for earthmoving and materials handling and lightweight power hand tools.

Industry responded with development of new products that helped lower material and labor costs. These included widespread use of dry wall construction for interior walls, packaged chimneys, new materials for siding, and roofing, etc.

Large-scale project construction also involved adherence to FHA standards for land development and planning. These concerned such items as provision for safe traffic flow, proper densities, provision of appropriate public utilities, etc. These standards, as well, became yardsticks for the entire industry. The development of a building industry capable of producing 1.5 million units a year has, in turn, stimulated the development of firms engaged in production of building materials, appliances and home furnishings. New firms have been formed and existing ones enlarged in response to market demands.

(*d*) *Effects on the stability, level, volume, or other aspects of employment, wages, costs, production, sales, prices, or other phases of economic activity.*—The availability of home loan credit at long maturities and with small initial equities because of FHA mortgage insurance, has undoubtedly broadened the base of effective demand for housing. On several occasions, the Federal Government has sought to stimulate residential construction as a countercyclical aid by liberalizing the