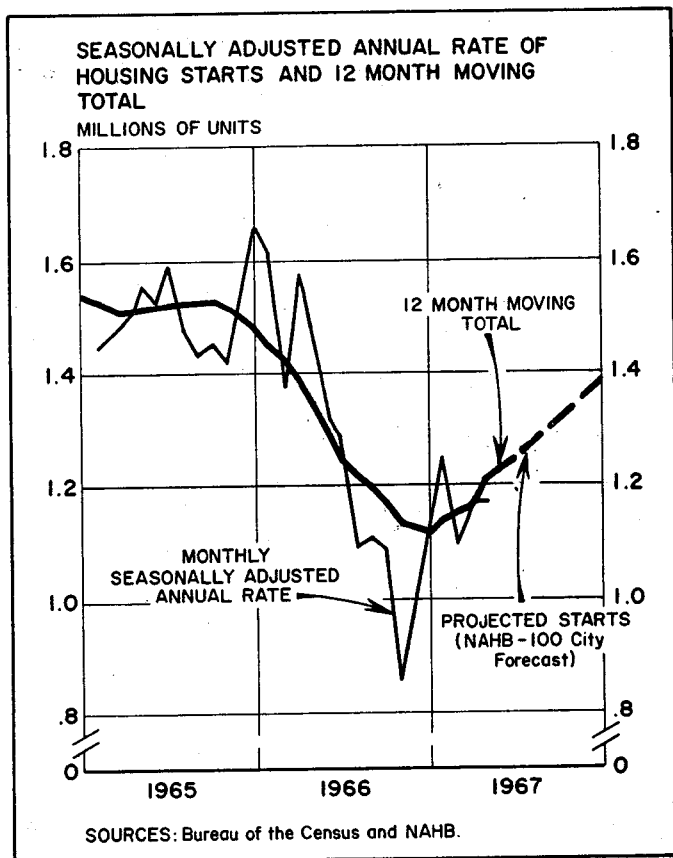


CHART 1



Let me briefly review some of the factors which will affect home-building activity in the rest of 1967 and during 1968.

Availability of mortgage and construction money will continue to present problems under current monetary and fiscal policies and the high level of governmental activity required by our international obligations. The favorable savings flow into mortgage lending institutions reported during the first half of 1967 (table) may well not be matched in the second half of the year.

In table 1 there are estimates of the flow of funds for the first 6 months of 1967 for the four major institutions. When you read down the line, you can see that life insurance companies are going to increase by 30 percent the flow of funds, savings and loans by 190 percent, commercial banks by 79.3 percent, and mutuals by 217.6 percent, a total of 90 percent over the first 6 months of 1966.

(Table 1 follows:)