ensuing decade, this legislation gained the support of all of the major national housing, mortgage, and real estate groups, was recommended by the privately sponsored Commission on Money and Credit in 1961 and by President Kennedy's Cabinet Committee on Financial Institutions in 1963, and became an administration-sponsored and drafted bill twice specifically endorsed by President Johnson in his January 1966 and January 1967 Economic Reports.

The 1966 mortgage and housing crisis intensified the urgency of achieving legislation that would strengthen the Nation's thrift and home-financing system. Following congressional hearings on Federal savings bank and alternative legislation in July 1967, a unified approach toward this goal was embodied in the Federal savings institutions bill through the joint efforts of thrift industry, congressional, and administration leadership. This administration-sponsored and drafted legislation was introduced in the Congress in September and reported favorably by the House Banking and Currency Committee in late November 1967. It is due to be considered by the full House of Representatives in the present session of the Congress.

Like the predecessor Federal savings bank bills, the Federal savings institutions bill (H.R. 13718) enjoys widespread public-interest support, including major mortgage, real estate and housing groups, the savings bank and savings and loan industries, Congressmen from both parties, and key Federal agencies with responsibilities in the economic and financial areas. And it is particularly gratifying that President Johnson urged enactment of H.R. 13718 in his February 1968 Economic Report. (See page 22.)

This bi-partisan, public-interest support reflects a recognition of the fundamental ways in which the bill will help strengthen the flow of residential mortgage credit. In this regard, we strongly recommend the House Banking and Currency Committee's Report on H.R. 13718 as "must reading" for those interested in meeting the problems of housing and residential mortgage credit in the critical years ahead.[2] As the committee noted in its report, the bill will benefit the residential mortgage market in three inter-related ways:

—it will encourage an increased and better distributed flow of financial saving;

—it will channel an increased share of the enlarged savings pool through savings institutions and into housing; and

—it will help even out the flow of residential mortgage credit over the course of the business cycle.

The bill will accomplish these goals by authorizing the Federal Home Loan Bank Board to charter Federal mutual savings institutions—either newly organized institutions or converting mutual savings banks and mutual savings and loan associations—having the modern and flexible powers needed to compete for savings in the new, intensely competitive savings market environment of the 1960's and beyond.

The long record of actual experience shows, and scholarly studies have substantiated, that the presence of vigorous, competitive thrift institutions in a community stimulates an increased volume of locally

[2] Federal Savings Institutions, report on H.R. 13718 of the Committee on Banking and Currency, House of Representatives, 90th Cong., first sess., Dec. 13, 1967.