

## CHAPTER XII

### BUILDING<sup>1</sup>

THE VALUE of building construction in 1956 is estimated at IL.220 million—some 10 per cent more than in the preceding year; the increase is, however, entirely due to higher costs. In real terms, the volume of building declined by more than 4 per cent, due to the contraction of the area of newly commenced residential buildings of all types.

The volume of building financed in part from public sources also declined. The Popular Housing Scheme neared completion, while construction on the "Save to Build" Project had not yet started. Building in communal settlements (Kibbutzim) also fell off, owing to the need for the erection of shelters and fortifications. Out of the total volume of publicly financed building a larger share was destined for new immigrants, but, despite increased immigration, the total area of buildings commenced was smaller than in 1955. Private building was affected by restriction of credit for building purposes and by a contraction of demand. The Sinai campaign caused a considerable decline in this sector, mainly as a result of the mobilization of trucks and drivers.

In contrast to the marked trend to contract which characterized the building sector in 1956, the beginning of 1957 showed signs of increased activity, at least in publicly-financed housing, which was stimulated by the renewal of large-scale immigration and the beginning of construction on the "Save to Build" Project. There are therefore indications that building activity in 1957 will be chiefly concentrated on the commencement of new buildings, in contrast to 1956, in which the main accent was on the completion of buildings commenced during the previous year.

#### 1. THE VOLUME OF BUILDING AND BUILDING COSTS

The volume of building at constant prices was 4 per cent smaller in 1956 than in 1955. However, as costs increased by 14.3 per cent, the value of building at current prices rose by 9.5 per cent, reaching approximately IL.220 million (see table XII-1).

The contraction in the volume of building was mainly due to a considerable reduction in the area of newly commenced residential houses (see table XII-4),

<sup>1</sup> Houses only; does not include public works and other construction.

**TABLE XII-1**  
*The Value of Building, 1955 and 1956<sup>a</sup>*  
(in IL. thousands)

	1955—Revised figures		1956	Price change (in per cent)	Real change (in per cent)
	at 1955 prices	at 1956 prices			
<i>Residential Building</i>					
Public Building <sup>b</sup>					
of which	80,929	94,792	75,875	+17.0	- 19.9
For Immigrants	36,116	41,913	42,094	+16.1	+ 0.4
For Others	44,813	52,879	33,781	+18.0	- 36.1
Private Building	90,854	99,938	106,532	+10.0	+ 6.6
<i>Total Residential Building</i>	171,783	194,730	182,407	+13.1	- 6.1
<i>Non-Residential Building</i>					
Hotels	191	229	546	+19.9	+138.4
Commercial Buildings	6,600	8,251	6,891	+25.0	- 16.5
Industrial Buildings	5,373	6,396	6,307	+19.0	- 1.4
<i>Public Buildings<sup>c</sup></i>	9,795	12,153	16,234 <sup>c</sup>	+24.1	+33.6
<i>Total Non-Residential Building<sup>c</sup></i>	21,959	27,029	29,978 <sup>c</sup>	+23.1	+10.9
<i>Total<sup>c</sup></i>	193,742	221,759	212,385 <sup>c</sup>	+14.3	- 4.1

<sup>a</sup> The value of all types of construction is obtained by multiplying the following two factors:  
1. The area of work put in place, calculated as the average of building starts and completions.

2. The average cost of one square metre of building (including interest and contractor's profit), based on information received from building companies and private contractors. As no current statistics of total work put in place are available, it was necessary to resort to the average of starts and completions, though in certain years such an average may give a distorted picture. In some other countries, the value of building construction is calculated on the basis of less satisfactory data. For example, in the United States, in the absence of more accurate data, it is estimated on the basis of building licenses issued.

<sup>b</sup> In the sense of "building financed by the Government or from other public sources";—not to be confused with "Public Buildings", which are buildings erected for public use.

<sup>c</sup> Excludes building by the Hebrew University, the Technion and "Hadassah", full data on which are not yet available. The estimated expenditure on such building during 1956 was about IL.8 million, and this figure should be added to those quoted in the table.

SOURCE: The Central Bureau of Statistics and calculations of the Bank of Israel.

especially as regards the Popular Housing Scheme, which entered its final stage, and reduced residential building in agricultural settlements.

In September some signs of a revival became apparent, but the mobilization of trucks and drivers in connection with the Sinai campaign brought about a renewed decline.

The total area of residential buildings completed exceeded that of 1955 by 6 per cent, but here also a continuous trend towards contraction manifested itself during the year, as shown in table XII-2.

TABLE XII-2

*The Area of Buildings Completed, 1955 and 1956*  
(in thousands of square metres)

	1955	1956	Change in per cent
First Quarter	376	547	+45.5
Second Quarter	437	511	+16.9
Third Quarter	479	454	- 5.2
Fourth Quarter	495	383	- 22.6
<i>Total</i>	1,787	1,895	+ 6.0

SOURCE: The Central Bureau of Statistics.

The rise in building costs was chiefly due to three factors: The taxes on building materials imposed by the Government as early as the second half of 1955, the raising of basic wages in the first half of 1956, and increase in the cost of living allowance during the year.

The monthly average of the index of building costs was 14.8 per cent higher in 1956 than in 1955—as shown in table XII-3—but a considerable proportion of this rise was due to additional taxes on building materials which had been imposed already in 1955. The rise in the index between the beginning and the end of the year under review totalled only 7.9 per cent.

TABLE XII-3

*Changes in the Index of Building Costs, 1956*  
*as against 1955*

	Change in per cent.
General Index	+14.8
Labour	+14.7
Transport	- 0.4
Gravel <sup>a</sup>	+11.9
Sand <sup>a</sup>	+12.0
Cement	+20.2
Wood	+14.7
Iron	+27.1

<sup>a</sup> Excluding transport.

SOURCE: The Central Bureau of Statistics.

**TABLE XII-4**  
*Buildings Commenced and Completed, 1955 and 1956<sup>a</sup>*  
(in thousands of square metres)

	<i>Buildings commenced</i>			<i>Buildings completed</i>			<i>Buildings commenced as a percentage of buildings completed</i>	
	1955	1956	<i>Change in per cent</i>	1955	1956	<i>Change in per cent</i>	1955	1956
	<i>Residential Building</i>							
Public Building	876	594	- 32.2	912	874	- 4.2	96.1	68.0
of which:								
for Immigrants	434	382	- 12.0	457	513	+12.3	95.0	74.5
for Others	442	211	- 52.3	455	361	- 20.7	97.1	58.4
Private Building	635	578	- 9.0	663	806	+21.6	95.8	71.7
<i>Total Residential Building</i>	1,511	1,172	- 22.4	1,575	1,680	+ 6.7	95.9	69.8
<i>Non-Residential Building<sup>b</sup></i>								
Hotels	1	2	+100.0	2	4	+100.0	50.0	50.0
Commercial Buildings	74	68	- 8.1	70	53	- 24.3	105.7	128.3
Industrial Buildings	48	60	+25.0	80	66	- 17.5	60.0	90.9
Public Buildings <sup>b</sup>	85	102	+20.0	60	92	+53.3	141.7	110.9
<i>Total Non-Residential Building<sup>b</sup></i>	207	231	+11.6	212	215	+ 1.4	97.6	107.4
<i>Total<sup>b</sup></i>	1,718	1,403	- 18.3	1,787	1,895	+ 6.0	96.1	74.0

<sup>a</sup> Discrepancies due to rounding.

<sup>b</sup> Excluding buildings erected by the Hebrew University, the Technion and "Hadassah"—see note <sup>c</sup> to table XII-1.

SOURCE: The Central Bureau of Statistics and calculations of the Bank of Israel.

## 2. THE LEVEL OF ACTIVITY IN THE BUILDING SECTOR

The indicators of activity in the building sector on which data are in our possession are as follows: The ratio between the area of buildings commenced and the area of buildings completed; the consumption of building materials; the area of publicly financed housing schemes under construction; and the level of employment. Each one of these indicators showed a decline in the level of building activity in 1956.

(a) *The Ratio of Buildings Commenced to Buildings Completed*

As shown in table XII-2, the area of newly commenced residential houses of all types decreased in 1956 relative to the area of residential buildings completed. The most conspicuous decline occurred in publicly-financed housing not destined for new immigrants, where the area of buildings commenced totalled no more than 58 per cent of the area of buildings completed.

There was also a considerable decrease in the area of new immigrant housing schemes and of private building, commencements reaching only 70 to 75 per cent of completions, as against 95 per cent or more in 1955. The smaller area of buildings commenced relative to buildings completed obviously indicates a contractionary tendency in the building sector.

Only in the case of non-residential building was the area of buildings commenced larger than that of buildings completed, but owing to its small weight in total building this could not appreciably affect the general level of activity in the sector.

(b) *The Consumption of Building Materials*

The production of most local building materials destined for the home market showed a decline, as shown in table XII-5.

Imports of buildings materials were higher, but this increase was not due to greater current demand, but rather to larger purchases of wood and iron within the framework of the Reparations Agreements. These imports were made without due regard to short-term considerations of local market conditions. Stocks of iron held by the Reparations Corporation increased considerably.

TABLE XII-5  
*Supply of Selected Local Building Material, 1955 and 1956\**

	<i>Unit</i>	<i>1955</i>	<i>1956</i>	<i>Change in per cent</i>
Cement <sup>b</sup>	1,000 tons	470.0	440.0	- 6.4
Silicate Bricks	millions	29.7	28.1	- 5.4
Corrugated Asbestos Sheets	1,000 m <sup>2</sup>	825.5	618.9	- 25.0
Flat Asbestos Sheets	1,000 m <sup>2</sup>	68.2	38.3	- 43.8
Rooftop Tiles	thousands	29.6	33.3	+12.5
Plywood <sup>c</sup>	1,000 m <sup>3</sup>	14.6	11.0	- 24.7
Nails and Rivets	1,000 tons	3.1	2.8	- 9.7
Sheet Glass <sup>c</sup>	million m <sup>2</sup>	1.0	1.8	+80.0
Bricks and Blocks		100	71	- 29.0
Floor Tiles and Stairways	<i>According to the Index of</i>	100	86	- 14.0
Metal Products for Building	<i>Industrial</i>	100	97	- 3.0
Armatures	<i>Production</i>	100	61	- 39.0

\* Disregarding changes in stocks, apart from cement stocks.

<sup>b</sup> Local Production *plus* Imports *less* Exports, after adding or subtracting changes in stocks.

Includes cement supplied to building materials industry.

<sup>c</sup> After deduction of exports.

SOURCE: The Central Bureau of Statistics.

(c) *Publicly Financed Housing Schemes in Process of Construction*

Residential housing financed from public sources includes all housing schemes benefiting from Development Budget loans<sup>2</sup>, and not only housing schemes built by the Government itself. The Housing Division of the Ministry of Labour is responsible for approving the building plans, locations and terms of financing for these housing schemes, as well as generally supervising their construction. For this purpose, it collects current statistics covering not only the commencements and completions of housing projects (like the Central Bureau of Statistics, which does this as regards all residential building in the country) but also, since August 1955, the area of publicly financed housing schemes under construction. These data show a constant decline during the year under review, as shown in table XII-6.

TABLE XII-6

*The Area of Publicly Financed Housing Schemes under Construction August 1955 to December 1956*  
(monthly average—in thousands of square metres)

1955: August and September	674
October-December	695
1956: January-March	554
April-June	423
July-September	396
October-December	368

SOURCE: Housing Division, Ministry of Labour.

(d) *The Level of Employment in the Building Sector*<sup>3</sup>

Employment in the building sector declined in 1956 in comparison with 1955. According to the manpower survey of the Central Bureau of Statistics, about 47,300 persons were employed in building and public works in June 1956, as compared with 54,300 in November 1955. Allowing for the seasonality in the building sector<sup>4</sup>, the decline during the year totals 16 per cent.

The contraction of employment was relatively gravest as regards unskilled labour. The smaller volume of building during the year under review was caused by an 18 per cent decrease in the area of new buildings commenced. In contrast to the later stages of construction, the early stages up to the completion of the framework require mainly unskilled labour.

<sup>2</sup> See list of housing projects erected during the year under review, cited in section 3(a) below.

<sup>3</sup> Employment data refer to total construction activity (including public works). Statistics on the number of employed in the building of houses only are not available.

<sup>4</sup> According to the Index of Employment in the Building Industry prepared by the Central Bureau of Statistics.

### 3. BUILDING BY DESTINATION

#### (a) Residential Building

There is reason to assume that, despite the increased immigration, there was a certain reduction in the density of dwelling (the number of persons per room) during the year under review. The net addition of rooms during 1956 totalled 60,000<sup>5</sup>, while the population grew by 83,300. The number of persons per additional room was thus 1.4.

Residential building continued to constitute approximately 85 per cent of the total area under construction and a similar proportion of the total value of buildings erected. The volume of residential building was 6 per cent smaller than in 1955, while costs increased by 13 per cent. Residential building includes building partly financed by the Government from the Development Budget (i.e. "Public Building") and private building. Public building is classified into immigrant housing (for new immigrants and residents of immigrant camps—"Maabaroth"), and housing projects for the established population (the Popular Housing Scheme, housing projects in agricultural settlements and special development areas, for wounded war veterans, housing for technical personnel and the housing schemes of various organized groups which were approved by the Housing Department.)

#### (1) Immigrant Housing

There was no change in the area of immigrant housing<sup>6</sup> built during the year under review compared to the preceding year, but housing destined for new immigrants constituted a higher proportion of total building, and especially of public building.

TABLE XII-7

*The Share of Immigrant Housing in Total Residential Building and in Total Publicly Financed Building, 1955 and 1956*

	<i>As a percentage of residential building</i>		<i>As a percentage of public building</i>	
	<i>1955</i>	<i>1956</i>	<i>1955</i>	<i>1956</i>
<i>By Number of Flats</i>				
Commencements	39.4	49.0	56.2	69.2
Completions	38.3	42.8	53.6	66.4
<i>By Area</i>				
Commencements	28.8	32.7	49.6	64.4
Completions	29.0	30.6	50.1	58.7

<sup>5</sup> 64,928 new rooms (counting two half-rooms as equal to one room), less some 4,600 tin and canvas huts demolished in 1956.

<sup>6</sup> Average of commencements and completions.

One out of every two flats commenced in 1956 was earmarked for an immigrant family; and more than two-thirds of all flats built with the aid of Government funds were for immigrants.

Immigrant housing includes both buildings to which immigrants are transferred upon their arrival in the country and permanent housing for the remaining inhabitants of immigrant camps (the Transit Camp Liquidation Scheme). Immigration in 1956 totalled 55,000 persons. During the same period the number of families living in immigrant camps fell by 4,836, or by 21,400 persons. The 10,800 permanent new housing units, the construction of which was completed in permanent residential areas by the Housing Division in 1956, together with vacant housing units in smallholders' settlements erected in previous years, were not sufficient to accommodate the families leaving the immigrant camps as well as all the new arrivals who looked to the public authorities for housing. Hence, it was necessary to erect once more about 2,200 wooden and corrugated-tin huts.

(2) *Publicly-Financed Housing for Persons Other than Immigrants*

The Popular Housing Scheme is destined for persons of limited means who are not new immigrants. Since 1952, 13,000 housing units have been erected within the framework of this project, which entered its final stages during the year under review. The area of newly commenced buildings fell by more than 50 per cent in comparison with 1955, and even the area of buildings completed decreased by one-third.

Building in agricultural settlements contracted to less than half its 1955 volume, in response to the Government's request to cease all residential construction and concentrate upon the erection of fortifications and shelters.

TABLE XII-8  
*Building in Kibbutzim, 1955 and 1956<sup>a</sup>*  
(in thousands of square metres)

	1955	1956	Change in per cent
Commencements	121	63	-48.0
Completions	116	45	-61.2

<sup>a</sup> Exclusive of farm structures.

SOURCE: The Central Bureau of Statistics.

The registration of applicants for the large new housing project—the “Save to Build” scheme—continued throughout the year. The number of families who registered in 1956 was 4,138, but building under this scheme did not actually begin before 1957. Like its predecessor, the Popular Housing Scheme, the “Save to Build” project is intended for persons of limited means. The

share of own financing required of the prospective resident is larger than the 50 per cent stipulated under the Popular Housing Scheme, and will average about 60 per cent (including the deposit paid on registration, which totals between 10 and 14 per cent of the value of the flat, as well as monthly payments prior to taking up residence). Of the remaining 40 per cent, between 25 and 35 will be covered by a mortgage provided from Government funds, and the remainder by loans from the building companies. The value of the deposits, as well as the price of the flats, are linked to the index of building costs.

At the end of 1956 the deposits of persons registered under the scheme totalled approximately IL.15.6 million.

### (3) *Private Building*

Private building, i.e. building not benefiting from Development Budget loans, mainly includes joint-ownership houses, especially in the vicinity of Tel Aviv and Ramat Gan. In 1956, private building was affected by the credit policy which assigned a relatively low priority to residential building other than immigrant housing. The security situation, moreover, caused demand for new flats to fall off. As a result, the area of buildings commenced declined by one-third, as compared with the area of buildings completed. Since, however, a similar trend prevailed in other types of residential building, the relative share of private construction not only did not decrease during the year under review, but even rose, reaching about half the total area of residential building (as against 42 per cent in 1955).

The flow of personal restitution payments from Germany, bolstered the volume of private building, since part of these monies were presumably used for the acquisition of new flats.

### (4) *Geographical Distribution of Building*

Housing projects in Israel are planned to assist in the dispersion of the population. During 1956 immigrant housing was more widely dispersed in rural districts, and concentrated relatively less in urban areas than in the preceding year. The number of immigrant housing schemes that were built in villages was slightly larger than that erected in towns, while in 1955 the opposite was true, as shown in table XII-9. Nearly 80 per cent of the total area of building completed in rural districts during the period reviewed was destined for immigrants, as compared with 60 per cent in 1955.

The concentration of residential building for persons other than immigrants in urban districts was even higher than in previous years. Nearly 95 per cent of the area of buildings completed, and almost 90 per cent of buildings commenced, were located in the towns.

In 1956—as in previous years—practically all residential building in rural districts and in certain urban development areas, such as Eilat, was financed from public sources.

TABLE XII-9  
*Residential Buildings by Rural and Urban Areas 1955 and 1956*  
*(in per cent of total area)*

	<i>Commencements</i>		<i>Completions</i>	
	1955	1956	1955	1956
<i>For Immigrants</i>				
In Urban Districts	48.3	45.0	54.9	49.3
In Rural Districts	51.7	55.0	45.1	50.7
<i>Total</i>	100.0	100.0	100.0	100.0
<i>For Others</i>				
In Urban Districts	88.2	89.7	87.6	93.7
In Rural Districts	11.8	10.3	12.4	6.3
<i>Total</i>	100.0	100.0	100.0	100.0

SOURCE: The Central Bureau of Statistics and calculations of the Bank of Israel.

(b) *Non-residential building*

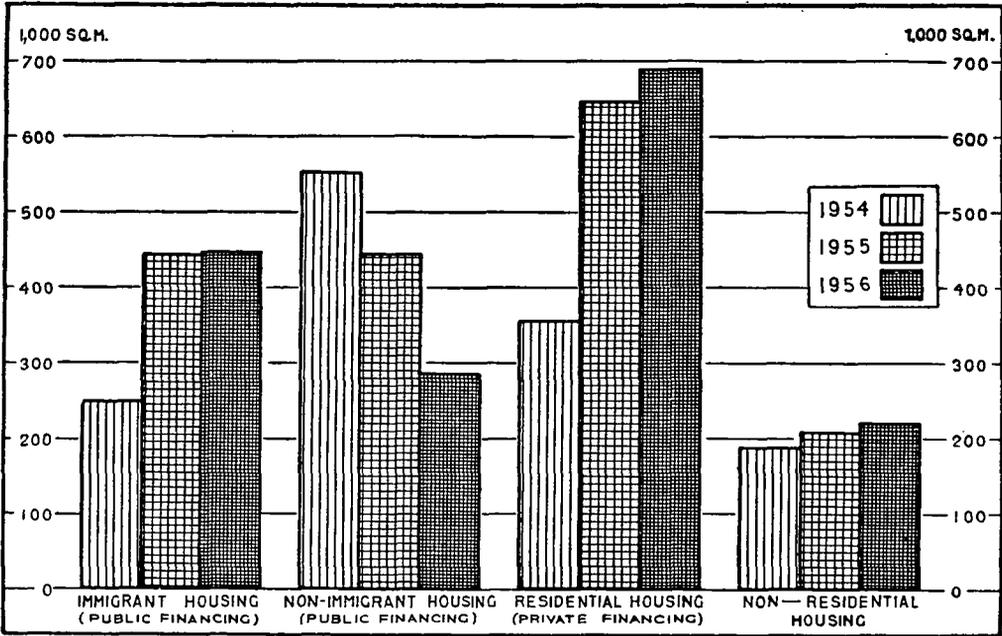
The value of non-residential building in 1956 is estimated at IL.38 million—approximately 17 per cent of the value of all buildings erected. In contrast to the decline in the volume of residential building, there was an expansion, in real terms, of 11 per cent in other types of building, while costs rose by 23.1 per cent as shown in tableXII-1.

The main increase occurred in the construction of public buildings, i.e. buildings owned by the Government, the municipalities and other public bodies. This item includes schools, institutions of higher learning, clinics, hospitals, welfare institutions, Government offices, etc. The founding of a new settlement or the building of a housing scheme in a new quarter involve the erection of additional public buildings, such as schools, kindergardens, clinics, synagogues and shopping centres. The growth of the population in existing urban centres also requires the construction of new schools and clinics. Public buildings during the year under review included further construction on the new Hebrew University campus and the new "Hadassah" medical centre, which will take the place of the cut-off buildings on Mount Scopus, as well as the new Technion campus in Haifa.

The area of hotel-building in 1956 increased in comparison with 1955, but the absolute volume of such construction remained small. The total area of industrial buildings erected remained at the 1955 level, while the construction of commercial buildings contracted, both as regards commencements and completions.

## DIAGRAM XII-1

*Building—Average of Commencements and Completions, 1954-1956*  
(in thousands of square metres)



### 4. CREDIT FOR BUILDING

Credit granted to the building sector from the banks' own resources contracted during 1956, as compared with 1955, but credit from Government deposits was expanded. Table XII-10 shows that at the end of March, June and September 1956 balances of credit granted from non-governmental deposits were smaller than on the corresponding dates in 1955 and that at the end of the year they exceeded the level of December 1955 by about 10 per cent. The value of building at current prices rose by some 9.5 per cent, and that of private residential building increased by approximately 17 per cent. Credit for building purposes under the qualitative credit controls has been given a relatively low priority rating, particularly as regards building other than that intended for new immigrants.

Loans from commercial banks and credit co-operatives are used as working capital by building contractors. They also help to finance building material purchases within the framework of the Reparations Agreement. Loans from Government deposits are granted to contractors for the execution of public housing schemes, financed from public funds, and the funds come from the Development Budget.

In addition to Development Budget loans granted through the banks,

TABLE XII-10  
*Balance of Credit Granted to the Building Sector through  
 Banking Institutions, 1955 and 1956*  
 (in IL. thousands)

	1955		1956		Change in per cent 1956 compared with 1955	
	End of June	End of Dec.	End of June	End of Dec.	End of June	End of Dec.
<i>From the Resources of the Banking Institutions</i>						
Commercial Banks	14,812	13,360	13,630	14,685	- 8.0	+ 9.9
Credit Co-operatives	7,385	6,466	7,025	6,677	- 4.9	+ 3.3
<i>Total</i>	22,197	19,826	20,655	21,362	- 6.9	+ 7.7
<i>From Government Deposits</i>						
Commercial Banks	7,428	8,203	8,694	10,034	+17.0	+22.3
Credit Co-operatives	1,050	999	1,316	992	+25.3	- 0.7
<i>Total</i>	8,478	9,202	10,010	11,026	+18.1	+19.8

SOURCE: Bank of Israel.

further loans from the Development Budget, to the amount of about IL.26 million, were granted directly to building contractors during the year under review.

Mortgage banks and, to a certain extent, also credit co-operative societies grant long-term and medium-term loans for the acquisition of flats—in most cases to persons purchasing flats in the various public housing schemes. In addition to the loans from Government deposits which at present account for more than 80 per cent of the total balances in mortgage banks, they also grant loans from their own resources (by a special arrangement with the Housing Division) for the purchase of flats in public housing schemes.

The balances of credit granted for purchases of flats by mortgage banks rose by IL.14 million between the end of 1955 and 1956—the annual increase thus being IL.4 million less than in the preceding year. Balances of credit granted by credit co-operative societies to members for the purchase or improvement of dwellings fell slightly (see table XII-11).

The total value of loans granted by the General Mortgage Bank and the Housing Mortgage Bank (which together account for more than 90 per cent of the banks' resources available for mortgages) fell by 25 per cent in 1956, as compared with 1955. The number of loans declined by nearly 30 per cent. The average loan increased by IL.145, due to the higher costs of building. Table XII-12 shows the breakdown of these loans by the various types of housing projects.

**TABLE XII-11**  
*Balances of Credit Granted to Purchasers of Flats 1954-1956*  
(in IL. thousands)

	31.12.54	31.12.55	31.12.56	Change	
				End 1955 as compared to end 1954	End 1956 as compared to end 1955
<i>Mortgage Banks</i>					
From Banks' Resources	9,878	10,666	12,875	+ 788	+ 2,209
From Government Deposits	27,203	44,356	56,226	+17,153	+11,870
<i>Total</i>	37,081	55,022	69,101	+17,941	+14,079
<i>Credit Co-operatives<sup>a</sup></i>	<sup>b</sup>	11,747	11,412	—	- 335
<i>Grand Total</i>	—	66,769	80,513	—	+13,744

<sup>a</sup> Including credit from Government deposits.

<sup>b</sup> Not calculated separately prior to 1955.

SOURCE: Bank of Israel.

**TABLE XII-12**  
*Loans Granted by the General Mortgage Bank and the Housing  
Mortgage Bank, 1955 and 1956*  
(in IL. thousands)

	1955	1956	Change, in per cent
Immigrant Housing	3,946	3,025	- 23.3
Popular Housing Scheme	11,398	7,900	- 30.7
Other Publicly Financed Housing Schemes	2,017	4,429	} - 3.0
Regular Army Housing Scheme	2,616	65	
Other Housing Schemes	1,913	1,100	
Individuals	438	217	-50.5
<i>Total</i>	22,328	16,736	- 25.0
Number of Loans	9,181	6,495	- 29.3
Average Size of Loan (in IL.)	2,432	2,577	+ 6.0

SOURCE: The Annual Reports of the General Mortgage Bank and the Housing Mortgage Bank for 1956.

The sources of credit mentioned so far, which are the only ones for which statistical data are available, are concerned mainly with publicly financed housing schemes and are derived largely from the Development Budget. It is not possible to assess the volume of credit granted for other kinds of building. Part of such credit is channelled through commercial banks, while no data concerning the remaining sources are available. The latter include loans from

non-banking services, as well as credits given by merchants dealing in building materials and the "Otzar Hakablanim", an institution founded some years ago by the National Executive of the Builders' and Contractors' Associations. The paid-up capital of the "Otzar Hakablanim" amounted to about IL.500,000. In addition, loans were made available to it from the Building Workers' Insurance Fund, and it was granted credit by the Reparations Corporation and by the Ministry of Finance (in the form of deferral of payment of excise taxes on cement).