"We have been forced to acquire a great deal more property during the past five or six years than we wanted to. In the matter of liquidation, we have no set policy. We have sold some properties direct and some through real estate agents. In making prices, we have given consideration both to market conditions and invested amount.

"Our experience has been that a medium priced, single-family dwelling, selling around $5,000, dropped from 100% in 1929 to 70% in 1933, rose to 80% in 1936, and is now selling at 90%.

"We never place a property on the market nor offer it for rent until it is reconditioned, the work being done by our own paid crew. Our records indicate that we have made upward of 50% upon our investment in reconditioning. Trying to sell properties in an 'as is' condition just simply does not work out.

"We have found that the greatest demand is for moderate sized dwellings of five or six rooms which can be sold for from $2500 to $5,000.

"Our rental experience has been very satisfactory. Houses that rented for from $40 to $45 in 1929 rented for from $30 to $35 in 1933, for from $35 to $40 in 1936 and are now again renting for from $40 to $45.

"Building costs are now higher than they were in 1929, and our figures indicate that they are 40% higher than they were in 1933.

"San Jose, like every other community, has its drawbacks. Its large and varied foreign population makes it a veritable 'melting pot'. Its low altitude and proximity to industries is responsible for the fog and smoke with which it is afflicted at certain seasons of the year. It is doubtful whether the valley is large enough to support the present population which is still increasing. The lack of local transportation would be a problem were it not for the fact that automobile ownership is so general. There are now from one to three automobiles in every family.

"Although we are not members of the Federal Home Loan Bank nor subscribers to the Federal Home Loan Savings and Loan Insurance Corporation, we have no feeling of antagonism toward these institutions, our attitude being that we have proven our ability to keep in a liquid condition, and as this is a mutual association, the cost of insurance of accounts would not be justified."