Collateral to these topics, a high degree of perplexity was observed as to how much, if any, of the rising prices was attributable to the "devaluation of the dollar". In some important quarters there was an apparent feeling that this had destroyed the comparative value of prices in former periods.

That there exists a healthy anxiety over all these matters is encouraging and is thought to be a favorable factor in the situation.

The two illustrations cited above to show the relation of construction costs to F. H. A. Title II loans, together with many other similar cases, leads to the conclusion that F. H. A. activity is having a direct influence upon rising construction costs, and that there is ground for the oft-repeated statement that in many cases 100% loans are made and insured under F. H. A. Title II.

These two illustrations and many similar ones presented during the course of this survey all show a tendency toward profiteering on the part of builders and contractors.

In the case of the first illustration the builder's profit was $1600, or 26% on cost and 66 2/3% on the builder's actual cash investment.

In the second case the builder's profit was $900, or 18% on cost and 50% on his actual cash outlay.

A number of cases which came under observation involved FHA construction loans, where the contractor's risk was negligible, and indicated these same tendencies toward inordinate profits; nor is it believed that this proclivity stops with the contractors and builders. Material manufacturers' and dealers' price lists and labor wage scales all show a tendency to take full advantage of the demand created by the generous financing terms sponsored by the Government, all of which gives rise to the query: What has the Government's effort along the line of home financing, in the last analysis, actually accomplished?

F. Interest and Dividends Paid on Savings.

The following are the annual rates paid on savings by the different types of mortgagee institutions:

- Banks and Trust Companies 2%
- Mutual Savings Banks 2%
- Federal Savings & Loan Ass'ns. 4%
- Building and Loan Associations 4%

The only exceptions to the rates given above are as follows: The Franklin Building and Loan Association paid 4 1/2% dividends last year. The Home Mutual paid...