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"CAPITAL ISSUES FOR STATE AND MUNICIPAL DEBTS,
AND THEIR RELATION TO WAR FINANCING."

Address before National Conference on War Economy, New York, June 6, 1918.

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Intelligence is a question of priority! It is a question of seeing a thing sooner than the other fellow. When once a thought has been clearly conceived and expressed, when once it becomes public property and is generally understood, it becomes trite and obvious. So also the winning of the war has become a question of priority.

After a four years' struggle, during which over \$112,000,000,000 have been spent, the question of the original state of preparedness has lost its significance in its bearing upon the final outcome. That side, however, has the best chance of winning which in the long run, will prove the quickest to foresee, and to grasp, the constantly shifting problems of the struggle and to take the steps necessary to master them. And these problems are not solely of a military nature. As the President said in his splendid appeal for thrift on May 29th, "This war is one of nations - not of armies". Modern warfare has become a struggle of resources and industries as much as a struggle of men, and it involves, therefore, not only the millions that actually serve in the field, but the hundreds of millions that stay at home. It means that no country has any chance for victory that refuses to organize its entire population so as to concentrate its thoughts and efforts upon winning the war. In order to triumph, the rich and poor alike must realize, before it is too late, that the Government has the first call on our sons, ^{our services,} our goods and our savings; that it is entitled to every available ounce of material and man power.

England began the war with the slogan of "Business as usual"; it took many fateful months until the country fully accepted Earl Kitchener's view, that:

"Either the civilian population must go short of many things to which it is accustomed in times of peace or our armies must go short of munitions and other things indispensable to them."

And today there is no one who would take issue with Lloyd George's striking statement that "Extravagance costs blood; the blood of heroes". I believe it is freely admitted today that England's failure to adopt from the beginning the point of view of these eminent leaders and to appreciate at an early stage the duties devolving in times of modern warfare upon the civilian population has been the cause of loss to her of untold life and treasure. But while England was dealing with wholly unprecedented conditions, justly baffling the ablest minds, we who have the advantage of her dearly bought experience should stand convicted of a very grievous crime if we lost precious time in adjusting our minds to a full realization of our civic duties at this juncture.

In time of war nothing is more dangerous and more fatal than delay. The present emergency requires that the country be aroused to a thorough consciousness of the fact that whoever uses material, credit, labor or transportation unnecessarily is placing a handicap upon his Government in its efforts to complete its preparations as speedily as possible. Instead of aiding the Government he competes with it, bars its way, and makes himself guilty of delaying its progress towards victory.

It was for the purpose of curbing such waste of the national resources that the British established their Capital Issues Committee, and that a similar committee was organized here about five months ago. Both committees deal only with cases involving the sale, or offer for sale or subscription, of securities (any sale in excess of \$100,000. in stocks or bonds falls within the scope of the American committee's operations); in so far, however, as the great national task is concerned, of encouraging

economy and thrift, the underlying principles are the same whether we deal with individuals, industrial and public service corporations, or with states and municipalities, except only that those principles apply with so much greater force in the case of states and municipalities, not merely because the sums involved are likely to be so much greater, but also because the example given by these governmental authorities exercises a powerful influence - for good or for evil - in molding the civic mind. It is for this reason that I am particularly grateful for the privilege accorded me by the invitation to speak upon the topic of relations of Federal War Financing and Capital Issues made by States and Municipalities and to be permitted to address a conference which counts amongst its participants so many men prominent as leaders in the public life of their communities, governors/ and comptrollers mayors, whose very presence will insure the widest possible interest in the proceedings of this conference.

When/ the Federal Reserve Board's Capital Issues Committee, at the request of the Secretary of the Treasury, undertook to deal with the question of controlling and curtailing capital issues, it established as one of its first principles that every expenditure not strictly compatible with the public interest of the United States, that is, every expenditure not directly helpful to the prosecution of the war, or absolutely necessary for the health and reasonable comfort of the people, ought to be abandoned for the time being. The Capital Issues Committee was mindful of the fact that it was self-constituted and acting without express authority of law, and that it could secure results only by enlisting the voluntary and patriotic cooperation of all concerned. I am frank to admit that when the Committee began its operations its members were not at all certain that they would not meet with determined opposition on the part of certain groups of industries which, of necessity, would be seriously affected by its rulings.

It is a genuine satisfaction to be able to state that, from the very beginning, the Committee met with nothing but the most patriotic response. No matter how important or vital any particular issue may have seemed to the applicant when he first presented his case, and no matter how insistent he may have been in the assertion of the prime importance of his individual requirements, nevertheless, whenever the Committee, or one of its sub-committees, explained the true significance of the problem and the principles which it was necessary to apply in order to best serve the country, it never failed to awaken that finer spirit that willingly subordinates individual advantage to the national welfare. It was of great help to the Committee that the American Bankers' Association, the Investment Bankers Association and the leading stock exchanges of the country immediately passed resolutions to the effect that their members would not place, or deal in, any securities coming within the operations of the Capital Issues Committee upon which it had not first favorably passed. The Committee was also greatly helped and encouraged by the fact that the authorities of some leading communities promptly made it known that they would do everything in their power to cooperate. It is a coincidence for which I am truly grateful that the Honorable A. J. Peters, Mayor of Boston, follows me on the program today, because it gives me a welcome opportunity of acknowledging publicly the debt of gratitude that the Committee owes to him. As soon as the Committee was organized this esteemed friend visited it in person in order to determine in what manner he might best assist its work. In his inaugural address, delivered on February 4, he set forth principles that have already proved an inspiration to many, and will continue to guide many more. He stated:

"The gigantic task which we are called upon to preform is one which requires the mobilization of all our resources, material and moral. We can not all of us fight for democracy on the plains of France. We can all help win the battle for democracy by our loyalty and

sacrifice at home. To be effective the national government must have the cooperation and support of every unit of government, state and city. The great municipal agencies must shape their policies to strengthen and support the central power.

"The support which our municipality pledges to the national government can nowhere be more effective than in the field of finance. The enormous and imperative needs which the national government must meet by the sale of bonds require that the competition in the sale of securities by other agencies should be restricted as far as possible. The Federal Government is entitled to the first call upon every dollar available for investment, just as much as it is entitled to the first call upon every man available for military service. Local bonds must necessarily compete in the market with national securities, and their issue, therefore, should be restricted to the lowest possible amount."

Early expressions of this character were invaluable because it was fully recognized by the Committee that ^{it} had no power of law whatever to restrict, or interfere with, the rights of states or municipalities to raise funds for any purpose they desired, and that only by enlisting their voluntary cooperation could it be hoped to obtain the best possible results. This is true even though it was realized that the pledge of the stock exchanges and issuing houses was likely to be a very important factor in securing the cooperation of the few who otherwise might have been unwilling to join in the general effort to conserve the national resources.

The War Finance Corporation act, which gives to the Capital Issues Committee legal standing, continues to preserve this voluntary character. The bill, as originally introduced, vested the Committee with power to punish those who would not submit to its rulings. Congress, however, in eliminating this provision, expressed the conviction that it was safe to rely upon the patriotism of the people of the United States to cooperate of their own accord without the threat of punishment, just as the British cooperate with their Capital Issues Committee, an organization which likewise depends entirely upon voluntary support.

In dealing with states, municipalities or counties, the Capital Issues Committee, ^{mainly} considered expenditures for the following purposes:

Hospitals,
S chools,
Sewers,
Filtration plants,
Municipal buildings,
Electric light plants,
Roads, parks and bridges

When considering applications of this character, the Committee made it a rule to seek advice from the Federal Department Boards and Commissions having particular knowledge in the premises, for the purpose of determining whether or not the expenditure involved was essential for the successful prosecution of the war, or for the health and necessary comfort of the people. Except when acting upon securities issued for the purpose of providing funds for the renewal of maturing obligations, only those cases that were found to be compatible with the public interest, as above defined, received the approval of the Committee. In reaching its conclusions it observed the broad principles that the use of capital, material or labor could be justified only where results could be expected within a very reasonable time. Thus, applications for roads were acted upon favorably only when it was satisfactorily established that they were of military importance, leading to camps, docks, or shipbuilding plants or establishments producing materials necessary for the prosecution of the war, or whenever they were shown to be important, from an agricultural standpoint in order to open up agricultural districts or to make their products available for ready distribution. In the case of schools and hospitals the Committee sought the advice of the Commissioner of Education or the Surgeon General as to whether or not new buildings were absolutely required and if so

whether or not temporary buildings could be used instead of permanent ones, as temporary buildings absorb less material, less labor, less transportation and less money. Monumental buildings and parks or bridges, merely involving greater comfort or luxury were disapproved. In many instances the Comptrollers of certain cities and states consulted with either the central committee or the subcommittee of their district, discussing their budgets item by item, and almost invariably these conferences resulted in the elimination of unnecessary expenditures and a substantial reduction in the estimated appropriations. It is a great satisfaction, therefore, to have this opportunity of publicly expressing appreciation of the splendid spirit of patriotism shown by these state and municipal administrations.

This leads me to the complex question of the relationship of the state and municipal governments to their various public service properties. Almost everywhere there are outstanding at this time franchise and contractual obligations for the building of new subways and surface car lines, or for the furnishing of additional supplies of water, electric light, power, heat and gas. In the majority of these cases the national interest at this time requires that every effort be made to reach an understanding by which such construction may be postponed unless indeed it serves the successful prosecution of the war and the health and necessary comfort of the people. We need the men and the steel to build our ships rather than to build new subways. We need the coal and electric power to drive the wheels of our war factories rather than to give more light for advertising displays or for other non-essential uses. To a certain extent it is true that this new construction is being restricted by the Priorities Division of the War Industries Board, which controls the sale of articles such as steel and copper so as to prevent their being employed for purposes incompatible with the public interest.

But for both the Priorities/^{Division} and for the Capital Issues Committee it is a difficult task to deny the use of these materials, or the necessary capital, where it can be demonstrated that by reason of such denial the companies affected may be embarrassed to the point of defaulting on their contractual obligations. I hope it will not be considered presumptuous on my part if I venture to urge that all state and municipal governments do their utmost wherever possible and practicable to find a modus vivendi/^{for} their public service corporations and help them to reach agreements whereby onerous or unnecessary contractual or franchise construction obligations may be waived or held in abeyance at least for the period of the war. In doing this they will effectively support the work of the Federal Government. Irrespective of the release of labor and material involved it is obvious that the community itself will best be served by postponing as much work as possible until a later time when prices will be lower and when, in addition, there will exist the need of finding employment for the surplus of labor which may be expected upon the termination of the war.

The drastic shrinkage in the value of public utility investments and the impairment of the credit of these corporations is a source of grave danger to the general financial situation at this time. We need the savings of the investor and it would be a serious menace to the ability of the government to finance the war if public service corporations, strong and solvent before the beginning of the world conflagration, should be forced to go into receivers' hands because of conditions for which they are not responsible. Their credit must be maintained both on account of innocent investors and on account of the necessity of preserving the physical development of corporations whose operations are needed on account of their direct and indirect effect upon the successful prosecution of the war or the health of the people.

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Franchises in many cases have become excessively onerous for such corporations, due to the fact that labor, coal, steel and copper can be secured only at exorbitant prices, while the charges for services rendered often can not be properly adjusted without the consent of the community involved. The President, in his letter to Secretary McAdoo, dated February 19, 1918, expressed his profound concern over this situation, stating at the same time that he hoped that state and municipal administrations would make every effort to deal with these corporations in a spirit of liberality. All that it is proper for me to do, therefore, is to emphasize the public interest in the protection of the credit of these corporations and in the preservation of their ability to perform their important functions.

When the old Capital Issues Committee first undertook its work it arranged for a conference with public service commissioners representing various states of the Union. The Committee was delighted to find that these state commissioners were not only open to the suggestions made by the Committee but that they were in fullest sympathy with its program and eager to cooperate in every possible respect.

It is gratifying to note that a number of leading municipalities, after a careful study of this problem, have since decided to make such equitable adjustments as to enable their Public Service Companies to weather the storm, and it is hoped that their example will be emulated all over the country.

The thought may have occurred to many that the War Finance Corporation has been created to cope with this very problem. Without attempting to speak for the War Finance Corporation and restating only what its directors have publicly expressed, I may say that this Corporation, in the majority of cases, expects to deal only with concerns that are solvent and able to

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provide a bankers' guaranty. The amount that may be advanced without that guaranty is strictly limited by law and it is safe to assume that, except where the public interest absolutely requires, the Corporation will not consider itself warranted in making advances to companies on the brink of insolvency. Where advances from the War Finance Corporation are to be sought, it appears advisable, therefore, that the communities involved do their share in placing their public utility companies on a basis upon which they may be at least self sustaining.

It cannot be denied that the State and municipal authorities enforcing economy are often faced with a difficult task. At times it may be very hard indeed to resist the local clamor for improved public service and the pressure brought by those interested in the granting of new contracts. Such cases have come before the Committee. There were instances where the necessity for new roads was not as urgent as the desire of the contractor to secure the work, and in some districts architects or builders were more anxious to build schools than conscientious public authorities. In those cases, the support given to the local authorities by the Committee often was of the greatest value to them. The Federal Reserve Board's Committee was always ready to shoulder the responsibility of protecting the national interest or to take upon itself any blame for the consequences of its action. I am quite certain that I am expressing the views of the new Capital Issues Committee in saying that it will continue to proceed on the same lines. May I urge, therefore, that state, county and city officials avail themselves of the services of the Capital Issues Committee in the freest possible manner. It is very important that this should be done, not merely when the securities are about to be issued, but at the time when the expenditure is first about to be authorized. It may be embarrassing for the Capital

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Issues Committee to decline approval of an issue contemplated for the purpose of liquidating a banking obligation previously incurred, except indebtedness incurred prior to April 5, 1918, in accordance with the provisions of Section 203 of the Act of April 5, 1918; but you can readily see that if the Committee did not stand ready to disapprove bond issues to be made in liquidation of a banking debt previously incurred for some purpose incompatible with the national interest, some corporations and municipal authorities might soon adopt the practice of first creating the debt and then forcing the hand of the Committee.

Curtailment of expenditures involves automatically a proportionate reduction in the amount to be raised by the sale of securities, and to that extent it means that, instead of competing with the Federal Government for the savings of the people, these local administrations will place them at the disposal of the Government. I need not enlarge on that important point except to say that if at present it is proper for all corporations to avoid this competition with the Government, there is all the more reason for states and municipalities to do so because the majority of the securities sold by them are exempt from Federal Taxes. The Federal Government, instead of continuing to issue $3\frac{1}{2}\%$ tax exempt bonds, has adopted the policy of selling only partly tax exempt bonds bearing $4\frac{1}{4}\%$ interest, and is willing to pay the higher interest rate for the purpose of keeping as unrestricted as possible its field of comprehensive taxation. While I do not question the legal right of the States to issue tax exempt bonds, we must recognize that to the extent that a state issues such tax exempt securities, it deprives the Federal Government of the taxing power so essential for the public welfare in this emergency. All the more sacred, therefore, is the obligation imposed upon local governments issuing such tax-exempt bonds not to authorize any issues except

those absolutely necessary for the immediate welfare of the community.

May I, in passing, dwell upon an additional reason why it is of the utmost importance to reduce to the minimum the issue of securities at this time. It is on account of their bearing upon "inflation", a problem with which it is impossible for me to deal exhaustively within the limits of this address.

*The pernicious consequences of inflation are a rapid increase in prices, and a corresponding decrease in the purchasing power of money. As the increase in prices progresses, the amount that governments must borrow grows correspondingly. It becomes a neck and neck race between a fictitious wealth and a reduced value of what that wealth can buy in labor and in goods. It must be our aim, therefore, to restrict inflation to the smallest possible scope compatible with the achievement of our national purpose - the successful prosecution of the war.

From an economic point of view, it is considered unsound and unbusinesslike for any one to issue his obligations for things of no permanent value. No corporation would think of issuing bonds against the coal that has been consumed in producing its finished article or against wages that have been paid; nor would you or I, at the end of the year, treat as an asset the food that we have eaten or the suit of clothes that we have worn and thrown away. That, however, is what all belligerent governments are doing and what, under present circumstances, they are obliged to do. This process must lead to economic disaster wherever the waste of the government is not counterbalanced by increased economy on the part of the people. We must bear in mind that the production of permanent values in normal times is accompanied by a/_____
certain

*This is a partial quotation from my paper "Save and Subscribe and Save the Country" published on April 28, 1918, in which there was presented a fuller discussion of the various aspects of inflation.

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amount of necessary and unnecessary wastage, such as the consumption of goods, food and clothing, in quantities beyond what is necessary for the production of the article and expenditures for the comfort and luxuries. The necessary material and labor put into the article produced, plus the incidental wastage of goods, and plus a reasonable profit, constitute in normal times the value of the properties added to the assets of the world. This normal wastage must be reduced as the abnormal wastage of the government increases. If this policy is carried out consistently the speed with which inflation proceeds is thereby reduced proportionately.

To sum it up in its simplest form; on the one side of the balance sheet of the world corporation are all the things unconsumed; on the other side are the dollars. If the dollars increase rapidly and if the "things"

do not increase, - or if indeed they decrease--there must ensue inflation of prices. The means to counteract inflation are, therefore, on the one hand, increased production and decreased consumption of "things" and, on the other, a slowing down in speed and volume in creating new dollars in the form of new securities, currency or credits. The more we save, - the more do we increase the amount of "things" on the one side of the ledger and the more may we hope to succeed in keeping their price down, decreasing thereby the amount of new dollars to be issued in payment. It follows that inflation is not a question merely of banking or currency, but fundamentally a question of saving.

The duties of the State and municipal governments with respect to this great national problem are easily perceived from the foregoing. By curtailing expenditures to the utmost, they not only conserve to that extent goods, labor and transportation, and make the savings of the people available to the Federal Government, but in addition they avoid the guilt of becoming factors in the further increase of prices and of aiding the process of inflation through the issue of additional securities.

There exists on the part of many some hesitation to cooperate without reserve in this effort of saving, because they fear that consistent saving and curtailment of credit may create great hardships and subject many people to the cruelties of unemployment. I am profoundly convinced that we have no right to let this thought prevent us from going the full length in our drive for economies. When we have under serious contemplation the withdrawal from peaceful occupations of between two and five million men at a time when the country is in such urgent need of such immense quantities of goods that our mind is not capable of picturing them, and when it needs these goods with the least possible delay, fear of serious unemployment need not be entertained. It is true that for some time to come there must be a con-

tinuous shifting of men and women from one occupation to another. When there is a shortage of thousands of carpenters in the ship yards, farm hands, who generally are trained to tinker in all kinds of arts and crafts, will be drawn into these yards and their places in turn will be filled by other classes of day laborers. If the women should decide, as I trust they will, to spend less than in the past upon all kinds of fineries, some girls may lose their places as dressmakers and seamstresses, but, as a result, there will be found large numbers of them running elevators, or doing clerical work, or ^{serving} in munition factories. No doubt there will be temporary and unavoidable hardships connected with this shifting process, but this is one of many sacrifices that we must be willing to bear. Organized labor realizes these conditions and the members of the Capital Issues Committee that met with representatives of their organization were deeply impressed by their patriotic, courageous and statesman-like point of view. At the ^{same} time the Department of Labor is trying its utmost to complete its machinery for directing and assisting in this readjustment of occupations while other agencies of the government ^{are devoting} themselves to the task of guiding industries ^{away} from the production of ^{less} essential to essential goods.

Nothing can be more detrimental to the successful accomplishment of our industrial war program than the effort to leave undisturbed the industries that cater to the extravagant tastes of all classes. The argument that it is necessary to keep on selling luxuries in order to finance the war is too preposterous to be seriously considered.

In times of war we do well to remember the wise expression of old Diogenes, who said:

"How many things there are in the world that Diogenes can do without."

That applies to the life of the individual as well as the community as a whole. The people of the United States who stand ready to give their all

to win this war will cheerfully forego unnecessary comforts and luxuries when once they fully grasp the real significance of economy in this emergency. If up 'til now they have not yet begun to do their full duty in saving, it is only because they have not had it sufficiently impressed upon their minds that saving is not a small and petty matter but that there is glory in saving, that saving has an immediate bearing upon the question of victory and defeat and of life and death, and that at this time it is the biggest contribution the civilian population can make. We must train ourselves to visualize the cumulative result of individual and communal thrift in the light of which the smallest contribution assumes its true importance. It is not difficult to wear old clothes instead of ordering new ones, when we impress it upon our minds; that (our factories being busy day and night in producing the things needed for the war) there are available only few goods which can be sent to Argentina in payment for her wool; that we have no ships to spare, nor gold; that we - that is the allied group of powers - need Argentina's wheat and meat and wool, or Chile's nitrates or Peru's copper; that through our being short of goods to sell to neutral countries, the value of Allied currencies, as reflected by the exchange rates in neutral countries, has depreciated so seriously that we can continue extensive purchases in neutral countries only to the extent that they will grant us loans to cover our debit balances. It is true that most of these neutral countries are as anxious to sell their goods or even more so, than we are to secure them, and that, therefore, these neutrals are as vitally interested as we in bringing allied exchanges back to more nearly normal rates and in granting us credits that will enable us to buy and pay for their goods. But in the nature of things, these credits must be limited by the amounts that these countries can afford to loan and, as far as short loans are concerned, by the maximum amount which we may safely obligate ourselves to release in gold to them upon the conclusion of peace.

It is impossible within the limits of this address to give a full presentation of the many phases in this question of foreign exchange. Suffice it to say in this connection that in saving goods we serve the threefold first, purpose of decreasing the volume of things we must import; second of increasing the volume of things we may export in payment of imports, and finally, admitting that the lack of transportation facilities may prevent us from shipping all available goods at this time, of accumulating a most valuable reserve stock of raw materials and finished products. If Joseph could return today and foretell the future to Pharaoh, he would predict that at the end of this war there will be a great famine of raw materials and he would urge those in power to acquire and store up whatever surplus of foodstuffs, cotton or other similar raw materials the country might be able to save and accumulate. As far as our own position is concerned, such reserves of goods will prove of the greatest value during the war in adjusting our foreign balances, and a most effective protection for the coming period of the after-the-war trade struggle. Whoever controls the raw materials will hold the key to commerce and finance, not only because he who can sell goods need not send gold, but also because control of raw materials will give an invaluable advantage to the manufacturer competing in world markets. Our gold reserve at this time is the financial back bone of the allied cause; let us add to our "gold" reserve a "goods" reserve.

Maybe that Joseph would add this further admonition: that the necessity for saving will not end at once with the conclusion of peace and that for years to come thrift will remain a national requisite, and as much of a science and virtue as we used to consider extravagance.

I apologize for having taxed your patience by this seeming digression. It is impossible, however, to do justice to the topic allotted to me without demonstrating as vividly and as convincingly as possible the all-importance

of individual and communal thrift and economy for the present and future welfare of the country. The bigger the lines on which we conceive this problem, the easier will it be to arouse the entire country to support Uncle Sam in the accomplishment of his difficult task.

Owing exclusively to the iron pressure of necessity caused by the British blockade, and to the consequent enforcement of a rigid system of rationing, Germany has been able to perfect a plan of complete industrial mobilization and of the greatest possible individual and collective thrift and economy. If it is true that "Intelligence is a question of priority" we may say with equal force that "Priority is a question of intelligence". Will we be able to see soon enough in what respects we must give the Government the right of way? Will we be able to see our duty clearly enough to perfect this great plan of conserving our natural resources by creating our own voluntary blockade around extravagance and waste? Can we coordinate by voluntary agreement all the independent forces of state and municipal administrations, so as to secure the efficiency of autocracy under the flag of democracy? It is a difficult task, but one that is beautiful and inspiring, and when once our people grasp its full meaning, they will never let go until it is accomplished.

Nothing will have a stronger effect in molding their minds than the sight of their own authorities restricting public expenditure, and denying public comfort, for the greater benefit of the nation. Individuals will save in the small things when governments demonstrate their determination to save in the big ones. If governors and mayors and those who share with them the responsibility of administering our commonwealth, instead of permitting themselves to be placed on the defensive by apologizing for savings effected by them, will make themselves bold and enthusiastic leaders in this movement, inviting the people to co-operate with them to the utmost of their ability, we shall have taken a long stride toward winning the war.

CAPITAL ISSUES COMMITTEE OF THE FEDERAL RESERVE BOARD

SUMMARY OF ISSUES ACTED UPON JANUARY 12 to MAY 17, 1918.

	MUNICIPAL	PUBLIC UTILITY	INDUSTRIAL	TOTAL
Amount considered	\$86,878,512	\$172,069,605	\$219,510,269	\$478,458,386
" disapproved	19,791,665	6,000,000	39,900,000	65,691,665
Aggregate approved	\$67,086,847	\$166,069,605	\$179,610,269	\$412,766,721
Less "refunding"	21,392,312	125,860,284	111,411,900	258,664,496
Aggregate new issues	\$45,694,534	\$ 40,209,321	\$ 68,198,369	\$154,102,224
New issues last year same period	108,952,865	107,504,075	287,754,684	504,211,624
Analysis of new issues approved:				
Amount original applns.	\$ 65,486,199	\$ 46,209,321	\$108,098,369	\$219,793,889
" approved	45,694,534	40,209,321	68,198,369	154,102,224
Curtailment effected	\$ 19,791,665	\$ 6,000,000	\$ 39,900,000	\$ 65,691,665
Analysis of applications informally discouraged:				
Number	8	3	6	17
Amount	\$ 8,915,000	\$ 7,360,000	\$ 3,590,000	\$ 19,865,000