mission governing public financing. Without going into detail, the general purpose of the Commission was to limit borrowing by public agencies to those purposes closely associated to health and safety, except to provide services for rapidly growing populations in defense areas. The regional committees were very strict in examining and approving proposed bond issues for capital improvements, and the voluntary cooperation of the underwriters and dealers in municipal bonds was remarkable. As a result the amount of bonds of every type issued for new projects during this period was at a minimum, and the total amount of general obligation bonds outstanding had declined at the end of the war to approximately the same as existed in 1930, due in great part to the accelerated retirement of bonds outstanding at the beginning of the period. The drought in tax exempts caused prices of all types of bonds of public agencies to increase substantially, and many millions of dollars of outstanding debt were refunded at lower interest rates. Refunding bonds were not subject to Capital Issues Commission's approval.

C. POSTWAR PERIOD

As a result of the curtailment of construction of public facilities during the 1930's and to the end of World War II, a tremendous backlog of postponed requirements was built up. This backlog included every category of municipal requirements; schools predominantly, streets, highways, sewers, hospitals, airports, and public buildings for various public uses. Upon the lifting of the restrictions upon the creation of new debt, a great many local public agencies initiated plans to proceed with the construction of postponed facilities. The impact on the market for tax exempts was not felt immediately, as preliminary to the actual issuance of the bonds it was necessary to employ architects and engineers, prepare plans and specifications, select building sites, all preparatory to calling elections on the proposition of issuing bonds, publishing notices of elections and conducting and canvassing the returns thereof. It was not until 1946 that the volume of tax-exempt bonds brought to market showed a substantial increase, jumping from 1,876 new issues in 1945 aggregating $818 million, to 3,319 new issues in 1946 aggregating $1,203 million. There was no substantial increase in the volume of general obligation bonds during those 2 years, and the ratio of general obligation bonds issued to the total amount of tax-exempt financing in each year has declined as shown by the following table compiled from information published by the Bond Buyer of New York.