

1 very strenuously, at the time I was Assistant Attorney
2 General, made the point that the state could not barter
3 away its sovereign power, and also made the point that this
4 exemption was granted as an inducement to build property
5 which had long since been replaced and had outlived its
6 usefulness by almost a hundred years or more, so that
7 all of those points were made but they were unavailing.

8 The court of appeals, in an opinion by Judge
9 Park, relied heavily upon the Dartmouth College case, of
10 course, in the Supreme Court, and they said that this
11 was an inviolate contract and it existed in perpetuity.

12 Now, the point about this constitutional
13 provision and the reason why I should strongly urge
14 that it be retained in the constitution is that in its
15 present form it was virtually a compromise with the B&O.

16 The B&O did surrender some of its tax exemptions.
17 It does pay a good many taxes. All that is left, really,
18 of its tax exemption -- although that amounts to a good deal
19 of money -- is its about one-fifth rate it pays on its
20 gross receipts and the property exemption on only one
21 of its many lines, so that it has been whittled down to