On the subject of the State's credit rating, you should know that the two credit rating agencies, Standard and Poor, and Moody, have each said: This will not adversely affect the State's credit rating. Actually, if we conduct the affairs of the State in the future in the same manner in which they have been conducted in the past, we will keep the best credit rating that is available, namely AAA, and this action, including the action of substituting the full faith and credit of the State in its unlimited taxing power, rather than a specific tax, and we will have our AAA rating.

Of course, if we start throwing our money away, it does not make any difference what our bond principals are, how you try to protect yourself, that would be something that would adversely affect it.

Now, we have provided and believe that what we have done here means that when we issue bonds this is for a public purpose, and it is not in order to pay off other bonds. The State must provide for the payment of its bonds, and not let them all balloon until one day a great big lump sum becomes due.

We continue to provide that these general obligation bonds will be paid from revenues of the State.

Now we come to a matter which will require further discussion. There is one word in the second sentence of section 6.01; it appears on line 13. This actually says, "The State shall have the power to incur indebtedness for any public purpose." This is used in order to distinguish this from a private purpose. The State cannot issue its bonds just to please you or me, or for a purpose which is not a public purpose. But what does public purpose mean? Here I have to go back into history. I hope you will bear with me. It requires perhaps a repetition of what appears in the blue book, what we call the Eney Report. I shall not repeat it, but let me give it to you in the very general way, touching on the highlights.

When those disastrous effects began to be felt this long time ago, and the State had thrown away its patrimony in these bad investments and it became necessary to provide these protections, the State required by its Constitution that there could be no bond issue. They said "The credit of the State shall not in any manner be given or loaned to or in aid of any individual, association or corporation, nor shall the General Assembly have the power in any mode to involve the State in the construction of works of internal improvement which shall involve the full faith and credit of the State, nor make any appropriations therefor," et cetera.

They were going to make sure that as far as our State was concerned they would not get caught again in any Baltimore & Ohio investments that were bad, nor were they going to get caught in any canal building investments and get hurt that way.

In the course of years bond issues were provided for by the General Assembly, and with the approval of the governor who signed the bill, but nobody could tell whether the purpose was in conflict with this constitutional limitation. Here indeed was the State now being held back and prevented from doing some of those things which the elected representatives of the people felt were necessary. And every time a problem arose and there was a bond issue about which there could be even the slightest question, this meant that it was necessary to arrange to have a taxpayer file a suit, and then this taxpayer would object in this suit to the issuance of these bonds for this purpose because it violated the provisions of the constitution.

It might be construed, they said, as a gift. It might not have been for a purpose which was permitted because it was a private purpose; and so a whole body of law has grown up in Maryland.

The Commission and our Committee have adopted the words which we believe will provide that no bond issues shall be approved unless they are for a public purpose.

Now, we cannot circumscribe the meaning of the word "public" because in the dynamic era in which we live, items which we believed a few years ago were utterly inconceivable as being within the realm of what governments should be interested in today are accepted as normal.

Today, the State of Maryland has the choice: Shall it build gigantic hospitals throughout the State, expand its own university hospital, or is it better for the State to provide aid to private non-sectarian hospitals?

The State faces the question of whether the great universities, other than its own state universities can find a means of providing for pupils to give them an opportunity to live on campus in dormitories which can be built with federal aid, along with state aid, but they are not universities owned and run by the State.