

of the 15-year limitation. Montgomery County has used it only sparingly and, indeed, the governor's own chief fiscal expert has worked up a memorandum showing in Montgomery County to use the state program would cost that county much more money than it would if it sold its own bonds at a 25-year limit.

Fourthly, perhaps as important as any of the points I have already made, a 25-year limit will give the state fiscal experts the opportunity to make a more meaningful fiscal mix. By that I mean a more meaningful fiscal planning can be achieved if 25 years is used in conjunction with 20 years, 15 years, and perhaps even 10 years. As it stands now, the State is in a virtual straitjacket. It must issue for 15 years. To my certain knowledge it has never issued for anything less. If 25 years were the rule it could issue something less in certain instances. This is borne out by the record in Montgomery County, for example, where a number of bond issues have been issued for 12 years but a number more have been issued for 25.

Fifthly, perhaps even more important than the four points I have already made, is the fact that knowledgeable people in the field have recommended to me in writing that with a 25-year bond maturity limit the State's financial situation would have more flexibility and that having more flexibility, the State would have a greater chance to retain the credit rating it now has than if it sticks to 15-year limitation. I cannot overemphasize this point to you, ladies and gentlemen. People who know this subject say that in the future if the limit goes to 25 years, the State's chances of retaining its triple A credit rating are greater than if the State retains a rigid 15-year limitation.

THE CHAIRMAN: You have one-half minute, Delegate Case.

DELEGATE CASE: I would like to say to you that the letter I spoke to you about was sent to all of the rating agencies, the principal rating agency, Standard and Poors, wrote me the following: "Dear Mr. Case: Your letter to the editor of the Baltimore Sun was an excellent dissertation and one in which we concur."

So it stands on the record, and these letters are available for anybody to look at, that the rating agencies agree that the 25-year limitation is one which we should adopt.

Mr. Chairman, may I have an extension of my time?

THE CHAIRMAN: If Delegate Sherbow allows it.

DELEGATE SHERBOW: I will extend it.

THE CHAIRMAN: Delegate Case.

DELEGATE CASE: I should now like to turn to the points made by the minority spokesman. He admits out of hand that the change in and of itself will not affect the State's credit rating. This is a point which was made by the so-called, by the fiscal experts and by the legislative leaders who came before us. This now is out of the case. It is admitted that this change in and of itself will not affect the State's credit rating.

What the minority spokesman says to you is that the legislature will bow to pressure of debt financing and that there will be a proliferation of state debt and proliferation of state debt will in time erode the State's credit rating. This point is true whether you make it 25 years or leave it at 15. The fact of the matter is that the more debts you have as related to your assessable base, the less likely you are to have a good credit rating. I say to you, ladies and gentlemen, we have been here now almost three months and one of the themes we have heard during all this time is we must put our faith in the legislature. We are strengthening the legislature and I say to you I think the legislature is able to cope with this problem.

Using again Delegate Stern's own county here is a county which has an unlimited period of time in which to issue its bonds. During the last 10 years this county has issued \$144 million in bond indebtedness. They have all been 25 years. This is the norm throughout the State. I suggest to you that is the proper thing for the State to have.

The final point Delegate Stern made was that if you issue a bond for 25 years you are going to pay more interest than you do for 15. This, of course, is true by simple mathematics but do not forget you are having the use of the money longer. Interest is only the wages of money. The longer you have the use of the money the longer you pay the wages of that use. Hence it follows mathematically you are going to pay more but on the side the point is you have had the use of the money longer.

Finally, it has been suggested the fiscal experts in the State have suggested that 15 years is the only criterion. Again, I must respectfully dissent from the state-