

ments made by the spokesman for the minority. I have spoken personally to every legislative leader and every legislative leader says he adopts and subscribes to the Committee's recommendation. I have spoken to the two top State fiscal experts who deal with this subject in the State of Maryland. I have in my file available for anybody to look at who cares to look at its statements from both of them that the 25-year, 15-year provision which has been recommended by the majority is a salutary provision and should be adopted.

Ladies and gentlemen of the Committee, I sincerely hope that the recommendation of the minority is rejected for the welfare of our State.

THE CHAIRMAN: Delegate Stern.

DELEGATE STERN: I yield to Delegate Clark.

THE CHAIRMAN: How much?

DELEGATE STERN: Three minutes.

THE CHAIRMAN: Delegate James Clark.

DELEGATE J. CLARK: Mr. Chairman, ladies and gentlemen of the Convention, for one who has been trying to nudge the State toward a partial pay-as-you-go basis on its capital improvements the compromise before us today is a little distressing. Only this year for the first time we were able to pay \$10 million from current revenues for some of our capital improvements which were needed. As you know, over the years we have issued bonds for approximately \$30 or \$40 million a year. Of course, these have been 15-year revenue bonds.

For those of us who believe in a pay-as-you-go basis or at least an approach to it, when you get away from 15-year bonds you are just going in the other direction at the very time when we thought maybe we were doing a better job than we had done before.

I think we have to look at the whole picture. You have the political subdivisions of this State faced with problems which call for great sums of money. My county, for instance, is called upon every year now to build millions of dollars worth of schools, borrow millions of dollars for water and sewage facilities and in a sense we are not only citizens of Howard County or Montgomery or any other county of this State but also citizens of the State. We have these obligations which are being made almost every month in my county and I am sure this is the case in most counties of

the State, most of those bonds as we are told and know are for 25 years, some are for as much as 40 years. So I would say that the State which has the greater resources and can stick with the 15-year bonds, perhaps we should at this level of government hold with the 15-year bonds.

The chart which was displayed here by the speaker for the minority should underscore the point more strongly than certainly any words could do. For every million dollars you borrow, for 25 years, rather than 15, you have to pay about \$300,000 more money.

THE CHAIRMAN: You have a half minute, Delegate Clark.

DELEGATE J. CLARK: If we go back and count the hundreds of millions of dollars this State has borrowed in the recent past on 15-year bonds, multiply that by \$300,000, you can see that we have saved untold millions of dollars.

For these reasons, I would hope that we would continue this practice which has served us so well for so long.

THE CHAIRMAN: Delegate Sherbow.

DELEGATE SHERBOW: Five minutes to Delegate Willis.

THE CHAIRMAN: Delegate Willis.

DELEGATE WILLIS: Mr. Chairman, fellow delegates, I wish to speak against the amendment. In 1949 the State of Maryland initiated a school construction program under which the State allowed the county school systems to utilize the state's credit for school construction. This was accomplished by selling state bonds and loaning this money to the counties for their school construction. These were, of course, 15-year bonds. This program has never reached its maximum potential because even though it has been utilized to the extent of \$275 million in 19 years, many school systems have not felt they could afford to take full advantage of it. For instance, Baltimore City and Dorchester County have never used one cent from this program.

Many other school systems have used it only in emergencies.

These 15-year bonds are paid back in 13 years, no payments are made in the first two years. This makes the annual cost practically twice as much as when we sell our own 25-year bonds. The total amount paid annually for school construction costs is closely related to the quality of our edu-