

1 To be interrelated with committee on finance.

2 Dr. Loevy, would you make a comment on that?

3 DR. LOEVY: Yes. At lunch the other day, Jack  
4 Jones raised this question, that counties issue their own  
5 bonds and back them up and he raised the question, when  
6 you start changing county lines or creating metropolitan  
7 governments, he said this problem came up with the Port  
8 Authority and the Metropolitan Transit Authority, you  
9 start changing boundary lines and you affect bonds.

10 I think the reason Mr. Jones raised this ques-  
11 tion is because he is in the business of these bond issues,  
12 but I certainly think that it is worth looking into and  
13 checking with the committee on finance. We really have to  
14 know how they are going to finance on the operation of  
15 local government or how their thinking is developing be-  
16 fore we start altering or thinking about altering the  
17 structure of local government too widely.

18 THE CHAIRMAN: It certainly appears obvious that  
19 the value of a bond is going to be dependent upon the  
20 credit of the issuer of the bond and, if you start changing  
21 the lines, which naturally is going to mean a change of