

1 These projects are geared to areas where un-
2 employment is high so that plants can be brought into
3 these areas and employment is given. Traditionally,
4 States have been allowed to guarantee these obligations
5 and against attack by taxpayers that this is a loaning
6 of the State's credit to the private corporation, which
7 will ultimately build the factory.

8 The courts throughout the country in a great
9 number of cases have held that so long as the public
10 purpose has been served, the credit of the State can be
11 used in this way.

12 There is a great deal of question in the minds
13 of the Committee as to whether these worthwhile projects
14 and projects of modern financing technique can be
15 utilized in Maryland; perfectly obviously they can't be
16 utilized without a long series of litigation, so what
17 the Committee has sought to do is to say that the assets
18 or credit of the State cannot in any manner be given to
19 any individual, et cetera, using the same language, but
20 putting in there the test of public purpose, and also
21 requiring the act of the Legislature which will do this