

1 THE CHAIRMAN: Mr. Case?

2 MR. CASE: Well, the word, purport, I suppose  
3 was our idea of an act which might be construed to  
4 create a State indebtedness, or somebody might say that  
5 it would create a State indebtedness, because a State  
6 agency is permitted to borrow money.

7 MRS. FREEDLANDER: If you have an act that  
8 authorizes the creation of it and includes the irrevocable  
9 pledge, is it not in fact, an act?

10 MR. CASE: It is an act, but an act purporting  
11 to do this. In other words, suppose you had an act  
12 which said in effect, the State shall incur indebtedness  
13 in the amount of ten million dollars and issue in evidence  
14 thereof its general obligation bonds, which again are  
15 words of ours, general obligation bonds, and further  
16 suppose that it said, these bonds shall be serviced by  
17 the tax extracted from the shellfish industry, and that  
18 they shall last for fifty years.

19 That would be an act purporting to create a  
20 general obligation indebtedness, but because it did not  
21 contain the magic words, the State would not be obligated