

1 MR. CASE: We call that an obligation.

2 MR. SYKES: Mr. Chairman, I think the point  
3 can be met, consistent with the Committee's desire, by  
4 saying, unless the act of the General Assembly authorizing  
5 the creation of an obligation includes such an irrevocable  
6 pledge, the organization so authorized shall not be con-  
7 sidered an indebtedness of the State. I think that would  
8 clear it up and avoid clumsiness. How does that strike  
9 Mr. Case? If you make a distinction between an obligation  
10 and a debt.

11 MR. CASE: To me, it is not clumsy. To me, it  
12 is perfectly clear. What you are doing is just moving  
13 words around.

14 MR. SYKES: There is a distinction between  
15 an obligation and indebtedness, and the only way you  
16 can create an indebtedness is by the magic word, and you  
17 authorize an obligation, not purport to authorize it, and  
18 that obligation doesn't contain the magic words, then it  
19 is not an indebtedness.

20 MR. CASE: But you may purport to authorize an  
21 indebtedness, but unless you use the magic words, you