

1 the State's credit, and therefore violated the credit  
2 clause, because it was a lending of credit to a corpora-  
3 tion, but as I have already indicated, the Court of  
4 Appeals said No, that even though you used your credit to  
5 go out and get the money, that what you really did was  
6 turn the money over to the Hopkins and cash is not credit,  
7 and hence this is perfectly all right.

8           The second case that involved this, and the  
9 only other case on a State level which directly involved  
10 the credit clause as such was a case which was before  
11 the Court of Appeals at the last term. In this particular  
12 case, the act of the Legislature said, in effect, that  
13 a corporation, the public corporation should be established  
14 and that that corporation should have the power to  
15 guarantee the payment of mortgages which would be made  
16 to local political subdivisions for the purpose of  
17 erecting buildings for industries' use. Typically, it  
18 is the old FHA gimmick. A party borrows money from a  
19 bank, builds a building with the money, leases the build-  
20 ing to an industry. The money that is paid by way of  
21 rental by the industry to the county is used to pay off