

1 Now, the draft which is to be found on Section
2 B merely says, the assets or credit, assets are used
3 to get away from this silly argument that cash is not
4 credit, and that is a new word, but the assets or credit
5 of the State shall not in any manner be given or loaned
6 to any individual, association or corporation, individual,
7 association or corporation, words in existing 34, unless
8 the public purpose will be served thereby, and now we
9 come definitely to the point that was made earlier about
10 the loan, where we specified that in this case, since it
11 is a loan of credit, and not an actual borrowing for
12 specific purpose, unless the act specifically states in
13 its body what the public purpose is.

14 Now, the majority of the Committee felt that
15 these were sufficient safeguards in the loaning of the
16 credit. Bear in mind that this is generally what the law
17 is throughout the country today, but whether or not these
18 are adequate safeguards is a close question, and two
19 Members of the Committee felt that there ought to be at
20 least one other safeguard, and that is that just as a
21 State indebtedness cannot be incurred for a period of