

1 their assent to such a loan.

2 Even in the event of, let's say, a forty-year
3 loan, which has been the example, I still don't believe
4 that the State would be prevented from granting, if
5 these bonds were issued serially, I still think the State
6 would be able to guarantee the first twenty-five years
7 of those bonds. The last fifteen years might be another
8 story, but I think that that may be of some considerable
9 help to the examples as set forth by Dr. Jenkins. The
10 dormitory ought to be able to carry itself the last
11 fifteen years when the interest rates, or the amount of
12 interest would be considerably lower after redemption of
13 25/40ths of the principal and bonds. For these reasons,
14 at least two of us on the Committee felt that the limita-
15 tion that you impose upon the State in the grant of its
16 indebtedness, in the creation of its indebtedness should
17 also be imposed in the grant of credit.

18 THE CHAIRMAN: Mr. Gentry?

19 MR. GENTRY: My question was really to get
20 to the understanding of the word, credit. I thought I
21 heard Mr. Case explain to Mr. Sykes that credit was not