

speech I was concentrating on the speech while shaving and cut myself. His advice to me was cut the speech and concentrate on shaving.

We have done more than that. Delegate Sherbow and I have agreed to cut control time from thirty minutes each to fifteen minutes each and I will cut my speech.

The statement involves quite a dry subject, as you can look around and see how many of us are here. We were unable in committee to keep a reporter more than ten minutes at any time except for the lottery and I will try to keep below that limit to keep all of you here.

Judge Sherbow told you Maryland now has triple A rating in the bonds. This is the highest rating you can get. The higher the rating the lower the interest rate the less you pay for the money you borrow. We are talking here about general obligation bonds and general obligation bonds only. This amendment we propose is state issued bonds, has nothing to do with revenue bonds, has nothing to do with county bonds.

It is stipulated by the minority, what the judge said, that the mere change from 15 to 25 years would not hurt our credit rating, not in and of itself. You must look beyond that change to see what the effects are.

First, of course, is obvious. The longer you take to pay back the more dollars you pay out for interest. The cost is higher. Not only is the cost higher because you pay longer but the rate of interest is increased because of the additional time. We have had testimony that the going from 15 to 25 years would raise the interest rate.

The second effect is the possibility of an increase in debt. By spreading the costs over a longer period of time you make lower annual payments. I use this as an example. Suppose you have a hundred dollars a month and you wish to buy a car. You know the bank will give you 36 months or three years to pay for the car, \$3600 you have to pay back in principal and interest.

So you go down and pick yourself out a Chevy for about \$3300, assuming you can get yourself a good deal on your financing at six percent. You go to the bank and they tell you that on this particular car your payments are a hundred dollars.

However, of course, you are a delegate here, they see your credit is good, therefore, they will give you five years to pay. You do not have to pay a hundred dollars.

You only have to pay \$63.80 a month. You say, wait a minute. You run out and you take a look at the Cortina or Sunbeam or one of those English cars to take advantage of that 14 percent devalued pound. You come back with a contract on one of the English cars. You say, now I got the two contracts, I want to pay the hundred a month. I will have two cars for that same hundred dollars.

Now, the bank said to you, wait a minute, Mr. Delegate. We talked to you about \$3600, we thought that was pretty high and a pretty good risk for you. Now, you bring us \$6,000 in debt. We would now stop and take a look at the situation. You too now must stop and take a look at the situation.

Judge Sherbow asked that I do not hammer these words back to him too much but I feel we must not only his words that were written but some of his speaking words.

He says he now does not call this a compromise but also his words in another time like a bolt from out of the blue comes that it is not a compromise because all during committee meetings it was a compromise and until now it was not a compromise. It was a compromise until now where we hear it is not a compromise. This is something else. It is a compromise.

Or is it really a compromise? Is it just really saying in excessive language, let us extend the bonds to 25 years, a flat 25-year limitation that the General Assembly will raise all its bonds to? In the last nine years in both houses there were only five dissenting votes registered on bond issues. Look about you. How many people sit here and listen to bonds and financing? How many of the legislators will listen and not come in and vote?

The majority can say this offers flexibility for fiscal and financial heads of government to arrange better bond financing. Why? Why give this flexibility when they came each and every one of them and told us they were satisfied with the current 15-year limitation? All who came before us said they favored the 15-year limitation and we were also told that if 25 years was authorized the legislature would probably under pressure be forced to go to the limit. Herein lies the minority point. Is this really flexibility or is this 15 years versus 25 years and we say it is a flat 25-year authorization because this flag of three-fifths vote the judge talks about will never happen.