

1 MIDFA case, and I can answer it by the way Mr. Reppe,
2 the senior partner of Alexander Brown answered it,
3 when I asked him the same question. He said that it did
4 not have exactly the same bearing because the first thing
5 that the bond analyst looks at is the debt ratio, which
6 means the ratio of direct debt to assessable basis, and
7 of course, it does not figure into that equation, so that
8 if you are talking about a 13 per cent debt or 12 per
9 cent debt, you do not take into consideration this, but
10 the overextension of credit being as it is, a breeding of
11 potential liability, is looked at by Moddy's, and if the
12 great proliferation of new situations were shown on the
13 balance sheet, it is taken into consideration.

14 THE CHAIRMAN: We are going to have to break
15 off at this point for lunch, because we can't finish the
16 debate, but before we do so, may I make just this obser-
17 vation, as I think the debate on this point has indicated.
18 This is perhaps the most troublesome part of this whole
19 subject, and the difficulties that the Commission is
20 having are the same difficulties that everybody who has
21 wrestled with it over the years has had, even going back