". . . The prohibition against lending of credit or money does not mean that the State and its political sub-divisions cannot buy and pay for what they need to achieve public purposes. Nor do they signify that governmental units cannot employ the services of a third person or corporation to do any lawful act which they have the right to have done, and to pay for it."

In *Whelan* v. *New Jersey Power and Light Co.*, 45 N.J. 237 (S. Ct., Decided June 28, 1965), Chief Justice Weintraub, speaking for the Court, reaffirmed the view expressed in the *Roe* case that the constitutional prohibition did not bar the State or municipality from arranging with private persons to perform a public or quasi-public function. It is interesting to note that the constitutional provision did not preclude an arrangement with a private corporation where the corporation was engaged in a business for profit.

The Court said: ". . . If the government decides there is a need which it should meet in the interest of its citizens, the amendments do not deny government the power to meet those needs through contracts with private companies merely because the companies are attracted by the prospect of profit."

In commenting upon the *Roe* Case, Chief Justice Weintraub said:

"There we sustained a statute under which the Legislature, recognizing a public duty to relieve the poor, undertook to meet that duty under a program whereby the Federal Government, the State and the municipality loaned monies to finance redevelopment projects, privately owned and operated for private profit, which would provide job opportunities in economically distressed areas. The public purpose being to deal with poverty, we accepted the legislative decision that its program was a suitable and desirable approach to the problem".

This question is not novel to the City of Newark. In *Simon* v. *O'Toole*, 108 N.J.L. 32 (S. Ct. 1932), affirmed 108 N.J.L. 549 (E. & A. 1932), the City of Newark made certain contributions available to the Prudential Insurance Company to facilitate the construction of housing to alleviate inadequate housing facilities in the Ironbound section of the City. The right of the City to cooperate with the Prudential Insurance Company was sustained because of the public purpose to be served by alleviating inadequate housing conditions in the City. The same issue was raised and similarly affirmed in *Redfern* v. *Jersey City*, 137 N.J.L. 356 (E. & A. 1948).

It should also be noted that when this constitutional question was under discussion with Mr. Reichenstein at the November 1st hearing of the Committee he acknowledged that questions of law" . . . would finally have to be determined by the Corporation Counsel". (Exhibit 3, page 4.) We are informed that Corporation Counsel for the City rendered an extensive opinion on the constitutional question raised in the Committee report in which he holds that the bar urged does not exist. Although the Committee did not see fit to annex a copy of said opinion to its report, or to comment upon it, we deem the Corporation Counsel's opinion most pertinent. We have withheld annexing a copy of that opinion to this statement because we view it as a communication from one municipal official to other municipal officials which should be released by the municipal officials involved.

Accordingly, the constitutional question is an unreal issue, and is in fact the smoke screen we heretofore suggested.

We submit, the constitutional limitation does not preclude the contribution twice heretofore made by the City Council to the United Community Corporation, where its purpose is so clearly a public service and function designed "to provide stimulation and incentive . . . to mobilize . . . resources to combat poverty through community action programs."

The question of other legal ramifications posed on Page 8 of the report is purely imaginary and without substance. None of these questions were raised on the two earlier occasions when the City made the necessary contributions; have never been discussed with representatives of the United Community Corporation; were not raised during the course of the hearings when an opportunity should have been afforded to respond to these questions if they were of serious import; and in the Committee report are raised for the first time.

If these issues are of serious concern to the Committee, should not the report have attempted to answer the questions raised? Did the Committee seek the advice of the Corporation Counsel, or other counsel on these matters? Is it expected that by raising these issues uncertainty will be created as to the duties and obligations of the City in continuing to provide matching funds?

We urge the Council to summarily reject these questions as not providing any serious "legal ramifications".