

has now reached 60 million dollars of which 29% is in common stock. However, when you consider all investments there is only 17% of all investments that is in common stock. Now none of the 46 million of the permanent school fund is invested in common stock. Only 13% of the Veterans Aid fund is in common stock. Of the 5.6 million of the patrol retirement fund that is in common stock, that is totally invested only 1.6 million is in common stock. With the judges fund it is less than a million. Now earnings

(end belt #6)

(start belt #7)

in 1973 as I have just mentioned for all investments run around 19 million dollars. Now when the inflation of the general price level occurs obviously the interest rates rise. That is one of the major reasons that we have had a considerable increase in the earnings of the whole fund this past year. For example you take the state treasurers fund, number 1,000, he has given to the investment council 96 million dollars on the average, daily average, which has been invested at 8.13 percent rate of return, or a total of 6.8 million earned from that particular kind of short term investment.

PRESIDENT: Senator Whitney, could the Chair interrupt here for a moment, and could I ask you to shorten the explanation here and maybe hit the high points and maybe catch the details when we discuss 396?

SENATOR WHITNEY: Yes.

PRESIDENT: Thank you sir.

SENATOR WHITNEY: Now then this being the case, we have obviously when the rate of interest rises we have decreases in the market value of all bonds whether they be government bonds or whether they be corporate bonds or whether they be common stock. Now, if the bonds are held to maturity and most of them will be, there are no capitol losses, and a drop in stock market prices does not mean a realized loss. The earnings from the corporations have been good the past year our investment council during the past calendar year has not had any realized losses on sales of common stock and I want to say again that with reference to common stock, the investment council is a million dollars better off today than it was in 1971 when the consideration was given to the market prices an a...a..in relation to cost. Therefore I see no need at this time to make any major adjustment in investment laws. I shall have however a bill or two in order to have better efficiency in the administration of these laws. Thank you.

PRESIDENT: Thank you Senator Whitney. Senator Syas we are ready for your 104. Before we launch into that the Chair would like the prerogative of a personal privilege really of introducing a former member of this body, he is seated under the south balcony and I know that you would want to welcome him back that is former Senator Marvin Stromer. Marvin would you stand out here please so that we could welcome you. Senator Syas, proceed with your 104. Has the title been read?

CLERK: The Title was first read on February 22, and again on March 6, 29, 1973 and it was read on January 2, 1974..