

January 10, 1974

(Start Belt #6)

SENATOR NORE: Make the Investment Council more probable to me than it has been. Is that true?

SENATOR WHITNEY: I would think so, in that Senator Nore you've been interested in the highest rate of return that we can receive when we are investing in safe investments. And I would categorize these particular investments in bonds or corporations that make loans on homes as a fairly and reasonable safe investment.

SENATOR NORE: Well the point I was getting at, and wanted to get at was in the past since the Investment Council was started or originated we wouldn't have had to take any risk at all, and probably had more income than the risk that we've taken in common stocks. When you buy a guaranteed federal paper you don't take any risks, I always to deal where you don't take any risks. And I think it's for the safety of retired, these folks that are going to retire. I want to be sure that the gold is there when they retire. And when we get in to these, some of these investments, and I think, talk about ratings, A, AAA, and AA I think PERSHING College bonds were rated triple A at one time. And a 5,000 Pershing Bond now is worth \$2.50. Is that true. Now take Pennsylvania railroad, it was rated way up there. I think A or AA. Within a week it had no rating at all. It went from \$35.00 down to about \$5. a share. Do you see what I'm working with. So I want to see these ..this money we're laying for these folks when they retire. I want to be sure it's there. Not only the paper, but we have the gold there. So when we begin to.. and another thing the point I have for the Investment Council we don't have to have..if we invest in safe government we don't have to have a big force and a staff to invest it. Anybody can do it. You can pay.. you can hire a retired farmer to do it real well. Probably for maybe for \$30 a month.

SENATOR WHITNEY: Mr. President and members of the Legislature. I'm going to oppose this particular amendment. Now I'm willing to make a compromise and to make some adjustments in the present law in this regard. Now I did not have an opportunity to see this exact amendment until just now. And therefore, my remarks although they are not going to be tentative I do wish to say that I just received this amendment. But I want to explain what I think the amendment does. Now if you will please turn to your bill LB396, and turn page 4. Now it says there at the top of the page. Any security of any corporation organized under the laws of the United States or of any state thereof, with a net worth of ten million dollars or more, except of not more than 40% of the total money available for investment at the time such investment is made shall be in this class. This particular class you're talking about is common stocks. This is the section in this bill whereby we're talking about common stocks. What Senator Carpenter wishes to do is to freeze each of those enlistments that the moment that approximately sixty million dollars, I think it about fifty eight million, school funds, there's 29.3% invested in common stocks, 8.13.35%. State Patrol funds 29.7%, Judges 29.9%. Now I would prefer that rather than say we're going to freeze the school funds at 29.3%, and State Patrol at 29.7% and the judges at 29.9% Let's pick out a particular figure and call it 30% or 35% instead of 40% which is presently in the bill. Now Senator Carpenter's amendment does more

4574