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rate of return. Now there are many bonds, I mean many stocks today, many common stock incorporations that you can buy in today and have a yield of 10%. Right today. When the yield on bonds is about 7½% something in that neighborhood, long term bonds.

SENATOR FRANK LEWIS: My second question. In an attempt to comply with this law, what would be the net affect of the total principle if you deversified under the provisions of the amendment. Under existing economic conditions today.

SENATOR WHITNEY: I don't know for sure if I understand your question. Senator Lewis. Will you repeat it again.

SENATOR LEWIS: Maybe I ought to go into a little inductive approach here. First, do we have more than 5% invested in stocks now?

SENATOR WHITNEY: Of the total portfolio it's 17%, School teachers 29.3%, Veterans aid 13.3%, State Patrol 29.7% Judges 29.9% and 0 for the permanent school funds That's what it is today.

SENATOR LEWIS: Inorder to comply with the intent of this amendment if it were to subsequently pass. It would be an necessity of deversifying some of these stocks as I see it.

SENATOR WHITNEY: He would freeze that at 29.3% for the school teachers for example. And they could still buy themselves stock within that 29.3%, but if they saw something that was real good, then they would have to sell something before they could buy on this basis, on the basis of the present day portfolio

SENATOR LEWIS: O.K. Thank you. Mr. President, may I just ask Senator Carpenter just one question please.

PRESIDENT: Go ahead.

SENATOR LEWIS: Senator, I probably missed some of the comments you made in regard to this if you could refresh my memory on it a little bit. Is your objective the same as mine, as far as the investment of these funds are concerned for the highest and safest rate of return for those people they belong to, and will your amendment accomplish that.

SENATOR CARPENTER: Let me answer the question this way. Senator Whitney really doesn't understand what this amendment does. Now let me say the Constitution says this is important. Particularly in the area of trust funds pertaining to education. (inaudible) and I don't remember..then this body has to appropriate money to make it up. Now there's one thing you have to remember. We're not investing Whitney's money we're investing the people of this state's money. And I wouldn't get in this market even with Whitney's money. Now Senator Whitney does not tell you the truth. Not unintentionly. In the area of any area in which they now have common stocks, that is not changed ½. Not ¼. The 30-35% in someother of the investments portfolio that remains exactly as it now is. No change. All this amendment says and whatever they now have is.. we have about one hundred and thirty million dollars. I was told this morning they have approximately one hundred and fifteen million dollars in common stocks, which is about 11% of the total. All this amendment says that you are limited to the amount that is now invested in common stocks