

January 10, 1974

SENATOR WHITNEY: Well It's been in there for years and I feel that it's the thing that's going to keep the investment officer careful in that he will not submit himself to pressure, to invest too much in one corporation.

SENATOR CARPENTER: He's not going to do it under this bill. Because he's not going to have it to do it. I don't think he wants to do it anyway.

SENATOR WHITNEY: Oh yes. He would do it under this bill if you would take that limitation out. If your amendment passed..

SENATOR CARPENTER: Would you agree to the bill if I limited the 5% to one corporation, or to 1% as far as I'm concerned.

SENATOR WHITNEY: No, I still have the primary carrier question there, and I am willing to compromise and go down to 30% and have 30%.

SENATOR CARPENTER: I'd rather kill the bill.

SENATOR WHITNEY: It's all right for me to kill the bill.'

SENATOR CARPENTER: Of course it is because your adamate. You are unwilling because you want this state to speculate. Just like you do. And that's all right in your case. But it's not all right for this state to speculate on the people's money. In this kind of a market. And that's all you are advocating.

SENATOR WHITNEY: Senator Carpenter, when you buy bonds you are speculating.

SENATOR CARPENTER: You are not, because the rate of interest is guaranteed to the life of the bond depending on the interest you buy and the price you pay for them, right. Why don't you say yes or no, once.

SENATOR WHITNEY: I say no.

SENATOR CARPENTER: You mean that statement outright.

SENATOR WHITNEY: I'd say that's true. But even that corporation could go broke. see and because of that your speculating. Because when you deal in bonds or commodities the future prices of which are unknown. That's speculation.

SENATOR CARPENTER: Well, I'll buy that. Speculating in the Government bonds is speculating just as much as stock market. Why don't we put all of it in the market of Governments. You are getting anywhere from 6, 6½, 7, 7½. Sometimes 8%, what do you want to fool around with stocks and bonds for.

SENATOR WHITNEY: Well, Senator Carpenter, I have gone to the investment officer. I've gone to the Investment Council I've told them a few months ago, please go very careful in common stocks, and buy bonds. But, I want to leave this in the law in order to make this possible for them sometime in the future when the situation reverses, when the bonds earnings are low and the stock earnings are high that they could go up to say 30%. I'm willing to come down from 40% to 30%.