

January 10, 1974

SENATOR CARPENTER: Now Senator, you were over the investment board as you have a right to. And you are an expert. And I'm sure in listening to what you represent, I'm sure you are representing your own interest in it. I want this body to go on record as to what we collectively want them to do. Not what you want, or what I want. I don't want the responsibility. I want to lay it off on this body. And if you want to speculate with one hundred and thirty million dollars that belong to the people of this state. Good speeds you, I don't. And you will live to rue the day, because if this thing happens where, we'll all going to be blamed, not Senator Whitney, all of us. And we have got a different responsibility than he has. And when you spend somebody elses money, and that's an easy thing to do, and I love it. But I don't want to invest their money that way. Now it's just that simple. Will you agree to this? That the limitation of what they can invest in common stock as of today, and until we change it is the amount they now have invested in common stocks, will you agree to that.

SENATOR WHITNEY: Senator Carpenter, you have now 29.3% in schools, 29.7 in State Patrol. Judges 29.9. why don't we just pick a figure out. 30% for all of them, see. Rather than have just a 10 of a percent here in the law and another in the law and just pick out an easy figure like 30%,

SENATOR CARPENTER: I don't believe in easy figures of peoples money. But you are not telling us all of it. You are talking about those funds which have 30% which don't represent too much in the relationship to the total money involved that are available. Now those amounts that you are talking about in those funds haven't been changed one dollar, except they can't increase beyond what it is. They can increase it if they want to take it from another pension plan. But this is only a limitation on the fifteen million. They can put that anyplace they want to, but they can't increase it.

SENATOR WHITNEY: Yes. My answer is I'd like to increase for example, to make it easy to remember the 30% increased schools, by 7/10 of 1% , state patrol by 3/10 of 1%, Judges by 1/10 of 1%. Why clutter it up with a certain percent with all these chunks in them.

SENATOR CARPENTER: Would you agree for example, that the common stocks now and the dividends they receive are equal to a net return the overall average of volume between 3½ and 4%.

SENATOR WHITNEY: 3½ to 4% plus capital gain.

SENATOR CARPENTER: Now just wait a second. Interest. That's all we can depend on dividends which fluxuates. Depending what they make. Now the General Motors for example is laying off thousands of people. Mr. Peters who is the head of the enrgy crisis in this state says beginning next week unless we get some fuel we're going to have a graduated increase in unemployment in this state. We have people who know more than you and I know in a minute than you and I know in a year who says we're going into a recession. And a recession means a depression. Eventually. And the reason for lthat case is when the people run out of money. When the people run out of money. That's when you have these things happen, and the people are running out of money, and when they run out of money they can't buy. Gasoline up 20¢ a gallon going up probably to 30¢

(End of Belt #8)