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SENATOR BEUTLER: First of all, Senator DeCamp, what is the remedy if the council or if the state investment officer happens to invest in investments which are not altogether prudent? I mean, we set a standard up. There is no absolute prohibition. What happens if they ignore it and simply invest in speculative type of investments?

SENATOR DeCAMP: Then they would be exceeding their authority, they would be breaking the law. If you want to talk about unwise investments, what we have ordered them to invest in (interruption) the only unwise one.

SENATOR BEUTLER: Senator DeCamp, when you have a "prudent man rule", there is no absolute, there is no absolute determination as to what is prudent and what is not prudent. It is a matter of judgment to some extent, is it not?

SENATOR DeCAMP: Yes, and that is why you have an entire Investment Council with supposedly experts on it and, yes, there is a judgmental factor and that is what we are saying is needed in these times.

SENATOR BEUTLER: This new law represents a tremendous liberalization of the investment law, is that not correct?

SENATOR DeCAMP: That is...I don't know that it is a tremendous liberalization. I guess I would say it is a tremendous change. I will go along with that but that is a judgment on my part. By the way, this...

SENATOR BEUTLER: Do you feel comfortable, Senator DeCamp, that if a depression type situation occurred again, the state would be protected? Obviously, I mean, in good times the state doesn't benefit to the extent that more speculative individuals benefit in good times, but in bad times, are we protected?

SENATOR DeCAMP: Okay, you said if a depression occurs, in terms of our funds, and the things they were invested in, a depression has already occurred and I am sure you are aware of that. They were invested in, for example, low interest bearing long term bonds, and as far as that segment of the economy, as you know, it has had its depression. We are in it right now. If you are talking about a depression of inflation or of a depression of deflation, that is why we are giving the flexibility to be trying to use some judgment rather than have an absolute law that doesn't adjust.

SENATOR BEUTLER: I guess what bothers me a little bit is