

## Business world

By Nick Pisani

### Our financial future



Capitalism is the mainstay of much of the world's economy. Even the Soviet Union, whether they admit it or not, has created the Eurobank organization with which to invest in bourgeoisie capitalistic businesses. In short, capitalism is a proven ideal that works; its major component is companies whose philosophy is to maximize profits, and minimize losses; for those people who invest in companies that materialistically follow this ideal, the reaping of dividends and other high returns can be realized.

Unfortunately, we are *not*, I repeat, *not* equipped with a crystal ball that can enable us to see into the future and predict when to buy a stock, and when to sell it, because magic does not exist, and this is not Star Wars! However, there are many people who dedicate their lives trying to predict business trends so that investors have a better chance of making money, instead of losing it. There are many that are accurate.

In the past two months, many leading economic henchmen from such pseudo-financial conglomerates as Merrill Lynch have predicted that the Dow would dive below the 800 mark. It has, and it seems to be hovering around this figure. Certainly, things could not get much worse, in fact, a predicted, and sorely needed rebound is in sight. With falling interest rates, and Paul Volker's tight money supplies being realized, major banking and financial execs predict a sharp spring rebound, with the Dow reaching a possible high of 1020.

Perhaps, it sounds a bit far-fetched, but it should happen. Those with faith and optimism, be prepared, if you dare, to reap a bountiful harvest of money in the coming months (but, don't curse yourself come tax season next year!).

The best returns will probably be realized in the high tech issues: reverred as the "darlings" of Wall Street a mere six months ago, these stocks have recently gone below their all-time lows; in some cases, their market value has been cut in half. The oils have fared no better. Mobil, the second largest corporation in the world, is selling at around twenty a share. But, unlike the high tech issues, there is no relief in sight. With projected oil prices expected to plummet, and an oil glut in the works, these stocks will probably stay where they are.

In other issues, U.S. Home

(11), the largest home builder in the country, and controlled by the French conglomerate Phenix, is selling at an all-time low. You can expect to see a rebound in housing construction soon. All hospital management issues, ie Hospital Corp. of America, Humana, are involved in a recession-proof service industry. Whether times are good or bad, people still get sick, thus providing these companies with guaranteed customers now, and in the future. These stocks are highly recommended because of their low selling prices. In the Transportation index, two airlines have survived deregulation with flying colors (no pun intended): Delta (28), and U.S. Air (14); both are selling at discounts. With so many stocks selling at irresistible discounts, it is hard to ignore the possible rewards one can receive for investing in such companies.

But, perhaps investing in such "stable" stocks as those I have mentioned, is not in your "bag." Maybe you prefer a bit more speculation in your investing; I know I do. I am particularly intrigued by those small, speculative companies with explosive growth potential: Walbar (21), data communications; Triad Systems (18), computer peripherals; and, Flight Transportation (8), flight simulation systems. All three companies are selling at ridiculously low prices too irresistible to ignore. Each company is in a specialized industry where competition is low. Personally, I like four highly speculative issues in particular: Teleflex (17), which makes everything from noncorrosive specialty coatings to nuclear reaction cores, is especially recommended because of its recession-proof balance sheet; Aydin (18), a producer of highly sophisticated communications, and microwave systems, is attractive because of an increasing number of government contracts, and a high backlog of unfulfilled orders; Charming Shoppes (9), the operator of Fashion Bug women's specialty shops that has had a 32% compounded growth in net income for the past ten years; and, AM Cable TV Industries (5), a cable television equipment and construction concern that has grown so fast that it has not been able to fulfill all of its orders, but is completing construction of two plants in Pennsylvania, and one in the Philippines. Its shares are selling at 1/4 their high of twenty last year.

Whether you look over these stocks, or others like them, let me say that they are all POTENTIAL gold mines; but, looks can be deceiving. They are very speculative. Yet in the words of the immortal Alexander Pope: "Of all sad words of tongue and pen, the saddest are these: It might of been." These stocks may, or may not make it. I arrest my case.

Enough for now on investing. Let me mention the events that have become major issues in the business world, in recent weeks. Smithkline Beckman (62) recently completed its previous announced billion dollar acquisition of Beckman Instruments, "...a marriage made in heaven," accordingly to one industry analyst. Marathon Oil is now a subsidiary of U.S. Steel; price: 6.8 billion dollars. Coke has made a marriage proposal to Columbia Pictures at 78 a share. Rockwell International has come under government scrutiny by NASA for allegedly

overstating its expense accounts with regards to the B-1 bomber contract it received last year. Pabst Brewing (Blue Ribbon Beer) received a \$16 a share takeover offer from C. Schmidt & Sons, of Philadelphia, and told Schmidt to stick its offer, in plain ordinary words. Pabst is presently fighting a proxy battle with Minneapolis investor Irwin Jacobs, and has agreed to acquire small Pittsburgh Brewing. Perhaps, it is a bit confusing, even to Pabst chairman William Smith. Seagrams Ltd. (V.O., Seagram 7 Whiskey) was rumored to be talking takeover with Gillette. Heublein (Smirnoff Vodka, and Kentucky Fried Chicken) is fighting a hotly-contested battle to ward off amorous General Cinema's takeover fever. And, finally, Bendix bought 5.5% of financially ailing RCA's common (just for investment purposes only, you understand). With interest rates plunging, expect to see more corporate mergers in the future.

### Pac-man tops electric games

By Alan Smith

All-American as hot dogs, baseball, and apple pie, PAC-man has become one of America's favorite electronic games since its inception in August of 1980. With over 100,000 games sold by the midway company, the trend of playing PAC-man is reaching new heights everyday. Yet what is it about playing PAC-man that is so appealing?

Ron Swayer, a daily PAC-man player, sees the game's challenge of man against machine as a strong attracting force. "It's like being slapped in the face and challenged to a duel everytime you drop in a quarter." Bob Tier, also a veteran PAC-man player, feels the cuteness of the game attributes to its popularity. Lacking the war and destruction themes of so many other electronic games, PAC-man attracts males and females of all ages.

Whether its the challenge or just the cuteness, Speedy, Blinky, Inky, and Clyde will be doing their half-time performance for quite sometime.

## Education Loans

Are Available At . . .

# HNB

- THE PARENT LOAN FOR UNDERGRADUATE STUDENTS (PLUS)
- THE GUARANTEED STUDENT LOAN (GSL)

**WE'RE 'THE HELPFUL BANK'.**

COME IN AND SEE THE HELPFUL LOAN OFFICERS  
AT THE HAZLETON NATIONAL BANK  
TO PLAN FOR YOUR EDUCATION.



**THE HAZLETON NATIONAL BANK**  
The Helpful Bank

Member F.D.I.C.

●HAZLETON ●WEATHERLY ●NUREMBERG ●CONYNGHAM ●LEIGHTON ●WEISSPORT