## 1403.44: Dow average soars to record high

**AP Business Writer** 

The widely recognized average of strong economy in 1986. 30 blue chips climbed 6.77 to 1,403.44, Interest rates have taken a tumble extending its gain since mid-Septem- in the credit markets as of late. In touched 1,400 early in the session and

Dow Jones industrial average to its Analysts said falling interest rates relative appeal of interest-bearing

Other, broader market measures erally mixed with small changes. MILESTONES

within the next 12 months.

Contributors to the Dow's advance trading at record highs; American share.

highs, but they continued to push to stimulate spending for construction and capital equipment, giving Volume on the New York Stock debt-laden consumers some help in kept moving ahead yesterday with a Exchange picked up to 129.48 million keeping the economy growing. At the late burst of buying that carried the shares from 119.20 million Tuesday. same time, falling rates reduce the have raised hopes on Wall Street for a investments like bonds that compete with stocks for investors' favor.

yesterday's trading, rates were genagain at midday, pulling back each time amid selling by some traders who had planned in advance to do so at that round-number level. But

Wall Street also got a boost yesterday morning from International Business Machines, which said it expects to post "some strong growth" in the current quarter. IBM shares rose ½ to 132¾ in active trading. Among other leading computer and technology issues, Hewlett-Packard

gained 1¼ to 32¼; Texas Instruments 4½ to 94¾, and National Semiconduc-Scientific-Atlanta added 1 to 11. The company said it expects to report higher earnings for the current fiscal quarter and is likely to recommend that directors increase the dividend

were recently sold to the public by five regional shopping malls.

A hectic trading floor marked the scene on Wali Street yesterday as the Dow Jones hit a record high of 1403.44.

included McDonald's, up 1 at 70% and quarterly dividend of 7½ cents a Board. The exchange's composite industrials rose .39 to 214.03, and Express, up 1% at 47¼, and Ameri- Allied Stores rose 2¾ to 61%. The Nationwide turnover in NYSE-list- was up .39 at 192.76. company declined comment on a ed issues, including trades in those The NASDAQ composite index for Fireman's Fund, shares of which published report that it plans to sell stocks on regional exchanges and in the over-the-counter market picked the over-the-counter market, totaled up 1.49 to 296.74. At the American Stock Exchange, the market value

# American Express, was up \% at 30\\\\2. Advancing issues out-numbered de- 153.20 million shares.

**Associated Press Writer** 

sored economic study

Gene Swackhamer, president of ciation, the Federal Home Loan the Farm Credit Banks of Balti- Mortgage Corp. and the Federal

the analysts said:

its current 141 to 2,300.

• The gross national product would drop by \$76 billion over two years, while the federal budget

nonetheless enjoys an investor The system, which is lobbying perception that its bonds are fedthe federal government for a \$6 erally guaranteed, even though billion bailout, emphasized it does they are not. That perception, not expect such a default on its known as "agency status," also securities, but that it conducted extends to other quasi-governmenthe study to demonstrate the se- tal financial systems such as the Federal National Mortgage Asso-

the perceived risk in other "agen-

system bonds, would lose \$28 bil- ordered after initial admissions of lion. That would push the number severe financial problems in the of agricultural banks now on the system were met with skepticism government's "troubled" list from in the Reagan administration and in Congress.

### Insurance companies target college students

Collegian Business Writer

As graduating University seniors approach pos collegiate life, many are becoming marketing targets of life insurance companies James D. Hugo (senior-electrical engineering) received a phone call last week from one such

"She didn't say it was about insurance in particular," Hugo said. "It was for financial planning setting up some financial plan for after graduation. She said she wanted to talk sometime and I was too busy that week so I suggested that maybe she should try back next week."

But Phil Wheat, vice president of college marketing for Fidelity Union Life of Dallas believes college students should take time to examine their not interested in life insurance or other types of financial planning.

Fidelity Union Life is the leading insurance students. Wheat said. While several other companies talk to college students about life insurance and financial planning, most companies do not have a national marketing effort specifically directed toward college students. He said local agents usually take the initiative themselves to contact college students.

try to determine the individual's personal financial needs." Wheat said. He said college students' needs would include their expected annual income after graduation,

expected lifestyle, plans to buy real estate and plans for a family. Wheat said a general rule in determining premium payments is that a person's savings should not exceed 5 percent of a their net income, adding that life insurance policies are considered part of their

"If a person is making \$15,000 a year and taking home about \$10,000 of that, his insurance premiums should not exceed \$500 a year," Wheat said. financial situation because the last thing we want age than they need or can afford." he added. insurance should depend greatly upon their finan- valid from the time the first premium payment is Navy and Marine personnel.

their future total mortgage payments, both princi- while the loan remains outstanding. pal and interest, to total about \$100,000. He said the ROTC students may be contacted by other, more least \$100,000 so their survivors would be able to their military affiliation.

cover any major future expenditures like mort- ROTC students at various colleges in the country. Wheat said.

large loan, the banker is going to want some the time they are ROTC students in college or company that markets specifically to college guarantee that, in case some drunk driver kills cadets in a military academy through retirement you, he's going to get his money paid back." specified period of time, Wheat said.

"Probably a good name for term insurance age in \$3,000 increments is later offered up to a would be temporary insurance," he said. Wheat said the coverage which is received for people investing in short term investments that

require periodic payments. Wheat added that term insurance would be more life insurance for other reasons.

"If I've already got all the coverage I need for my financial plans with my whole life policy and I He explained that the additional coverage of a was very favorable.

term policy in that specific case would cover the welfare of the child in case of the insured's Point, the organization targeted ROTC students at accidental death as the child grows older. "We try to conservatively estimate a person's local agent for Fidelity Union, said an additional Walton said type of insurance called universal insurance has Army Mutual Aid plans to offer its service to recently become popular. With universal cover- Army and Air Force ROTC students at Penn State age, a policy holder pays into a policy for a certain next fall, Walton said. He added that the Navy

He explained that whole life insurance is appro- An attractive feature of universal insurance is priate if a person is concerned with either support- that the policy holder is able to borrow money the event of his or her unexpected from the policy for a less-than-market death or with having collateral to back a major rate, Pontzer said. A loan taken out on the policy would not effect the policy's ability to pay benefi-Wheat gave as an example someone who expects ciaries in the event of the policy holder's death

person would want their life insurance to cover at specialized financial organizations because of cover mortgage payments in the event of unex- The Army Mutual Aid Association of Arlington. 'Va. is a non-profit independent organization which He noted that prospective clients would want to offers life insurance and other financial services to

gages for both sentimental and practical reasons. Some of the services Walton said the organiza-'You're going to want to cover those expenses tion offers Army and Air Force ROTC students because you wouldn't want loved ones being stuck and army and air force personnel include investfinancial needs before hastily deciding they are with huge bills in case you die unexpectedly," ment portfolio planning, insurance planning and pension and benefit consultation. "On the other hand, if you want to take out a The organization aids military personnel from

from the military service, he said. Term insurance covers a person only for a Walton said the initial life insurance coverage available is limited to \$3,000, but additional cover-

\$12,000 total

He said that Army Mutual Aid's life insurance is only a specified period of time is attractive to only designed to augment other life insurance polcies that members / clients of the organization already own or are planning to buy. Walton said Army Mutual Aid began offering its attractive than the long term investment of whole insurance and other benefits in a special program

at the United States Military Academy at West Point last year. In the program, senior cadets were offered the decide I'm going to have my last child, I might first \$3,000 of coverage at no charge in the fall and only want additional coverage for another 20 a membership in the organization in the spring before their graduation. Walton said the repsonse

After its success marketing its services at West ten military-oriented colleges this fall, offering the Wanda Pontzer, of J. T. Matis & Associates, the same program of the first \$3,000 of coverage free,

Whether a person chooses whole life or term period of time for life-long coverage. The policy is Mutual Aid Association offers similar services to

## Farm Credit failure will hurt economy

**By JIM DRINKARD** 

WASHINGTON, D.C. — Failure deficit would increase by \$85 bilof the \$70 billion Farm Credit lion in the same period. System would be a hammer blow One surprising result of the stuto the U.S. economy, driving up dy, Swackhamer said, was the mortgage interest rates, endan- effect of a default on home mortgering more than 2,000 banks and gages. prompting a wave of farm foreclo- The Farm Credit System, a prisures, according to a system-spon-vate, cooperatively owned entity,

riousness of its problems.

more, said the results of the analy- Home Loan Bank System. sis by Chase Econometrics If the government does not live "surely would help" in the sys- up to its perceived obligations to tem's efforts to win support for back up the Farm Credit System, federal financial aid. Should the 37-bank system fail to cy" bonds would increase and meet payments on the bonds it drive up their cost of borrowing. issues to raise loan money, the Home mortgages would rise from study said, "this unprecedented about 12.5 percent interest to 15

default would further depress ag- percent or more, the analysis said. riculture, severely disrupt finan- As farm credit dries up, interest cial markets and seriously weaken rates to farmers would almost an already fragile U.S. economy." immediately rise by 3.5 to 4.5 If a default were to occur in 1986, percentage points, the study • Loans to an additional 88,000 continue their downward spiral, farmers would be foreclosed. • Commercial banks, which are direct result of a default, it said. among the primary purchasers of Swackhamer said the study was

added. Values of farm land would dropping another 20 percent as a

### New computer analysis firm opens

Collegian Staff Writer

icated the opening of Minitab, Inc., a new comput- Ryan said. er statistical analysis corporation developed in Minitab is a "high-tech spinoff" of the Ben conjunction with the University.

and Barbara F. Ryan, with Wisonsin businessman jobs for high-tech industries through the joint Brian Joiner, collaborated with the University to efforts of industrial and academic organizations. create Minitab Data Analysis Software in 1972. "Specifically, what the Ben Franklin Project did The combined effort developed an easy-to-use was to provide space for us on campus for two statistical computing system to help University years while the Minitab facility was under constudents with introductory statistical courses. Soon after it started, Minitab, Inc., 3081 Enter- The University also allowed Minitab to use its prise Drive, began to receive requests for statisti- mail and telephone systems. cal analysis systems from other colleges and Minitab started as a project at the University

**EQUESTRIAN DIVISION** 

Penn State Outing Club

**MEETING & FILM** 

Thur. Nov. 7 7:00 318-319 HUB

"On the Fifth Day: The Story of the

American Quarter Horse"

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SPECIAL

University President Bryce Jordan, calling the countries worldwide, including major companies

Minitab now services over 1,500 customers in 45 relationships between universities and private such as Du Pont, Penn State and other universienterprises a "new ball game" yesterday, ded- ties, including most Ivy League schools, Thomas

Franklin Challenge Grant Program, Thomas University statistics professors Thomas A. Ryan Ryan said. The program was designed to create struction," Thomas Ryan said.

universities and from businesses and government and later became a company, Thomas Ryan said. "We started as an academic project, then it Jordan said Minitab was a "thrilling beginning" became so widely distributed that it was viable as Ryan said.

appropriate as a business. Jordan said the University is dedicated to the

grow. He added that when jobs are created "the Constructed by the Hughes-Crawford Company Inc. of Altoona and designed by architect Frederick J. Fernsler of State College, the new 9,000 ATP • ATP • ATP • ATP • ATP • ATP • ATP square-foot building provides office space for 23 employees, Thomas Ryan said, adding that Minitab expects to employ 35 people by 1988.

"This building is designed to be doubled. The entrance-way will be the center of the building and there will be a mirror entrance of the present one on the other side." Barbara Ryan said.

who jog during lunch hour, a rowing machine, a stationary bike and a multi-purpose room where aerobics are held three times a week, Barbara

To the Brothers and Sisters

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of AIP

We Love You!

Little Sister Pledges

The Daily Collegian Thursday, Nov. 7, 1985-3

#### **COLLEGE OF SCIENCE** STUDENT COUNCIL MEETING

Thurs., Nov. 7 7:30 pm 317 Boucke

Everyone Welcome!

### ANN ARBOR, Mich. (AP) — Recent decline for the first time in five years. cluded in the study held about steady. one of the most dependence-produc

progress in reducing drug use among Researchers at the university's In- "The rates of illicit drug use which ing substances know to man — cohigh school students seems to have stitute for Social Research reported stalled in 1985, a study released yesthat 1985 graduates showed statistitoday are still troublesomely high you have grounds for real concern." cally significant increases in use of and certainly remain higher than in Sixty-one percent of the Class of '85 An annual University of Michigan cocaine, PCP and opiates other than any other industrialized nation in the admitted trying an illicit drug at survey of America's high school se- herion, and decreased interest in world," said Lloyd Johnston, one of some time, with 40 percent admitting niors turned up a troubling increase amphetamines, methaqualone and three social psychologists who di- use of a drug besides marijuana. rected the study

High school drug use reduction stalls in '85 That's almost identical to the Class of

#### PLANNING TO ATTEND LAW SCHOOL?

A representative from the Camden Law School of Rutgers University will be on campus Monday, November 11th, from 9:00 a.m. to 12:00 noon.

If you would like an appointment to discuss law at Camden, please contact Ms. Jane Tarbox in 107 Burrowes Building between 8:00 a.m. and 12:00 noon, Monday through Friday.

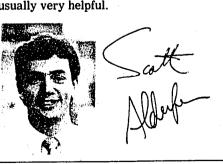






#### Public relations: Friend to journalists, savior to businesses and society

usually very helpful.



check the appropriate sources within their five minutes.

be a hinderance to reporters as well as to statements made to reporters?

very often. The PR personnel I speak to are the telephone to the recruiting coordinator tion.

prohibited any company personnel other an adolescent talking to someone of the than the PR department to talk to the press opposite sex for the first time. without first clearing what they would say with the PR department

While the information I received from him concerned only the company's recuitincriminating or scandalous, he said he ing having to wait for a PR department to disregarded the policy by talking to me for

organization and call me back with my There is no doubt that this recuiting answers. But the reporter ultimately bene- coodinator was somewhat out of line in fits by dealing with one department in disregarding his company's policy to talk to particular instead of being subject to the me. On the other hand, is this policy perhaps a bit over-bearing and cumbersome --PR departments can occasionally seem to requiring the PR department to censor all On the other hand, some companies might

for one of the largest business machine It is common for reporters in telephone passes the buck until one department finally companies in the country. He was reluctant interviews to encounter secretaries or peo- attempts to answer my questions. to give me his name because of a certain ple in low-level managerial positions who will hear the term "newspaper reporter." The policy which he explained to me and have their composure reduced to that of

Just yesterday. I called an apartment management company to confirm some vandalism damage statistics. I asked to speak to the maintenance coordinator but I ment standards and was far from being was told he had already left for the day. I told the secretary the information I sought Admittedly, it can sometimes be annoy- preferred that I not use his name because he to confirm and she responded, "What are you going to do with the information?"

> the information? Tell their property insurance company they are a bad risk? I tried not to sound too cocky and respond-

I don't claim to be a public relations public, they also survey public opinion of expert; but I am familiar with some basics their organization to try to respond to the of public relations theory and with some of public's opinion of them. the concerns and attitudes of public rela-

publicity as possible, not always with re- one to handle the responsibilities of estabgard for accuracy, and hoping some of it lishing a two-way relationship between hits the news media. Public relations has also progressed from

the early 20th century. PR departments are make a reporter's job easier. It is also a no longer concerned soley with disseminat- step in the direction of improving commuing accurate or timely information to the nication in our interrelated society at a time media, trying to avoid negative public opin- when alienation within our society is a ion when a crisis arises involving the orga- common and valid complaint.

As a business reporter, I deal with public I ran into this potential hinderance while be advised to consider starting a public make setting up a PR department worth its organization and the general public, but relations departments in large companies researching a story last month. I spoke on relations department within their organiza- while. But I've encountered similar situa- also among departments within the organitions in which department after department zation. With the two-way theory of PR, organiza-

tions not only disperse information to the

Although many organizations are not able to start a PR department because of their Public relations departments are not the size, some of these organizations might flackers of the past - throwing out as much want to consider at least designating some-

their organization and the public with which. they must deal. the public information school of thought of A competent public relations department

Most public relations practice has pro- Scott Alerderfer is a senior majoring in Granted, a local property management gressed to a two-way relationship of com- journalism and a business writer for The company would not be large enough to munication not only between the Daily Collegian.

**Blood Doping** and Injuries; discussion topic featuring:

Tim Madden, PSU Athletic Trainer, PSU Cycling Club

Thur. Nov. 7 7:30 p.m. 217 Willard



foot



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