RECORD OF SOCIETY OF ACTUARIES
1993 VOL. 19 NO. 4B

THE MEDIA, BUSINESS AND GLOBAL FINANCIAL SERVICES

Speaker: MYRON KANDEL*

MR. TOM MARRA: Our guest speaker is Myron Kandel from "CNN Business News." And despite what the program said, he's not going to be talking about sales illustrations. In fact, when we first talked about the topic, he thought we were talking about drawing illustrations of the sales process in some form. So, fortunately, we've renamed his topic to cover an area in which I think he'll be a little more comfortable. The new name is The Media, Business, and Global Financial Services. Mr. Kandel has enjoyed 40 years in a journalism career, starting as a copy boy, probably at about age ten, with *The New York Times*. He has been financial editor of *The Washington Star*, *The New York Herald Tribune*, and *The New York Post*. He has also been editor and president of *The New York Law Journal*. He has been a prize-winning writer featured in many financial magazines. Maybe he'll want to enter one in our contest. He was also co-author of the *Greer-Kandel Report*, which was a syndicated financial column featured in many leading newspapers. Currently, he is a very familiar face, as the financial editor of "CNN Business News." He anchors CNN Business News update segments and provides economic analysis for the "Moneyline with Lew Dobbs" program. He holds a master's degree from Columbia University's School of Journalism, where he has also taught journalism.

MR. MYRON KANDEL: You know, I spend a lot of time in Wall Street, and I want to share a little story with you from there. It seems there were three people killed in an automobile accident, and they ascended to the pearly gates. St. Peter said, "You know, we're quite crowded here. We've had a lot of actuaries come up, and we really don't have very many vacancies. We have a new rule which is only one person from a single accident is allowed in, and we just pick the person with the oldest profession." And one fellow said, "Well, that must be me, because I'm a surgeon. And when God created Eve out of Adam's rib in the Garden of Eden, he was obviously acting as a surgeon, so mine is the oldest profession." And the second fellow said, "Wait a moment. I'm a landscape gardener. When God created the Garden of Eden out of chaos, he was obviously acting as a landscape gardener, so you must let me in, I'm the oldest profession." And the third fellow said, "No, no." He said, "I'm an economist. Who do you think created the chaos?" Sometimes we have the idea that chaos is what economists deal with, but in other terms, they do all right. The fact is, I always like the story that is attributed to Harry Truman, when he was given some economic advice, and then his advisors said, "But on the other hand, maybe we should do this." And Harry Truman said, "I wish you could find me a one-armed economist who only had one hand."

Tom mentioned my various jobs but I've been with CNN the longest. It's hard to believe that CNN went on the air just 13 years ago last June. And of course, even those of us who were there at the beginning, and helped get it started, never dreamed that it would be as successful, ubiquitous or global as it has become in that relatively short period. As a financial journalist, what attracted me to CNN at

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the beginning was the idea of covering business news on TV. As a newspaper editor and columnist, I had made a number of speeches to groups of publishers and newspaper editors, and even back then, they all complained that most Americans were getting most of their news from television. But the one area of news they were not getting was business and economic news. That was really the wasteland of TV news. If most Americans were getting their news from TV, we were really turning out a nation of economic illiterates. We've done a lot better recently, but we're not quite there yet, as you may know.

A friend of mine was at a dinner the other night with a major figure in American television, and I won't mention her name, because it would embarrass her. And he came back and he said, "You wouldn't believe that this woman who made a very considerable amount of money was totally ignorant about economics and about business and even about her own finances." So, obviously, we still have a long way to go, but we've come a long way at the same time.

When CNN went on the air, and we started our "Moneyline" program, and it was the first television network news program devoted to business news. The only thing that existed before "Moneyline" was "Wall Street Week," which of course continues and does a good job, but it is an investment program aired one night a week. We went on the air with the first business news program on a regular basis. When I told friends what I was about to do, they asked how I was going to cover business news on television. There isn't any action. You don't have fires and riots and car chases and stuff like that, but they haven't been in the pits of the commodities exchanges. And all you have is that hackneyed shot of the floor of the New York Stock Exchange. And then they sort of lowered their voice and said in hushed tones, "All you have are talking heads." And that was a dirty word in television.

Over the years, we've gotten more visual. We have reporters out in the field, both here and abroad, and we have more graphic capabilities, so we're not totally stagnant. But we are still confined, in the business news area, to facts and news, rather than flashy shots. But I think we've proven that business news can be interesting, and has an important place. At CNN, we do four daily business news half hours every day, live, out of New York. We do a fifth out of London. We do five taped half hours that run over the weekend. And we do 52 news updates in the course of the day. We're on 24 hours a day with either CNN, Headline Network, our international network, or all three. Between one and two o'clock, we have four news updates being prepared: one for CNN on the half hour, two for Headline News on 15 minutes after the hour or 15 before, and one on our international network. So there are four different news updates going on the air during the hours when trading is open. And we're not the only ones. Unfortunately, the broadcast networks have totally given up in that area. Most of them never started. But even ABC, which had a program called "Business World" on Sundays, gave that up earlier this year. And, in public broadcasting, there is more. As you know, there's CNBC, which is a rival network to us. And, on public broadcasting, in addition to "Wall Street Week," there is the "Nightly Business Report" every weeknight, and "Adam Smith's Money World." So, people who are interested in business, who think economics is an important part of their life, can now get it on the tube.

And I hope that someday they'll even get it on a local basis rather than on network basis. I've always been amazed at the fact that local television hasn't done more with business news. Just imagine if some historian 100 or 200 years from now could find the archives of a local television station, and could see a tape of all the news programs that were on that local station. Just imagine what we would know about that society if we could to back in history 200 years and getting something similar. They would learn a lot about crime. They would learn a lot about celebrities. They'd learn a lot about sports. They would learn more about the weather than they cared to know. But they wouldn't have the foggiest idea about how all these people earned a living, and how their economy worked. It just doesn't exist on local television. And I think someday, this is my prediction, which hasn't come true yet, someday, some local television news director, probably number three or four in the ratings, casting about in desperation for some way to make his program different than the others, will discover business news, and find an intelligent and compelling way to present it on the air, and it will add several rating points to his broadcast. And then, like lemmings, because they are lemmings, all the others will follow suit, and there will be this huge demand for business journalists on television. I tell kids coming out of school that I can't hire them, but I say, someday this will happen. I've been saying it for ten years, but it hasn't happened. But maybe someday it will.

At any rate, television is doing a lot better than it did just a short while ago, and I'm sure in the years to come, it will do much better than it's doing now. One of the reasons for that is the revolution that's now going on. We've been seeing in all our papers and on TV stations in recent weeks the revolution in telecommunications. It reached what I think was a landmark event last week, when we had what looks like the biggest takeover in American history, indeed, in world corporate history, and that's Bell Atlantic's deal to acquire Telecommunications, Incorporated for a price that could go up to $33 billion. And I think that when we look back, this will be a landmark development. It's not definite yet, it does have regulatory hurdles to get over. Antitrust is a word that a few people have mentioned, most of the people in Washington have forgotten what that means, so it doesn't seem to really be a problem. And not only is it likely to go through, but there are even some people that say, somebody else will come along and offer more. When you talk about offering more than 33 billion, it boggles the mind, but it's obviously not impossible.

On a lesser scale, but yet an important one as well, we see what's been happening with Paramount Communications. When Viacom came along with what looked like a very big deal, and a good one for both sides, QVC came to top it. We haven't heard the last of Viacom. Major companies are lining up on both sides of that deal, and I personally wouldn't be surprised to see somebody else come into the picture as well. So, we are seeing this tremendous development in telecommunications. The convergence of computers, communications, and media, has really taken a quantum leap in the last few months. For example, Texas-based Southwestern Bell bought two cable systems in suburban Washington for $650 million. This summer U.S. West made a $2.5 billion investment in Time Warner. And of course, there's Bell Atlantic's $30 billion acquisition of Telecommunications, Incorporated. What is next? You can see how those deals have progressed from just $650 million last February to more than $30 billion in the past week.

And the fact is that, in the midst of a global economic slowdown, international telecommunications traffic grew by 13%. And that's about ten times the average global Gross Domestic Product (GDP) growth. The international competition in telecommunications is heating up, and the global competition hasn't really started. We've seen, in the last six months, AT&T put together a series of global alliances. British Telecom made an investment, buying 20% of MCI for more than $4 billion. And we're about to see a series of national telecom companies become privatized, and more alliances are sure to result from that. One analyst predicts that in Europe alone, by the end of this decade, telecommunications companies will have a greater market value than all the banks put together, which is hard to believe. And then, of course, we had AT&T's $12 billion takeover of McCaw Cellular. And that aroused the fears of the baby Bells that cellular will allow AT&T to bypass their lines. So, it's not only happening much faster than we thought, and it's begun to pick up its own acceleration, but it's very significant for the U.S. economy as a whole. Because we are, indeed, the world leader in just about every aspect of communications technology and programming.

As almost a digression, I would point out that Bill Gates of Microsoft was interviewed recently, and he said he's developing a system to integrate the phone, the fax, the photocopier, and the printer. One of the things that Microsoft is working on is a wallet-sized PC. It would be a pocket-sized device that would store an individual's credit accounts, daily agenda, address and phone lists, even being able to recognize writing, handwriting, and voice commands. And, Microsoft has a group of 500 people working only on the information highway network. And that is coming, and is not that far off in the future, by the way. In addition to the telecommunications revolution, I think we're in the midst of a high-tech revolution. One economist compares it, in magnitude, with the start of the industrial revolution in England in the 1800s, and the manufacturing revolution in the United States in the early part of this century. Computer sales have been particularly booming since the beginning of last year. And as personal computers become more powerful, they're also getting cheaper. And then, of course, software purchases are going through the roof at an even much greater pace. So, we're seeing things happening before our eyes. We were talking at lunch about the kinds of calculators that actuaries and others used just a decade or two ago. And these days, it seems that technology is making strides in a week or a month, or certainly within a year, that we never would have expected in the past.

I'd like to put some of that in the context of our overall economy. There's good news, and there's bad news. And those of us who are on the air, or are reporting business news on a daily basis, find that, even in the course of one day, where we get a good economic report and a bad economic report, and try to put some meat on those bones, and try to put some context to it, it's not always easy. But one of the pieces of good news, obviously, is the drop in the inflation rate. And that's confounded those who were sounding the alarm about a resurgence in inflation at the beginning of this year, or just last spring, remember how inflation was coming back, interest rates were going to go up through the roof, etc. It hasn't happened. In fact, the inflation rate has gone the other way. And that's good news. The bad news, of course, and there's the two-handed economist, is the fact that one of the reasons inflation has stayed low is the sluggishness of the economy. But, the other point is that health care costs, which once led the rate of inflation up, are leading it down.

They've dropped from annual increases of 7% or more, in the last few years, to 4.2% over the last three months. And whatever you think of the Clinton health plan, we have to at least give part of the credit for that drop in health care prices to fears of what is coming, and that the industry itself had to deal with the problem.

But health care cost does have a down side. It does mean the loss of jobs. Very recently, three major drug companies announced they were cutting 7,000 jobs. On the way over, I heard that another drug company cut another 500 jobs. So, health care, which actually accounted not only for a high rate of inflation, but for high employment or high job creation, is going the other way as well. So, as we see, these matters, these economic reports, really are frequently two-edged swords, sometimes good, sometimes not so good. Consumers, despite weak employment gains, seem to be buying. And what's sort of interesting is that unemployment is still up, job creation has been weak, wage increases have been relatively mild, but the experts are forecasting a good Christmas season. They're even expecting consumers to borrow money to do it. We've seen the savings rate, which was rising for a while, now turned the other way. One of the reasons consumers are able to buy these days is, a lot of them, as we all know, are refinancing home mortgages. And that's boosting consumer purchasing power. One figure I saw the other day is that savings in refinancing, meaning savings on actual mortgage payments, are now running at an annual rate of $21 billion. So that adds a lot of purchasing power to household budgets, and helps at least fuel the expectations of a good Christmas retail season.

Meanwhile, the employment picture really does remain bleak. Companies are continuing to cut jobs. I mentioned the drug companies yesterday and today. So far this year, we have identified more than 400 major U.S. companies that have announced job cutbacks, totaling nearly 500,000 employees. There have been more job cuts so far this year (and this is a so-called recovery year), than there were in the same period during the actual recession. By the way, a lot of these cutbacks are being announced now, but will not take effect until next year or later. So we're going to feel the impact of those cutbacks for some years to come. Many companies have decided that the simplest way to reduce costs in highly competitive markets is to eliminate workers. And then, if the need arises, they feel they can hire temps.

Some business leaders think they can shrink themselves into prosperity. That may come back to haunt them later on, but so far, the stock market seems to like it. We see the cases where a big restructuring, a big write-off, or a big cutback is announced, and the stock shoots up. I have to caution some of the young people on my staff that a cutback of thousands of jobs is not necessarily good news, even though the stock goes up. Those are real people, and sometimes we loose sight of that. But obviously, that's a pattern that's continuing. And as we all know, there's been a big shift in the kinds of workers that have been let go. In past economic slowdowns, production workers were the ones who felt it. They were either laid off temporarily or for periods of time. Now it's white-collar workers, middle class, middle management people, and professionals. Even chief executive officers (CEOs) and partners in law firms are walking the plank, and it's something that we hadn't seen before. And by the way, the downsizing of workforces and corporate restructurings that have been taking place in this country for about six or seven years are beginning to take place in Europe and Japan, which adds to the economic problems in those countries.

Back at home, during this recovery, we have a productivity-led recovery as anemic as it is, and not a jobs-led recovery, as we have had in the past. During his election campaign, President Clinton promised to create eight million new jobs, but that seems very unlikely. It doesn't seem that that's going to work, especially with health care reform, which will cut jobs. So what he will do with that promise and that problem, as another election approaches remains to be seen. Of course, we're not that far away from the mid-term congressional elections. We're beginning to see more and more incumbents deciding not to run. Many of them wisely deciding that they want to avoid getting defeated. I think we're going to see a huge backlash against incumbents. We've seen it already; in the last election, we saw a record number of people either not running or getting defeated. And I think that's going to grow. Congress is in a very bad light, as far as the American people go, and if another sense of gridlock develops in Congress, I think we will find that resentment growing.

And then, of course, we do have Ross Perot, who's sort of a wild card. I know some very smart people who have told me not to be concerned about Ross Perot. By the next election, he will be history. Other people feel exactly the opposite, that the grass-roots movement that he's developing will impact Congressional elections, and then go on from there. Well, that remains to be seen. There's another, more respectable, in establishment terms, movement that's led by Paul Tsongas and Senator Rudman -- the Concord Coalition -- which is trying to approach the problem of the budget deficit with less rhetoric fewer folksy sayings and perhaps with even more doses of castor oil. The American people, say that the Concord Coalition has 200,000 members around the country. Ross Perot has refused to release figures on the people who have signed up with his group, but I think the next year will tell whether the American people are going to sweep this under the rug again or really get aroused and demand action by their Congressional leaders.

I want to talk about globalization for a moment. It seems to me that information technology has made the principal debt markets almost perfectly integrated around the world, 24 hours a day. The flow of capital across borders has equalized interest rates on comparable debt instruments through currency trading, arbitrage, and other operations. That's not yet true of equities, but it's coming. And a truly global equity market is no longer just a wild dream. Just a few years ago, for example, Daimler Benz began trading American depository receipts (ADRs) on the New York Stock Exchange, and even Swiss Bank Corporation has announced plans to do the same. I had dinner with a Swiss banker who's in charge of his bank's investments around the world. I asked him, if he were to go into hibernation for ten years, where would he put his money, in hopes that it would grow considerably. Without hesitation, he said, "China." I recently read a prediction that within the next 20 years, the dominant financial center in southeast Asia would be Shanghai. Now, China, as you know, has had the fastest-growing economy in the world. While our economy is sluggish and the European economies are in recession, China is growing by 12% a year, and some provinces are growing by as much as 20%.

I talked about telecommunications earlier. Take telephones. In China right now, there's one telephone for every 100 people, compared with Japan, where there are 45 telephones for every 100 people. In this country, there are even more. Just imagine the growth potential, and just imagine how telecommunications and other companies are licking their chops about the idea of that market. So far, that market in China seems to flow one way; it has the second largest trade gap of any country after Japan. And people, for years, have been talking about that great billion dollar consumer market, and how they were going to tap into it. It hasn't quite happened yet, but obviously, it will, especially as China has embraced capitalism as a way of doing business while keeping communism as a political system.

But, let's go back to the U.S. equity market. It's now valued at over $4 trillion, more than a third of the total global value of stocks. And it's very liquid. The U.S. equity market accounts for some 44% of all the stock traded annually. And the role of the securities industry is growing. For example, in the United States, banks represented only 31% of total financial sector assets at the end of last year. And that was down from more than 50% in 1980. In contrast, banks in Germany had 62%, and banks in Japan, had 85%.

So it is important to note that at a time when the U.S. trade gap with the rest of the world is so huge, U.S. financial services help reduce that deficit. And that's even while the big overseas banks have come to overshadow U.S. banks, in terms of assets. The U.S. still dominates debt and equity underwritings on a worldwide basis, by far. So the globalization of U.S. financial services is essential, not only to those companies and institutions involved, but to the American economy as a whole. Now, add to that the telecommunications, the programming, the media, the software aspects that I mentioned earlier, and we see that this country is not exactly dead from an economic sense as some writers have liked to describe it. We're changing; we're evolving. The manufacturing jobs may not come back in the same way as they were in the past, but the industries of the future seem to be in our ballpark, and it's up to us to take advantage of them and to make sure that they are nurtured when they need to be, encouraged on the whole, and not dampened in any way by the hand of government controls. Obviously, that's something that is going to be worked out.

There are other aspects of the economy of course; one of the major international developments is the North American Free Trade Act (NAFTA). People have asked me what I think of NAFTA. If I'm pushed against the wall, given all the defects and the potential negatives, I think NAFTA should be passed despite the fact that it does seem to be in an underdog position at this point. I think it'll squeak through. In a time of international uncertainty, it would be a blow to the president if it were not. I saw somebody quoted the other day who said, if there were a secret ballot in Congress, NAFTA would be passed easily. But because of the very strong interests against it, a lot of people have refused to take a position, or are on the fence, or are opposed. But that's part of the pattern. It's not there alone. It's not a matter of doing business with Mexico and Canada. It's a matter of globalization and internationalization of business. It's a rocky road. I'm sure all of us here remember how everybody was telling us in 1992 that the European Community was going to drop all the barriers, and we were going to be in deep trouble trying to compete. Now we don't hear about 1992 anymore, even though it's passed, and we hear about NAFTA. So, that's the way we're going. Those are the problems we have to overcome. This economy has the strength and resiliency to overcome the immediate problems. And I think, to paraphrase Al Jolson, "We ain't seen nothing yet."

I just became aware of all of these downsizings and all these layoffs I mentioned. The big writeoffs have occurred mostly from severance packages, etc. A lot of these people who have lost their jobs this year have received decent severance packages. They have to pay tax on them this year. They've worked for part of the year. That pushes them into a new bracket at the same time that bracket has been increased. A lot of those people are going to find themselves really hit by a major tax bill, over and above the rest of us, who are still working. And that's going to happen even before the end of the year; they should get tax advice.

Now, we approach the beginning of next year, when people will be paying 1993 taxes, and they're going to be hit with these bigger bills. I dare say that the withholding will certainly not be adequate. The one good part is that the extra taxes are being staged in over three years, if anybody can figure that out. I think H & R Block is going to do great. But, come the middle of next winter, and into the end of the winter, when people are laying out their tax payments, there are many economists who think that's going to be a drag on the economy. We don't know yet how big a drag it will be, and we don't know what the state of the economy will be. Will this be a good Christmas season, will business pick up? A lot of businesses, in addition to laying off people, have been very cautious with their production. There have even been examples of underproduction, where some products are not available as readily as they used to be. And there's a question whether the surge for the rest of the year will be an inventory catch-up or not, and how does that translate into next year? So, those are the big ifs that no one is sure about. You can raise the warning signals, but you can't be sure. We know it's not going to be good, but how bad will it be?

I must finish on an upbeat note.

The question is, are some of the Asian stock markets, particularly Hong Kong, getting overheated? I must say, I'm not an expert on that. They keep setting records. Hangsang is setting a record almost every day, as are some of the others. Many think that as the U.S. market tops out, whether we're at the top or close to the top, that some of the funds will go overseas, particularly to Asia. And we're seeing that already. If you read or hear reports on the Asian markets, particularly Hong Kong, you'll frequently hear "fueled by selling overseas, it hit a new record." We know one of the reasons why the American market is so strong is because a huge amount of money has flowed out of depository institutions. When people see what they can get on their certificates of deposit (CDs), or what they're getting on their money market funds, they go into mutual funds or into the market instead. There's increasing interest in globalization, and some of that is going to Asia. Now, when will it end? When will it top out? Who knows. There were people that were saying the Japanese market was due for a collapse from 19,000 on up and it did collapse, at 36,000. So there was a lot of money to be made on the way up, but there was also a lot of money lost once it got up there and came down.

Has the market reacted to health care proposals? Who are the winners and losers? Those are tough questions. We know the drug stocks got clobbered. They were the high-flyers of recent years. They probably got hit too hard. And that happens frequently when there is a reaction. You know very well that companies like Merck are going to be doing very well, and are going to come up with new products, and so on. They're going to regain some of their luster. And some of the health maintenance organizations are going to come to grips with whatever the new program, and the new rules and regulations are. It was obvious that we were going to have this degree of nervousness. There's one rule of the stock market: the market hates uncertainty of any kind. And if there was anything, there was uncertainty, as the health reform proposals were being formulated and every other day there was another leak or another trial balloon or whatever. Now, we have the outlines of the proposals, but we don't have the details. They said they'll actually present a legislative program to Congress, which will be terribly detailed and involved, and the experts will figure out what it really means, and who the beneficiaries will be. I'm not a stock market picker or adviser, but my feeling is that the reaction was too big, it'll come back, but there are going to be winners and there are going to be losers. And the people who make money in those stocks are those who can figure out which are which. And I have two hands, so I can't tell you which ones.

I have been talking a great deal over the years. It's not new that boards of directors have abrogated, in many cases, their responsibilities. They are supposed to represent the real owners of the company, meaning the shareholders. And in many cases, they were tame pussycats put in position by the management or the CEO of the company. They seemed to think their mission was to not rock the boat. I have often thought, that when a company gets rid of a CEO, they should get rid of the boards of directors that put them there, and kept them there! But now, boards of directors are getting a lot more active. They are prodded by major organizations, not just the old gadflies who used to stand up at the annual meeting and shake their fingers at the chairman. Now you have the California retirement fund at $50 billion. You even have TIAA-CREF, which is the biggest, retirement fund in the world, telling companies they want certain things done. You have a growing wave of activism among institutional owners who, after all, are dominating the market these days. You have growing awareness and worries by directors who feel that they have a fiduciary responsibility, and if they don't exercise it, they're going to be held up to public scorn. They can no longer just retreat back to their country clubs and have another round of golf with the CEO who put them on the board. So I think we're seeing a great deal more of that, and I think that's good. Boards of directors have a function and make sure that the right people are in place, and the right people are doing the right thing for the company, for the shareholders, and for the employees. You know, it's become a shibboleth that a company is owned by its shareholders, and that's it. I think a company owes responsibility to its employees as well. And with some of these mass layoffs, you must wonder whether they understand that. So, I think that's a growing trend; we'll see more of it, and it's desirable.

With corporate compensation, I think there is a continuing trend. You have horror stories, of people making inordinate amounts of money, and in Japan, the average CEO makes X times what the average worker gets. In this country, it's 100 times X. I think that is not going to be as easy as it was in the past. But, I think compensation is tied more to performance than straight salary. And I think that's all to the good. The danger in that is that you want to make that performance over a period of time. American companies have been criticized for being quarterly oriented. This quarter has to be better than the last, even though you may need to make an investment that would reduce your quarterly performance for a while, but will help the company later on. We're having huge writeoffs, where you not only have a restructuring and a layoff, but you sweep everything from every corner you can find, from under the rug, write it off, and then you go on with a clean slate. Well, there's obviously something to be said for that, if you're going to tell people bad news, tell them all at once, rather than a little at a time.

Well, what it means is "we ain't seen nothing yet." The question is, who's going to benefit? We have seen a lot of interactive television, and that's what all these take-overs are about. We are going to see a new generation of TV and computer people who will have the ability to do things that we never dreamed of. Our kids are so computer proficient that they make us embarrassed. I know many actuaries are computer whizzes, but I'm not. I can't even program my VCR. So when I get to 500 channels, I really have a problem. The question is, will all this material that's available on 500 channels get watched? Will it find an audience that's big enough to make it worthwhile, and will the people who have the ability to access these channels pay for it? That's the key. Obviously, all these deals are made with the idea that they're going to bring back the big bucks. That's the key question. The fact is that all these people who are making these deals are not going to succeed. Some are not quite sure what they're going to be doing, and what's going to be done with their money.

Some of us might remember a few years ago if any company had "electronics" in its name it was a high-flying stock on Wall Street. And if you didn't know what to do with your company, you changed its name to have an "ICS" at the end, and then the stock zoomed up. A good many, if not most of those companies, are not around anymore. The same thing is going to be true, in part, in some of these deals that are being made now. And the key is to watch those that have a plan, that do understand what they're doing and can present it to the viewer. We're going to decide the success of those operations, and whether we're willing to pay for them.

Things are changing, and we're never sure how they're going to end. But we've got to watch them. That's why, in the old days, people used to say, buy some good stocks and stick them away and forget about them, and you'll make money. And there were periods when that happened, right? IBM was one way, straight up. But if you bought IBM and you put it away and never looked at it again, you'd get hurt when you pulled it out. In the words of Will Rogers, or is it Mark Twain? "Buy some good stocks, watch them go up, and if they don't go up, don't buy them."