Nation's debt clouds rosy prognosis for '88

Mittra

Now that the dust has settled over the stock market, my crystal hall is clear. The prognosis for 1888 is good, but only if the stubborn people in Washington get scared into doing things they abould have done years ago.

Contrary to the commonly held belief, the causes for the recent cast rope in the financial markets are to be found in the events over a teast half doorn years.

The proof for this point of view was articulated by Gerald Corrigan, president of the Federal Reserve and the common the common to the state of the state of the state of the state of the state form its inception throughout the common to the state of the state form its inception throughout the states from its inception through the states from its inception throughout the states from its inception throughout the states from its inception through the state of the state from its inception through the states from its inception through the state of the state from its inception through the state of the state from its inception through the state of the state from its inception through the state of the state from its inception through the state of the state from its inception through the state of the state from its inception through the state of the state from its inception through the state from its inception through the state of the state was the order and the



finances and you

are identified, what can we hope for? Quite a lot, if our government adopts the following prescriptions:

States from its inception through
74.4 from \$1.00 to 1983, corporate America
is retired \$270 billion in equity
like over the same interval corpoted debt has increased by more
an \$500 billion.

Now that the long-range problems

The government should eliminate—or sharply reduce—the domettic savings ago (around \$100 billion),
which is the difference beween our net domestic savings and
the claims on these savings stemming from the financing of private in-

Fortunately, a bipartisan willingness has already emerged, and President Reagan must make it work.

• Americans must be motivated to say hello to the learn years in which sacrifice, hard work and fregality will be the new thich as tilted to say hello to the learn years and Coordinated Financial Planning, will be held 7-9.30 p.m. standard seeling.

vestment and government deficits.

This gap can be reduced in three ways.

1. By reducing private investment, which is almost impossible to achieve.

2. By increasing net domestic savings, which is almost impossible to achieve.

2. By increasing net domestic savings, which is almost impossible to achieve.

3. By cutting the federal budget deficit.

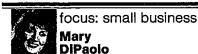
Non-delivery is biggest catalog complaint, BBB says

Just as there are advantages to shopping by mail, there are also a scoping by mail, there are also a scoping with the scoping of the scoping was a scoping with the scoping was a scoping was a scoping with the scoping was a scoping w

Anyone who is considering shopping by mail should first look before they leap (into buying). With

10 billion catalogs currently in cir-culation, no one can know every-thing about a firm before ordering goods or services from it.

Consumers Digest has compiled a Dealers Directory which lists mall and phone-order retailers to endorses. From carpeting to exercise equipment, goose-down products to pantyhose, the directory provides complete product and service information. The Dealers Directory is available for \$1.95, plus 50 cents for postage and handling, by writing: Dealers Directory, Consumers Digest, 5708 N. Lincoln Ave., Chicago, Ill. 60659.



Other recommence precautors include contacting the Better Business Bureau in the area where the firm is located.

Getting in touch with the Regional Postal Inspector nearest to the firm is another option. There are five regional offices. They include

San Bruno, Calif., (western region); Chicago, Ill., (central region); Memphis, Tenn., (southern region); Bala Cynwyd, Penn., (eastern re-gion); and Newark, New Jersey (northeast region).

city where the firm is based.

Consumers with complaints should first contact the company in case "innocent errors" have occurred. A letter should be written as well as what the buyer suggests be done to remedy the situation. If the company does not respond to complaint, there are a number of third partles that can intercede on your behalf.

These include the Direct Marketing Association, which has a Mail Order Action Line available to calling 212-838-4977. Although the DMA does not have enforcement powers, it may suggest alternative

courses of action. Other third par-ties include the state department of consumer affairs, credit card com-panies, and the Federal Trade Commission office nearest you. Remember that if you are a first-time buyer, save that expen-sive purchase until after you have had experience dealing with the

Mary DiPaolo is the owner of MarkeTrends, a Farmington Hills-based business consulting firm. She is also producer and host of the cable television se-ries, "Focus: The Small Busi-ness Environment."

Caution needed in 'covered options' with blue-chips

He says that since the big sell-off He says that since the big selection in the stock market, interest in stocks will not be very great and stock prices are unlikely to change much for several months. Therefore the risk of my stocks being taken away is very small.

What do you think of this idea?

You might receive a premium of \$250 for selling that option.

If in three months the stock goes above \$60, the option holder will take your stock and pay you \$12,000 for it. You will also have the \$250 premium. Your risk is that you will lose your position in the stock and possibly have to buy it at a higher price to retain your ownership in that stock.

WHAT YOUR friend is suggesting

what to you think of this idea?

The writing of covered options is probably the least risky form of option writing, in writing, a covered option, you use the stock you own to "cover" an option that you receive a premium for selling. For example, if you own shares of a stock selling for \$50, you may sell an option to someone to buy those shares in three months for \$60.

today's investor Thomas E. O'Hara of the National Association of Investors Corp.

as to what might happen to the pric-co of your stocks In the months im-mediately ahead. You did not give me a list of your stocks, but you said they were blue chips.

Often, after a big sell-off like we had in October, the first stocks to re-cover are the best quality or blue-chip stocks. Your friend may be right in that public interest in stocks will be reduced for a period of time.

BUT YOUR particular stocks are

BUT YOUR particular stocks are likely to be the first ones to see their prices rise and, consequently, they might rise enough to see your option exercised.

There are a good number of stock market analysts who believe the October drop in prices may be like the one that occurred in 1982 and that we will see a fairly quick recovery in prices. The truth of course, as al-

ways, is that no one knows what stock prices will do. If you sell covered options against the stock you own, you will receive the option premium. The worst that could happen is that the option would be exercised, and you would have to buy it back if you wanted that the wanted wanted that you wanted that you wanted the you wanted that you wanted the you wanted that you wan

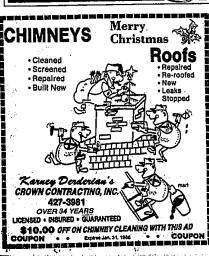
Thomas O'Hara of Bloomfield Hills welcomes your questions and comments but will answer them only through this column. Readers who send in questions on a general investment subject or on a corporation with broad investor interest and whose ques-





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Y'shita (that's the lewish way to say lesus) was born in a Jewish place – Bethlehem to a Jewish mother

- Miriam according to the Jewish prophets for a Jewish purpose — the salvation of the world

Maybe some don't like Christmas because of insidetoe, merchandising and media hype. Maybe others suffer from "Santa Claustrophobia." Maybe they haven't discovered Y'shua who is the reason for the season.

But some Jewish people know him and they can tell you Y'shua makes them celebrate. Their stories are in the book, Jesus for Jews. You can buy the hard-cover edition at your local religious bookstore for \$17.95. But if you fill out the coupon below, a special inquirer's edition can be yours for just \$1 postpaid.

Fill out this coupon and send \$1,00 to get your copy of postpaid.

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