

THE BATTALION

Daytrade believer

Established stock traders mistaken in criticism of Internet users' strategy

Over the past five years, a revolution has occurred in the securities trading industry. Trading stock online is as easy as lacing up a pair of shoes. Internet brokerage houses offer low commissions, real-time quotes, detailed analyses and other amenities that are making conventional stock brokers obsolete.

This advancement in investment technology is changing the way modern-day businessmen and -women perceive the road to success. With such easy access to the markets, the playing field has been leveled. A college drop-out with a knack for the markets is as good as an Ivy League graduate with a finance degree. The only advantage one could have over the other is the amount of initial investment one could funnel into the market. The main reason behind this advance is the relative simplicity of the recipe for success in the markets. Buy low, sell high.

Due to the ease of trading stock, the number of Americans investing in the markets has more than tripled in the past five years. Many "old school" investors are frowning upon the influx of all this "new money." They claim that many new investors are going into the markets like they would go into a casino: with no particular plan. They criticize new investors for doing little more than gambling with stocks, buying and selling on rumors. University of California-Davis finance professors Terrance Odean and Brad Barber examined the performance of the discount brokerage accounts of more than 60,000 households from February 1991 through December 1998. Odean and Barber separated investors into five groups based on their annual portfolio



LUKE MCMAHAN

turnover. After reviewing returns of all the households, the professors found that the investors with the highest trading levels had the lowest returns. Odean and Barber's explanation was that the most active traders base their decisions on day-to-day trends in the market and not on significant news affecting their investments' futures.

However, the study is flawed and outdated. The trial period encompassed the preliminary maturation of individual investing. The technology and information available to the investor in 1993 pales in comparison with the arsenal that today's trader can utilize. The study is an attempt to support what these professors consider to be the best way to trade. They advocate the "buy and hold" ideology that often involves big blue-chip companies' stock, which tends to show consistent annual, albeit minimal, returns.

That strategy is only one amongst a dozen that can be used to play today's markets. There is a continuous head-butting match going on between the older, more passive investors and today's aggressive, online investors. Optimism vs. caution. The bulls vs. the bears.

The strategies employed by investors are as diverse as the investors themselves. There is no sure route to success in the markets. If someone is making money, then he or she is doing a good job. Advice on trading strate-

gies is idle breath unless it comes from someone who is sitting on a portfolio worth a small fortune.

In the words of Gordon Gecko, the infamous market tycoon from the movie *Wall Street*, "Listen here, kid, the market is a ghetto. If you want to stay up all night look-

ing at charts and graphs, that's fine. You just make damn sure that whatever you're doing, you're making us both a wheelbarrow full of money."

Luke McMahan is a senior industrial engineering major.



JEFF SMITH/THE BATTALION

ViewPoints

GOP protests show political concern, worthy of praise

Last week, protests accompanied the Republican National Convention in Philadelphia. Among the protests was the Unity 2000 rally, where an estimated 5,000 demonstrators listened to inspirational speakers and marched through downtown Philadelphia. Critics of the protest complained that these dissenters garner too much media attention and inspire civil unrest. However, these nonconformists incite Americans to abandon apathy toward politics and government. Such actions as peaceful protests promote civil activism and the idea of civic responsibility.

Protests at national political party conventions remind people of the 1968 Chicago incident. In 1968, the Democratic National Convention was held while 12,000 police and Illinois National Guardsmen gathered outside. The police officers, National Guardsmen and additional federal troops prepared for 1,000 protesters, but between 6,000 and 7,000 actually arrived. Clashes between protesters and riot personnel followed, and many were televised for the entire nation to see. These on-air scuffles scarred the image of demonstrations at national conventions.

America needs to let those scars heal and realize that the protests in Philadelphia are positive. Too many Americans think they cannot do anything to change the government, or conversely, that the government does not affect them. These beliefs are false. By voicing their opinions to government officials at

party conventions, Americans can change the direction of the country. Instead of sitting at home and complaining to their friends, Americans need to do something. The lack of civic responsibility is more evident today than it has been in the past, as demonstrated by low voter turnout and the little interest in the coming presidential election.

Despite memories of 1968, protesting is not wrong. What is wrong is the violence that sometimes occurs between protesters and those protecting the citizens. Mohandas K. Gandhi and Martin Luther King Jr. both advocated peaceful protests. Their beliefs are as important today as they were 40 years ago. Demonstrations like the one in Philadelphia should be praised for encouraging civil activism and a concern for what happens to this country without causing violence like Americans witnessed in 1968.

— Brienne Porter

Criticism of Philip Morris fails to recognize other efforts

Philip Morris, the largest tobacco company in the nation, recently lost a \$73.96 billion lawsuit. While criticizing Philip Morris, people often neglect to notice that Philip Morris is not just a big tobacco company. Maxwell House coffee, Kraft cheese, Nabisco cookies, Oscar Mayer meat and Jell-O are all Philip Morris products. Not only is Philip Morris involved in the food industry, but it also was one of the

largest corporate contributors, with annual charitable contributions of more than \$60 million in 1998. Many people believe Philip Morris deserves to be sued for all the damage it caused smokers. It has so much money it can afford to pay \$74 billion. If Philip Morris raises the prices of its cigarettes to recoup losses, as many people expect it to, it would do so without taking money away from its partnerships.

The company gives money to the American Red Cross, the United Way of America, the National Meals on Wheels Foundation and St. John's Bread & Life Soup Kitchen. Philip Morris also shows concern for the environment by contributing to Keep America Beautiful. The company also donates to education programs such as the Thurgood Marshall Fund and, since 1956, the United Negro College Fund. Philip Morris has worked with the National Network to End Domestic Violence Fund, the American Ballet Theatre and the National AIDS Fund. Critics who focus only on Philip Morris' recent tobacco trouble should broaden their attention and realize how much Philip Morris does for the country. The price people pay for cigarettes also contributes the millions Philip Morris contributes to charities.

For more than four decades, Philip Morris has invested in making a positive difference in people's lives. As the company's Website notes, when natural disasters strike, "Kraft provides food, Miller provides bottled water, Philip Morris Companies Inc. provides cash grants and support, and Philip Morris U.S.A. provides volunteers." Philip Morris has many faces, and many of them bring peace, comfort and assistance to the entire nation.

— Cayla Carr

Mail Call

Unsanctioned bonfire bad for student body

In response to Eric Dickens' Aug. 3 column.

I am a recent graduate and I am seeing something I thought I would never see in my lifetime — Aggies against Aggies when it comes to the topic of bonfire. I see the student body clashing with the administration over the topic of an off-campus bonfire for the upcoming fall semester.

President Bowen has issued the order that bonfire will not burn on campus until 2002, and this is the order that must be followed. I think that all the work that the Keep the Fire Burning organization is doing to have an off-campus bonfire should be shifted toward the memorial service to remember our 12 fallen friends.

Students need to work with the administration to make bonfire in the future the best that it can be, and show the world that Aggies never quit. If an accident happens during an off-campus bonfire construction, the damage would be unrecoverable.

Bonfire would never be allowed to hap-

pen again, and this would truly be a tragedy.

We cannot rush into this, Aggies. We need to take our time and do this right and not make any decision that would discredit our great University. I have heard many people say that burning bonfire next fall will be the only way to finally close the wounds from last year's tragedy. I do not think an off-campus bonfire will help this. Bonfire needs to be where it belongs and that is on the campus of Texas A&M University for the entire world to see. Aggies, we need to take our time and make sure we do this right.

Scott McCrosky
Class of '98

Keep the Fire Burning suffers from hubris

I agree with Dickens in his appraisal of the motivation of Keep the Fire Burning's board. It is a good thing that someone is calling them out before even more damage is done to the tradition and to the student body.

It is obvious that Keep the Fire Burning believes that it knows better than the administration, the same administration that hired experts in the field to determine the problem before even considering a solution. Keep the Fire Burning had its solution — build and burn bonfire no matter what — before even the experts had determined the problem.

Student hubris has already brought enough problems to this University. Adding to them is not the solution.

Chris Huffines
Class of '00

Bonfire column makes incorrect assumptions

It seems to me that Dickens assumes a great deal about Keep the Fire Burning and its reasoning.

First, using the term "mockery," although passionate and reeks of journalistic enthusiasm is a bit extreme. How can this group make a "mockery" of a tradition stemming from a bunch of drunk Aggies riding around the county stealing out-

houses to burn while they get drunk?

Also, for some reason, Dickens has chosen to accept what Dr. Ray M. Bowen says as the final word. Every time period can always be extended, and if Dickens, or anyone else for that matter, believes that A&M wants bonfire to continue, they should read between the lines very carefully. Students built bonfire successfully for scores of years, year after year, not every two years.

Dickens assumes that having an off-campus bonfire will undermine a student-coordinated memorial, which will also occur in November. He also assumes that just because Bowen "expects" this memorial event, that it will come to fruition.

Dickens assumes that "dorm rivalries, yells and 'grogging pots'" will not be a part of Keep the Fire Burning. Why does he think this? How can he arbitrarily say what will and will not be part of bonfire? Dickens seems to believe that if bonfire is not "University-sanctioned," it ceases to be bonfire, and what is worse, he thinks that these Aggies of Keep the Fire Burning are motivated by defiance.

When bonfire started, it was not University sanctioned. Was it any less bonfire,

then? I put it to you, Eric: These passionate Aggies are not motivated by defiance, but a heart-felt duty to honor and respect the friends and fellow students who fell in last year's tragedy, and to not be swayed by the dictatorial threats of an oppressive A&M establishment.

Paul D. Burger
Class of '00

The Battalion encourages letters to the editor. Letters must be 300 words or less and include the author's name, class and phone number. The opinion editor reserves the right to edit letters for length, style and accuracy. Letters may be submitted in person at 014 Reed McDonald with a valid student ID. Letters may also be mailed to:

The Battalion - Mail Call
014 Reed McDonald
Texas A&M University
College Station, TX
77843-1111
Campus Mail: 1111
Fax: (409) 845-2647
E-mail: battletters@hotmail.com

Privacy worries unwarranted

They know who you are. They know where you live. Most of all, they know how you shop.

So what? Political types keep saying the term "information age" as if it were "whaaaaaaaap." Digital information about every man, woman, child, pet and paramedicum is being bought, sold and gathered on a constant basis. And that is fine.

Others also seem fine with this trend and gladly let themselves be tracked and marketed to in exchange for a grocery discount card or free Internet access. Wait — you mean you thought the grocery card had no strings attached?

And you would rather not see those streaming advertisement banners? Are you dense? Free can get pretty expensive. As long as someone else foots the bill for those 22-minute sitcoms by filling the other eight minutes with shampoo and SUV ads, I am content — that is 22 more minutes of entertainment than I would have gotten otherwise. Advertising is more than a necessary evil; it is just plain "necessary" to keep the economy swimming along.

If you do not like this, there is a remote cabin in Montana with your name on it. Skip the mail bombs, though, it has been done.

The real problem with this endlessly growing electronic cesspool of information is that people are taking it way too personally. Statistical data is just that — statistics. Open information can be dangerous in the hands of the wrong people, but a lack of research on, information about and responsiveness to the changing needs of the public is a far more dangerous thing.

As a former telephone interviewer for a variety of surveys, I never understood why so many people refused to respond. As a sensitive, trained, mature professional, I did not give a monkey's behind about the people of whom I was asking personal questions. The computer I typed the answers into only got ages, genders and education levels, and turned those thousands of different peoples' answers into a stack of understandable percentages.

Why the fuss over lost privacy, then?

When those annoying advertisement banners have learned people's tastes and begun to tailor themselves to what they think the user would most like to see, it saves the viewer's and the advertiser's time. Most people are not delusional about how important their privacy is — they know they are just a statistic; advertisement agencies know people are faceless sources of disposable income.

It is a bloodsucking symbiosis, and as Martha Stewart might say on one of her commercials, "It's a good thing." The powers that know recently gave me an opportunity I have been waiting for since I was 5 years old. They let me be the representation of my demographic, and asked me to journal my TV viewing habits for a week. Bwa-ha-ha-ha-ha! Bye-bye, Regis. Hellooooo, "A-Team" reruns.

I considered it my patriotic duty to watch TV that week, and hope the information I gave up willingly will net tangible results. Die, Regis, die. Take Buffy and Ally and Xena and Dawson with you.

Was giving up both my privacy and time worth making my voice heard? Unquestionably. Should you now feel the same way about the info-gatherers? You do not have to, but I sure hope you like the A-Team.

Monica Arjev is a columnist for the Daily Kent Stater at Kent State U.

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Deaths in Brief

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