

How High is Up?

Merrill on the Market



BY MAURICE VALDIVIESO

Merrill Lynch

The Dow Jones Industrial Average has entered record territory, and it appears that the stock market is likely to register yet another positive year-end quarter. In fact, the market average has not recorded a losing quarter since the last three months of 1994. It is interesting to note that the market has reached lofty heights despite recurring concern about interest rates, economic activity and corporate profits, valuation measures, speculative activity, mutual fund enthusiasm, etc.

While we know that neither trees nor bull markets grow to the sky, and the latter usually reverses just when they are most widely accepted and endorsed as the new status quo, the current bull market may still have somewhat further to run before it is fully exploited.

The fact that September ended with a gain had some historic significance. In fact, since 1960, there have been 13 "up" Septembers and 11 were followed by a net gain in the final quarter of the year.

On the other hand, the 21 "down" Septembers since 1960 were followed by a gain in the fourth quarter in 17 cases.

Perhaps the most noteworthy point of these results is that the market has a clear upward bias in the fourth quarter (up 80% of the time since 1960). While we have

no strong reason to argue against positive market results for the remainder of 1996, it would certainly not rule out temporary corrections along the way.

In fact, there have been sharp, if brief, reactions in the early weeks of the first three quarters of 1996 and each was somewhat more severe than the prior one.

While this enlarging precedent may not continue in October, we would at least be prepared for a reaction within the overall uptrend pattern.

There is strong evidence of overbought conditions and these could lead to market vulnerability and short-term weakness. We would expect any near term weakness or sell off to be well contained.

In other words, we still expect to see some selective upside for the market averages. Translated into the Dow Jones Average, this could allow for a challenge of the 6100 to 6200 area late in the 4th quarter of 1996. It should be noted, however, that there is risk of a 25% decline once the ultimate highs of the major averages are reached.

One new piece of evidence in this regard is additional aggressive buying of US stocks by foreign investors. Although we still believe that foreign investors will eventually become more involved in the U.S. market, their recent wave of investment is probably another sign of the enthusiasm that often precedes a cyclical market top.

Reflecting these indications, we would prefer to raise some cash to take advantage of future weakness in the market.

This is not to say that there is no potential for gains, but now more than ever selection of the right sector and right stocks is of critical importance.

Some groups that appear attractive are advertising aerospace/defense, electrical equipment, oil drillers, services and selected retail, railroad, machinery, specialty chemical and biotechnology issues. Areas to avoid for the short-term are airlines, appliances, autos, printing, toys and telephones. Maurice Valdivieso can be reached at Merrill Lynch in Lake Oswego at 503-699-7201 or 800-667-9346. *Se habla español.*

In our own words En nuestras propias palabras



Photo and article, written by Mandelit del Barco, appeared in *Si Magazine*, Spring 1996.

Source: *New York Times News Service*. Photo credit: *Joe Rodriguez*

Guadalupe Ramirez was 13 when she arrived in Los Angeles with her father, two sisters and one brother. They were joining her mother and another brother who was dying of leukemia, and in the U.S. they could get the kind of medical attention that was impossible to find in Mexico.

Back in Baja, California, Guadalupe had only gone to school through the fifth grade, though she was al-

ready supposed to be in high school (the school principal sent her away because for religious reasons she refused to salute the flag). Speaking only Spanish, Guadalupe was lost on her first day in junior high north of the border. She saw only numbers in her incomprehensible math class. Four years later, she still remembers her first days in this country. "I felt," she recalls, "like I was on another planet."

Guadalupe won second place in this year's National Association for Bilingual Education student essay competition. She is a student at Sierra Vista High School in Baldwin Park, California. She plans to become a bilingual teacher after college.

BY GUADALUPE RAMIREZ

"What do you want to be when

you grow up?" This is the question my big brother asked me. I told him I wanted to become a teacher.

My brother was in the bilingual program at the high school, and I had just arrived in the United States. He told me how much I would love it. He told me I would acquire the skills I would need to study to become a bilingual teacher.

I noticed my brother had a beautiful new bicycle. When he told me the history, I was deeply moved. When he first started school, he rode an old bicycle, and he parked it in the parking lot. One afternoon, someone stole it. He was so sad as he walked home. Even though my parents were sorry for him, they could not buy him a new bicycle.

Within three days after the bicycle was stolen, the students and teach-

ers in the bilingual program collected enough money to buy him a new bicycle. When they presented it to him, they all cried with love. My brother explained that this is what distinguishes the program. Everyone cares about each other, and they work together to promote learning, pride and self-worth.

In the bilingual program, everyone is accepted. Love is there for all the students, and individual differences are honored. People reach out and help each other. No one feels useless. All the students stretch to understand and communicate with each other.

My brother has not been with us for two years. He died of leukemia, but his memory remains alive inside the bilingual program. The teachers still tell his story, for it is one of love, and it inspires the others.

The program offers hope and vision to all people. It offers a chance in its own collective memory. It offers a past, present and future to immigrants, whose very progress depends on the ability to understand these forces and bring them together to produce a new life.

The bilingual program gave my brother a chance to feel happy and important. Even though his life was ending, he learned to love. He brought out the love in others, too. He learned to speak two languages, and he left a memory with two cultures, a memory of what bilingual education really is. Inside this program, my brother learned to live each moment fully and passionately.

The bilingual program is important to me because it gave my brother a chance, and permitted him to enjoy the last years of his life. It has given me the confidence and skills to answer his question, "What do you want to be when you grow up?" I will become a teacher, a bilingual teacher. I will teach to keep my brother's memory alive, as an example to all people of what bilingual education is, and how the outside world should be.

In Our Own Words (En Nuestras Propias Palabras) will be a regular feature of *The Portland Observer*, offering to Hispanic youth the opportunity to express their thoughts and feelings—and to describe their experiences—as a Latino in a predominantly Anglo environment. The *Observer* encourages our young readers to submit their own writing and a photograph and we will try to find space in our pages for you.

PORTLAND OBSERVANDO

BY SEAN CRUZ, EDITOR

THE PORTLAND OBSERVADOR

October 12 is a day that is celebrated or recognized for a variety of reasons. Fundamentally, all who note the day recognize it as the symbol of one of the most far-reaching and important events in world history—the "discovery" of America by a European adventurer known today as Christopher Columbus. The repercussions of this event will echo as long as mankind walks the Earth.

For those whose ancestors emigrated from Europe, it is celebrated as Columbus Day, and revered for the opportunities it opened in the "new" lands for the adventurous, the oppressed, and the industrious. This is history as it is popularly taught in Anglo textbooks.

For Native Americans, it marks the beginning of the end of a way of life. It is the genesis of endless waves of greedy, soul-less, double-dealing, murdering racists who slaughtered their way across the continent with impunity. For those whose ancestors survived, it is a national day of mourning.

National Dia de la Raza

For Hispanics, October 12 is the National Dia de la Raza. For us, it is a day to celebrate the creation of a

new culture and a new people, a mixture of the "Old" and the "New" worlds. And for us, it is a day of mixed loyalties, when we try to celebrate what is good without forgetting about what is bad.

March on the Capitol

This year, the day is marked with a march on the nation's Capitol to protest the anti-immigrant fever that has resulted in legislation chiefly targeting Hispanics. Some of the bills and initiatives proposed are blatantly discriminatory and attack immigrants who are in this country legally along with those who are not.

Su voto es su voz

While many of the more outrageous proposals have been defeated in various committees or have failed as initiatives due to a lack of signatures, the people and the powerful forces that are behind them will be back again and again. It is vitally important that we all make our voices heard in the coming election, and in each election that follows.

Demagogues target Hispanics

The worst and most objectionable of the proposals have originated from members of the Republican Party. These forces would deny educational opportunities or health care to children, locking them into a permanent underclass. They would call for

legal immigrants to be deported if they used more than twelve months of public benefits such as child care or self-improvement classes.

Armed robbers can count on being back out on the street in a matter of months, but a legal Hispanic immigrant taking English classes would be deported. This is the sort of racist logic that requires a continuing and public response, such as this march on the Capitol. The *Portland Observer* endorses and supports this demonstration of solidarity and protest.

The "threat" from the North

When the subject of illegal immigration is discussed, all fingers tend to point South. The nation is not concerned that the second largest group of undocumented foreigners here is Canadian. The Canadian illegals speak English and look Anglo, and they tend to celebrate October 12 from the same perspective as the Anglo majority.

Bienvenidos

October 12 is the National Dia de la Raza. Celebrate it as you will, but not blindly. The Hispanic communities celebrate this day because this is our home, our ancient place, and we welcome you, so long as you are considerate of your neighbor. Viva la Raza!

National Dia de la Raza

Mexican rebels enter literary war

Mexican rebels this week switched their struggle from the battlefield to the field of literature.

In an apparent bid to match the poetry-rich communiques of Shakespeare-loving rebel Zapatista Subcommander Marcos in the southeastern state of Chiapas, Mexico's new EPR rebels in southern Mexico weighed in with their own verse.

In a communique on Friday, the Popular Revolutionary Army (EPR) departed from the blunt Marxist dogma of its early statements to quote Bertolt Brecht, the Sword of

Damocles and even two words of English, "of course."

The three-page statement accused the government in the southern state of Oaxaca of seeking to intimidate journalists who covered the EPR.

"The pressure to reveal sources... is asking the journalist to betray his professional and human ethic. It is like pressing the priest to reveal secrets heard at confession, or demanding that a defence lawyer give away a professional secret," it said.

The statement, signed by the rebels' apparent spokesman Commander Francisco, came at a time

when weeks have gone by without an EPR attack.

In the southern state of Guerrero, it called a unilateral ceasefire last week, less than three months after it first appeared.

Meanwhile, Marcos, whose rival Zapatista rebels rose up in January 1994 in a brief burst of fighting, has lowered the tone of his once-celebrated writings.

He issued a one-word statement on Wednesday, that said simply "UUY!!"—a sarcastic Mexican expression meaning "How scary!"—in response to a government threat.

Hispanic economic power exploding

Across the United States, the Hispanic population is surging in a wave of cultural and business expansion that is expected to accelerate well into the 21st century. Currently representing more than 10 percent of the nation's population, Hispanics will become the nation's largest minority in less than fifteen years.

The number of businesses owned by Hispanics have tripled in just eight years, growing from 250,000 nationwide in 1987 to 720,000 in 1995.

Hispanic consumer purchasing power is \$220 billion dollars at present, and is expected to double in only six years.

The number of Hispanics living in the Northwest has increased by 23 percent since 1990, and is now well over 360,000. The Willamette Valley region of Oregon is now the 37th largest Hispanic market in the United States, with an annual purchasing power approaching \$2 billion.

This explosion of economic power is not due only to sheer numbers. While many newly arrived Hispan-

ics are handicapped in this country by an inability to communicate in English, many have the advantage of being both bilingual and bicultural.

Stereotypes aside, Hispanics as a people are industrious and entrepreneurial. The man or woman who labors in the field for meager subsistence will not work less hard when given the opportunity to move upward.

The Hispanic people are a vital and essential resource to the growth of our nation.

Feliz Cumpleaños

Happy Birthday

Alfredo Tyler Cruz

13 años de edad

Tu papá te ama mucho

Joven Hispano

Hispanic young man



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