served way. She was sure it was the first time she had felt it beat since Jack left home.

Jack Fidocia is my father. I've always admired his tenacity, his gentleness during a crisis, his common sense in a crowd of people, and his unflinching belief in the potential for good in mankind. In writing his story, I understand better what shaped these qualities.

Daddy stayed on active duty for three more years after 1944 and was in the reserves until 1969, leaving the service as a lieutenant colonel. In civilian life, he became a missile engineer. He is now retired.

He doesn't talk about the war much, but I can tell that little else in his life has had such an impact. His voice still gives away 40 years later, telling about the people who helped him and about one of his few duties inside.

For a time after his return, Daddy served as an escort for funerals at Arlington National Cemetery. One was for a soldier who had died while being thrown back in Walter Reed Hospital for whatever. Standing by the grave were the dead soldier's mother, wife and two small children. At the honor guard formed to salute the last one looked heavenward and said, "Then goes my daddy."

Every few years, my father picks his way through all those combinations to pay his respects to that mother's last son, their child, daddy.

Marital Arts

Driving on a back road, I came across a road crew. A workman waved his orange flag at me and gestured that I should turn around and find another state. That evening, when I told my husband about the incident, he looked at me incredulously. "The guy waved his flag at you," he said, "and you actually listened to him?"

"Yes, of course," I replied.

"You know," he said, shaking his head, "I've got to get a flag!"

---Quote from Ken M. Schulter

We were sitting around with some friends discussing the pros and cons of marriage. One couple was asked how they'd managed to stay together for 45 years. "I know her like a book," the husband replied.

"You may know her like a book," observed another man, "but I bet you never knew what she's got on her fantasies.

My friend's father was an expert in his family of six children. He frequently referred to his wife as "Mother of Six," much to her annoyance.

Finally, the cured him of his habit. At the end of a party, he called out loud enough for everyone to hear, "Hello to my Mother of Six?"

"Any time you are," she replied, "Father of Four."

---Quote from Herta Weitz-Paben

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O ne day in 1990 a large scrapbook arrived at my office from St. Agnes School in Arlington, Mass. In it seventh-graders in teacher Joan Morrissey's social-studies class listed winning stocks they had picked, with a profit of each product. Their selections put Wall Street to shame.

The St. Agnes investment portfolio assembled in 1990 produced a 69-percent gain over a two-year period, outperforming by far the S&P 500 composite, which gained 36 percent over the same time. St. Agnes also outperformed probably 99 percent of all equity mutual funds, whose managers are paid considerable amounts for their well-informed selections.

A lot of investors are intimidated by the stock market. They suffer from the false impression that they can't possibly compete against all

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How to Beat the Wall Street Pros

If seventh-graders can do it, so can you.

---Condensed from "BEATING THE STREET" Peter Lynch with John Rothchild
the Wall Street geniuses armed with M.B.A. degrees.

Partly for this reason, the percentage of household assets invested in individual stocks has been declining steadily—from nearly 60 percent in the 1960s to 25 percent in 1980 to 17 percent in 1990—even as the stock market has quadrupled in value. This is a scandal for the future of individual and national wealth, because if you hope to have more money tomorrow than you have today, you've got to put a chunk of your assets into stocks.

And so, I encourage amateur investors not to give up on the rewarding pastime of picking stocks. You don't need an M.B.A., or even a broker's license, to excel in equities. An amateur who allocates a small amount of study to companies in an industry he or she knows something about can outperform most of the paid experts, who manage mutual funds or work as stockbrokers.

Members of the National Association of Investors, an organization of do-it-yourself investors, know this to be true. Most of these clubs have hired the mutual funds of their professional counterparts, as well as the S&P 500, for many years in a row.

In order to congratulate the St. Agnes investors and learn the secrets of their success, I invited the group to a pizza lunch at my company's executive dining room. There Joan Morrissey, who has taught at St. Agnes for 25 years, explained that her class is divided into teams of four students each, and each team is funded with a theoretical $100,000. They then compete to see who can make the most of it.

The various teams, which have adopted names such as "The Wizards of Wall Street," "The Money Machine" and "Stocks 'n Us," also pick a favorite stock to be included in the model portfolio. The students learn to read a financial newspaper. They come up with a list of potentially attractive companies, and then research each one, checking earnings and relative strength. Then they review the data and decide which stocks to choose. Many Wall Street fund managers do much the same thing, only they aren't necessarily as adept as it the kids.

"Before my students can put any stock in their portfolios," says Morrissey, "they have to explain to the class why the company does. Buying what you know about is one of our tenets." They also draw pictures, which reinforces one of my own principles of investing: never invest in any idea you can't illustrate with a crayon, a rule that ought to be adopted by adult money managers.

A company the St. Agnes students knew about was Penetec International, the maker of colored pens and markers. The kids were using Penetec markers to highlight their stock selections. It wasn't long before they were investigating the company. The stock was selling for $5, and the students discovered the firm had no long-term debt. They were impressed that Penetec made a superior product, which was likely to be popular in classrooms nationwide. Another positive: Penetec was a relatively unknown stock.

Later, the St. Agnes fund managers sent me a Penetec stock and suggested I look into this wonderful company—advice I wish I had taken. After I neglected to act on the tip, the stock almost doubled, from $5 to $9.

This same kid's-eye approach to stock picking led St. Agnes portfolio managers to the Walt Disney Company, two sweater manufacturers (Nike and J.C. Penney), The Gap (where most of them buy their clothes) and Pepsi.

They picked Wal-Mart Stores because they were shown a videotaped segment of "Lifestyles of the Rich and Famous" that featured Wal-Mart's founders, Sam Walton, talking about how investing benefited the economy. NYSE and Mobil were chosen because of their excellent dividends. "I try to stress the idea that a portfolio should have at least ten companies, with one or two providing a fairly good dividend," Morrissey says.

One classic winner in the model portfolio was IBM. It had been a favorite of professional mutual money managers for 20 years (truly included). The St. Agnes kids can be forgiven this one foolish attempt to imitate their elders.

The winning four-person team of seventh-graders in 1991 divided its money among Philip Morris, Coca-Cola, Texas, Raytheon, Nike, Merck, Blackwatch Entertainment and Playboy Enterprises. Merck and Texas caught their attention because of good dividends, Playboy more because of a large market for its adult operation.

The entire class was introduced to Raytheon during the Gulf War, when the students sent letters to Maj. Robert Swisher in Saudi Arabia. He described how a Saudi missile hit within a couple of miles of his camp. When the kids learned that Raytheon made the Patriot missile that intercepted the Scud, they couldn't wait to research the stock. "It was a good feeling," Morrissey says, "knowing we had an interest in the weapons that was helping to keep Major Swisher alive."

The St. Agnes stock experts returned the favor of my luncheon by inviting me to address the school.
and to visit their classroom. They played a cassette tape they'd recorded.

"Hi, this is Laurie," came the first student voice. "One thing I remember you telling us is that over the last 70 years, the market has declined 40 times, so an investor has to be willing to be in the market for the long term. If I ever invest my savings in the market, I will be sure to keep the money in."

A boy reported: "I convinced my group to buy shares of Nike. I own a lot of pairs of sneakers and they are comfortable shoes. We bought at $35 a share; it is currently at $75."

At the end of the tape, the entire seventh-grade portfolio department repeated the following maxim in unison. This is a chorus that we should all memorize and say in the shower, to avoid making mistakes.

"A good company usually increases its dividend every year."

"The market really isn't a gamble, as long as you pick good companies that you know a lot about and think will do well, and not just because of the stock price."

"Research the company before you put your money into it."

"Diversify into several stocks, because out of every five you pick, one will be good, one will be really bad, and three will be okay."

"Just because a stock goes down doesn't mean that it can't go lower."

"Over the long term, it's better to buy stocks in small companies."

"Over the past 66 years, stocks have provided their owners with gains, on average, of 10.3 percent a year. In spite of all the calamities that have occurred in this century, owning stocks has continued to be twice as rewarding as owning bonds."

"In the same 66 years in which stocks have outperformed the other popular alternatives, there have been at least five bear market declines. But sooner or later, a portfolio of stocks or mutual funds will be at least as valuable as a portfolio of bonds or CDs or money-market funds."

"Whenever I am confronted with doubts and despair about the stock market, I think of the kids at St. Agnes—their simple wisdom and their faith in the United States. Then I, too, renew my faith."

What sort of faith are they talking about? Faith that the United States will survive, that as old enterprises lose momentum and disappear, exciting new ones such as Wal-Mart, Federal Express and Apple Computer will take their place. Faith that the United States is a nation of hard-working and inventive people, who will consent to bring prosperity to all of us shareholders in the years to come.

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Page 3 of 10 on tables at a fast-food restaurant: "If any item in your order is not satisfactory, please return the product to the counter and we will replace it with a smile."