



**LIGHTS GOING UP** - Kings Mountain electrical crews put up lights and poles on the new Deal Street baseball/softball complex Monday. The fine-grading and some of the seeding of grass is completed and the city hopes to have the fields ready for the start of Dixie Youth League play in the spring.

## Greenspan again voices caution

An old television commercial for a since-purchased brokerage house went something like this: Two people in a crowded room are talking about their investments when one divulges the name of his broker. At this point everyone in the room stops what they're doing to hear the forthcoming advice.

The commercial very humorously made the point that there was one viewpoint which truly mattered. And while that was obviously a gross exaggeration at the time, today there is one person whose opinions have power to move markets.

He is Alan Greenspan, chairman of the Federal Reserve Board, who addressed Congress during the last week in February with the Federal Reserve's semiannual report on economic conditions.

To understand the full impact of Greenspan's authority, one has to remember a speech he delivered in December 1996. He warned then of an "irrational exuberance" in the equity markets, driving prices artificially high and setting the stage for a potentially sharp downturn.

That speech actually became a self-fulfilling prophecy, sending stock prices downward in markets around the world. The Dow Jones Industrial Average\* fell on December 6 as much as 144 points, before finishing 55 points down at 6382. Never before had one man exercised so much control over so many invested dollars.

His most recent address was more optimistic, by Greenspan standards, although it did contain this note of caution about the equity markets: "Twelve or 18 months hence, some of the securities purchased on the market currently could be looked upon with some regrets by investors."

The Dow fell 40 points that day, but analysts don't lay the entire decline at Greenspan's doorstep. That they attribute any at all to him is virtually without precedent and is a measure of the respect the Fed chief has earned for his part in regulating the nation's economy.

The Fed's control over the money supply is a critically important element in this country's economic equation. Simply put, when interest rates are too high, money is harder to come by and growth is difficult to sustain. When rates are too low and capital is easier to obtain, growth accelerates, but so does the potential for inflation. Equilibrium is that very difficult point when growth is steady, but inflation is low. Greenspan has managed to deliver equilibrium for an unusually lengthy time, admitting in his remarks that this expansion is unlike any he had seen before.

He also noted however that the market views the current expansion

**Financial Advice**  
•  
**Joe Haburjak**



economic era." Hear. Hear.

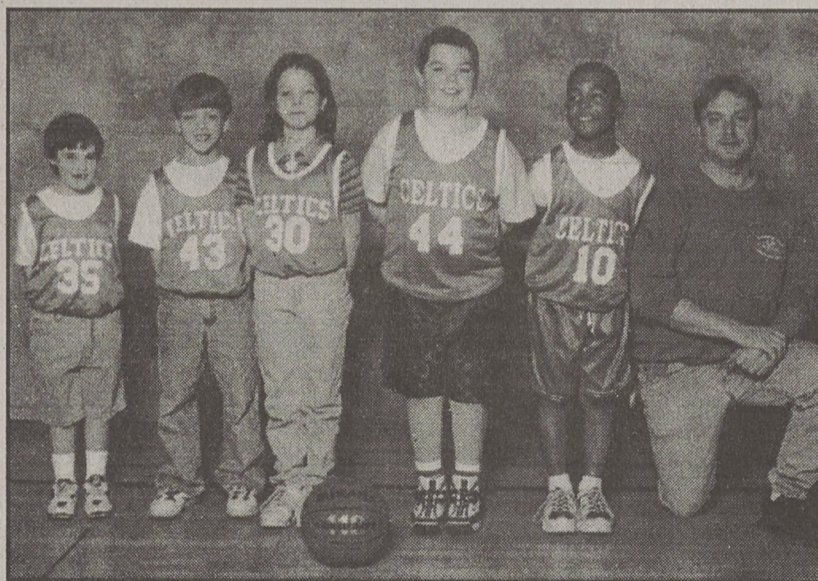
Our opinion is that any time investors hear the "this time it's different" line of reasoning, they should take it not with a grain of salt, but as a note of caution. Financial markets move in mysterious ways. And although one man has proven that he can influence incremental, short-term price fluctuations, the markets in reality are driven by hundreds, if not thousands of factors, taken collectively.

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through a different filter than his own: "The market is saying that there is something different about this particular environment. I am not inclined to go that far. I have been around too long to experience a new



**MAGIC** - Magic, coached by Jimmy Dean Faulkner, competed in the Grover Basketball League this year. Players are Christina Sliney, Josh Richardson, Matthew Richardson, Brad Allen, Elizabeth Vandyke, Tanner McAbee, Brent Hunt, Clay Roberts, Torrance Davis, Caleb Moss, Sherita Curry, Christopher Curry and Phillip Petty.



**CELTICS** - The Celtics, coached by Tony Jenkins, competed in the Grover Basketball League this year. Players are William Thomas, Rahim Watson, Kevin Jenkins, Seth Durham, Blake Presley, Matthew Farish, Steven Arrowood, Chris Weathers, Cynthia Detter, Christina Hyslop, Ryan Simpson, Rashonda Pettis, Sarah Kiser.

## Make Someones Week

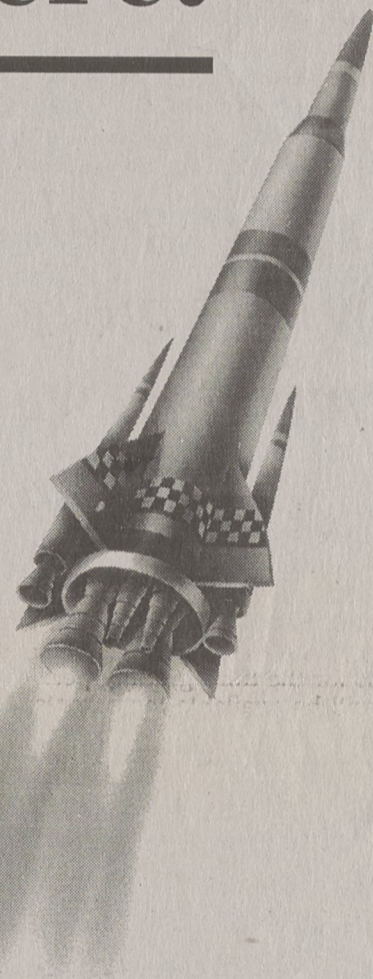


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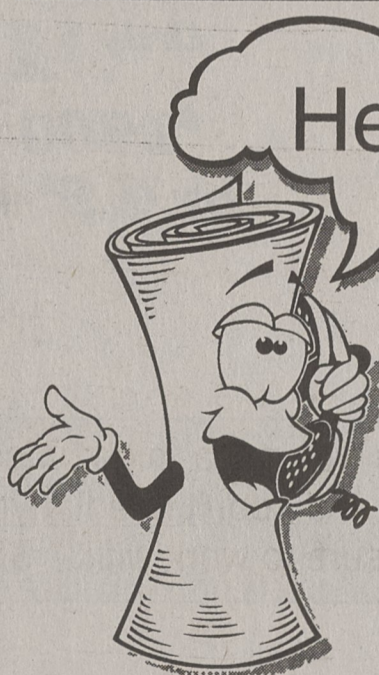
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