

# Remember our veterans and that we should hire them, too

More than 600,000 Union and Confederate soldiers had died by the time Robert E. Lee surrendered to Ulysses S. Grant to end the War Between the States in 1865.

Even before the war had ended, women living in the Confederacy had been “decorating” the graves of fallen soldiers with flowers. After the war, the now reunited nation joined in grief and sorrow to embrace this solemn act of remembrance.



Kirk Salmon

On May 5, 1868, John A. Logan, commander-in-chief of the Grand Army of the Republic, ordered that Decoration Day be formally observed each year.

He chose May 30 as the date of remembrance. With electric refrigeration nearly a half-century away, this was the optimal time to buy and gather fresh-cut flowers.

While Memorial Day was first substituted for Decoration Day in 1882, it did not enter common usage until after World War II. Federal law made the name change official in 1967.

Americans have observed Memorial Day on the final Monday of May since 1971, following passage of the Uniform Monday Holiday Act in 1968. That is why many of us will be eating hamburgers, hot dogs, chicken and potato salad this afternoon.



ILLUSTRATION/S SILVER

## FREEDOM, LIBERTY, SECURITY

Unfortunately, many more young men and women have joined the soldiers and sailors who died after the Civil War.

Nearly 125,000 U.S. personnel died during World War I. This number more than tripled to nearly 425,000 during World War II. Another 35,000 Americans died during the Korean War, while nearly 60,000 died in the Vietnam War.

We are fortunate that brave young men and women continue to enlist in the armed forces, because freedom, liberty and national security can never be taken for granted.

Today, more than 2 million active and reserve personnel are committed to “fight and win our nation’s wars” – the mission of our Army.

## RECRUITING VETERANS

Following the terrorist attacks on U.S.

soil on Sept. 11, 2001, more than 2.5 million volunteers have served in the Iraq and Afghanistan war zones.

Just as these men and women have devoted themselves to our nation’s security, we must support their successful return to civilian life.

We can start with offers of employment. As the school year ends and employers prepare to recruit college and post-graduate candidates, they also should recruit veterans with equal enthusiasm.

## SKILLED AND PRINCIPLED

U.S. military veterans have been trained to form a cohesive, dedicated and skilled team. Skills developed and the principles practiced in the military can be successfully transferred to both large and small workplaces across our country.

These young men and women can be

counted on to help individual businesses in a wide variety of industries now and in the future.

Employers should realize that by hiring a trained veteran, they are adding a mature man or woman who brings significant value to their organization.

## SUCCESS UNDER STRESS

As Carol Roth, a small-business advocate and media host, has written, “When you have prepared for combat, you are more than prepared to take on the business battlefield.”

Veterans, as a result of their experience responding to hazardous situations and making difficult choices, are inimitably qualified to thrive under stressful conditions.

While others might look for the exit, veterans have been trained to dig in and seek a path to victory.

## PAYING BACK

Military service members, who represent less than 1 percent of our population, make an oversized contribution to our nation’s security and well-being.

By offering the wherewithal to support themselves and their families, each one of us can humbly begin to pay them back.

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## TAKING STOCK: Disney and Tesla more like a prince and pauper

**Dear Mr. Berko: We bought \$50,000 worth of the 5.3 percent Tesla bond in August 2017. Our stockbroker wants me to sell, take a tax loss and use the remaining money to buy 200 shares of Tesla stock. My wife is insistent that we buy 800 shares of The Walt Disney Co. We**



Malcolm Berko

**need your opinion. – JL, Portland, Ore.**

**Dear JL:** You have a smart spouse. I’d listen to her.

Holy Moses, Marie and Malachi. It’s hard to believe that just a dozen years ago, The Walt Disney Co. (DIS-\$102) was trading at just \$24.

And jumping Jack Sprat, who would imagine that in 1967, just before a 2-for-1 split, Disney was trading at \$100 a share?

Gee whiz, Wee Willie Winkie, if you had bought 100 shares of DIS in 1967 and held it through six splits, today you’d own 34,800 shares worth about \$3.5 million. That’s not an unacceptable return.

## FORCE IN TELEVISION

Today, DIS isn’t just an amusement park. Disney owns media networks, including ESPN and ABC, accounting for 43 percent of its \$55.6 billion in 2017 revenues.

It owns parks and resorts – including Animal Kingdom, Epcot, a cruise line and parks in Paris, Tokyo and Hong Kong – which contributed 30 percent of 2017 revenues.

It has studio entertainment, which is responsible for 17 percent of revenues, and consumer products and interactive media, which produce 10 percent of revenues.

## 21<sup>ST</sup> CENTURY FOX ACQUISITION

And the Disney beat goes on. In December, DIS signed an agreement to buy 21st Century Fox, which includes film and TV studios, their respective libraries, and cable and international TV operations.

DIS will pay \$53 billion for 21st Century Fox, which is about \$30 billion less than AT&T wishes it could pay for Time Warner.

I’m told by a moderately knowledgeable source that if the government prevents the \$85 billion AT&T and Time Warner merger, Disney could make an offer.

At \$102 a share, DIS trades at a reasonable 16 times this year’s expected earnings of \$6.20 a share, up from \$5.60 last year. And DIS’ price-earnings ratio is significantly lower than the 24-to-1 P/E of SPY, which is the exchange-traded fund representing the S&P 500.

## MEDIA POWERHOUSE

I’ll not wax eloquently about DIS, except to say that its management and board are serving the company extraordinarily well.

As a result, the strength of Disney brands and content should continue to

drive earnings and profits.

The 21st Century Fox merger will create a gargantuan media powerhouse and can hugely increase output capacity from its studios while enormously expanding DIS’ global and marketing footprint.

DIS has an impressive balance sheet (financial strength is rated A++) and soundly improving operating margins and net profit margins, and the company is responsible for nearly 200,000 employees.

## POSSIBLE CEILING OF \$175

So, without further ado, tell your broker to stick a feather in his hat and sing “Yankee Doodle.”

Then tell him to buy 800 shares of DIS. Many knowledgeable investors believe that in the coming few years, DIS shares could trade between \$160 and \$175.

Certainly, Vanguard, which owns 100 million shares, and BlackRock, with 93 million shares, seem to agree.

## NO EARNINGS

I’m not comfortable with Tesla (TSLA-\$282). I never have been and doubt I ever will be.

I don’t like companies that have zero earnings, that require tax credits to survive, that have little chance of being profitable,



PHOTO/BUKKI88

**Disneyland Park in Paris. Parks and resorts were responsible for 30 percent of The Walt Disney Co. revenue last year.**

that burn through \$1 billion every quarter and that constantly need more cash to continue operations.

Sell your \$50,000 worth of Tesla’s 5.3 percent unsecured bond, which you thought was such a good deal last August. It’s now trading at 88 cents on the dollar; you have an ugly 12-point loss.

That bond will go lower. Believe me.

## LOST ITS BUZZ?

TSLA may be coming to the market for additional funds next quarter, and I

suspect that CEO Elon Musk will have to pay through the schnoz for this round of financing.

Some believe that TSLA has lost its cachet. Alphabet recently announced that it may buy 20,000 electric autos from Jaguar and Land Rover as part of a robotic taxi fleet. This is a major rump bump for TSLA.

I suggest that you use the sale proceeds to buy 800 shares of DIS rather than TSLA.

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