



EMBARRASSMENT OF THE MONTH: U.S. Representative Donald E. "Buz" Lukens of Ohio, indicted last month for allegedly having sex with a minor. He is listed as a Quaker in the *Almanac of American Politics*. Asked what kind of Quaker Lukens was, his press aide said, "Just Quaker in general." Oh, really?

A Friendly Letter

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Third Month, 1989

Dear Friend,

I never thought there would be a good word to say about the protests against the film *The Last Temptation of Christ* (see AFL#89), but let's give credit where it is due: The noisy picket lines, boycotts and outraged rhetoric seem downright moderate now, compared to the death sentence for blasphemy pronounced by the Ayatollah Khomeini which sent author Salman Rushdie underground last month.

Rushdie's offending book, *The Satanic Verses*, does not, to my knowledge, mention Quakers. Even so, Friends in particular should feel a cold chill at the spectacle which is unfolding around it. That's because Quakers know something about blasphemy prosecutions and death sentences, if we recall our history: James Nayler had his tongue bored through and the letter B branded on his forehead for it in London in 1656, and barely escaped with his life. Four Friends in Boston were hung as "blasphemous heretics." Many others were whipped, jailed, fined or banished on similar charges.

Indeed, the Society of Friends was forged out of a sustained and bloody struggle to create social space for "blasphemy," and to end the power of government to enforce an established religious opinion through official violence. That today's government in London is protecting Rushdie is a fact for which Quaker martyrs deserve no little credit.

Thus the Rushdie affair has been much on my mind in the past weeks. But it also involves considerations more personal than a regard for Quaker history. You see, only a few days before the Ayatollah pronounced his verdict, I joined the American Booksellers Association. My plan was to announce in this issue a new service, *The Friendly Bookshelf*, which I hope will begin to build into a full-fledged mailorder book service specializing in Quakerism, peace, justice, human rights and classical religion.

I was drawn to do this because, well, I like books. I always have. Books are the cultural equivalent of DNA, the visible seeds of our intellect, imagination and spirit; books are exciting, and fun. So I expected to enjoy this fledgling venture. Only much farther down on the list of the attractions of bookselling was the notion of books as occasions for witness. Of course that had once been the case, and censorship battles still crop up; but in general bookselling is no longer regarded as a very hazardous pursuit.

How soon we forget. With major bookstore chains running for cover, smaller bookstores reporting threats, and a major author in hiding, suddenly my formal entry into the business took on a whole different aspect. *The Satanic Verses* is not a title which would have occurred to me to stock a month ago; when I finally get to read it, I may not even like it. But I have ordered a sizeable shipment, and hereby offer it to you as the debut selection of *The Friendly Bookshelf*. (Details are on the enclosed flyer.)

I think James Nayler would understand. I hope you do too.

Yours in the Light,

Chuck Fager

Chuck Fager

PS. As the obligation of a Friend and Christian is to love our enemies even while defying them, I am also seeking out statements by Muslims explaining their objections to the book, in pursuit of understanding and reconciliation. A sampling of these will be included with the book at no charge. Contributions to this compilation will be welcome.

If you or your meeting is looking for good Friendly investment advice, I know a Quaker newsletter editor who can help. He lives in northern Virginia, wears a beard, and is a Kansas-born vegetarian; his monthly publication began in the early 1980s and has something of a gadfly reputation. Until recently, I would have thought such specifications could have led you only to my door. But in fact there are two such bearded Kansan vegetarian Quaker newsletter editors in Virginia. Which is a good thing, since what one of them knows about investments wouldn't finance a down payment on the Brooklyn Bridge.

No, for money matters the editor you want is Friend Mark Hulbert, who produces the *Hulbert Financial Digest* (or HFD) from a house not far away in Alexandria. Of the two newsletters, his is by far the better known, the more widely circulated and affluent, and the one with a much clearer track record of measurable impact in the world.

FOLLOWING THE YELLOW BRICK ROAD

No doubt these differences have to do with HFD's distinctive mission, which rather than keeping an eye on Quakers, tracks other newsletters, specifically investment newsletters, about 100 of them. (They also reflect HFD's \$135 annual subscription price and its readership of several thousand. To try it, a 5-issue trial is \$37.50 from HFD, Dept. A, 316 Commerce St., Alexandria VA 22314.)

In every issue, Hulbert takes the advice each of his target letters gives regarding investments, applies it to a hypothetical portfolio according to actual market moves, calculates just how wise or foolish the advice truly was, then prints the results in a detailed series of charts and graphs.

Many, perhaps most editors among the 100 probably don't look forward to seeing the *Hulbert Financial Digest*. That's because ever since it first appeared in Ninth

Month, 1980, it has regularly revealed that most of these self-appointed Wall Street wizards are much like the Great Oz—that is, humbugs who have bamboozled readers into paying for the privilege of being told how to lose their money.

How bad is it? Hulbert says that if you were to buy and hold a representative sample of stocks, reinvest your dividends and do nothing else, the record shows you would do better than eighty percent of the letters he surveys. At first blush, this is pretty devastating news, especially if you happen to be among the eighty percent. No wonder one editor even sued Hulbert a few years ago, charging him with driving away potential subscribers. Doubtless Hulbert did just that, by detailing the editor's lousy performance, but such accurate reporting is hardly libelous, and the suit was thrown out; *c'est la guerre*.

THE GOOD, THE BAD AND THE OTHERS

Against such odds, you might ask, why do people buy these letters at all? Hulbert points to at least three reasons, only one of which is P.T. Barnum's comment on the high birth rate of suckers. The second is that their performance is really no worse than that of the Wall Street establishment of pinstriped brokers whose TV ads extol their wisdom and experience. Indeed, Hulbert says that one of the most massive destructions of wealth ever was wreaked on the post-World War Two generation by this same investment establishment, who incessantly pushed everyone to buy savings bonds and keep cash in passbook savings accounts. When retirement came and these were cashed in, they discovered that neither had kept up with inflation, and half or more of their purchasing power was gone forever.

The maverick investment letters represents a kind of investors' populism, an uprising against Wall Street's regulars. The editors, characteristically, in-

clude advocates of just about every kind of rightwing antiestablishmentarian conspiracy theory.

But HFD's reports on this motley crew are by no means all bad news. It turns out that a handful of the letters actually have done pretty well over time, and Hulbert names. He also hastens to add that while a letter now and then has a spectacular year, such phenomenal rises tend to be followed by equally spectacular declines. "There is no magic," he declares firmly. Indeed, the main lesson of his studies appears to be that over time, a 15-20 percent annual gain is about the best that one can expect to get, beating the "buy and hold" strategy by a few points. Hence one ought to immediately toss out advertising that promises more. But he points out that at compound interest, this seemingly modest return means a doubling of your money in about five years, which beats those old savings bonds all hollow.

THE MAN WITH THE GOLDEN LIST

Thus if the losers fear HFD's spotlight, for the winners it can be like a key to the vault. *The Prudent Speculator*, for instance, had less than one hundred subscribers when Hulbert picked it as the top performer of 1983. The next year it gained over 2000 new subscribers, at over a hundred bucks a pop, which isn't chopped liver.

That's real clout for a publication that was started almost as a lark. Hulbert is not some stereotypical MBA spreadsheet nerd; he discovered the investment newsletter industry by accident, in 1979 when he attended an investor's conference in New Orleans. Hulbert was there as a freelance writer, to help draft a speech for former California governor Jerry Brown, who was there campaigning for president. Hulbert was fascinated by the sight of dozens of self-appointed investment gurus, trumpeting their varied and often contradictory advice, and claiming to have brought riches to the

**Khomeini
Reaffirms
Demand**

Moslems Enjoined
To Dispatch Writer
Rushdie 'to Hell'



Incitement to Murder

Khomeini spurns author's apology, demands death

**Of Belief,
Blasphemy
And Fury**

**Author's U.S. Tour Canceled
As Iranian Offers Bounty**

Susan Sontag

"We want to express a little civic fortitude in the face of this threat. We want to show our refusal to be intimidated."

**Fear of ayatollah gags
free speech defenders**

On Sale Here:

Salman Rushdie's book

THE SATANIC VERSES

FREE PEOPLE WRITE BOOKS.

FREE PEOPLE PUBLISH BOOKS

FREE PEOPLE SELL BOOKS

FREE PEOPLE BUY BOOKS

FREE PEOPLE READ BOOKS

Norman Maller

"If he is ever killed for a folly, we must be killed for the same folly, and we may need be, since we will then vow to do our best to open all literary meetings with a reading of the critical pages of 'The Satanic Verses.'"

**Khomeini
Insistent on
Death Order**

*'Western Arrogance'
Will Not Sway Him*

Much more than a book is at stake.

Threats frighten U.S. booksellers

NOTE: Shipment of *The Satanic Verses* may be subject to delay or disruption; please be patient. If shipment becomes impossible, your order will be refunded in full.

--USE THIS FORM TO ORDER--

Please send me ___copy(ies) of *The Satanic Verses*, at \$19.95 plus \$2.50 shipping. My payment is enclosed.

NAME _____

ADDRESS _____

ZIP _____

Send to: The Friendly Bookshelf, P.O. Box 1361, Falls Church VA 22041.

The author of the Satanic Verses book, which is against Islam, the Prophet and the Koran, and all those involved in its publication who were aware of its content, are sentenced to death. I ask all Moslems to execute them wherever they find them.

Ayatollah Khomeini

A NEW TAPE:

A CONVERSATION WITH MARK HULBERT

The editor of the nationally-known *Hulbert Financial Digest* talks with Chuck Fager about the origins of his newsletter, the insights he has gained into investment strategies and risks from nine years of study, and reflects on such timely topics as social investing and the implications of Quaker values for financial matters and the *future of capitalism. Approximately 60 minutes.*

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Please send me ___copy(ies) of the tape "A Conversation With Mark Hulbert," at \$7.95 postpaid. My payment is enclosed.

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P.O. Box 1361, Falls Church VA 22041

readers of their newsletters. They couldn't all be right, Hulbert figured, but had anybody ever done a reality check on their track records? It turned out nobody had, so Hulbert decided to give it a try. The *Hulbert Financial Digest* appeared in Ninth Month 1980, and the rest is history.

Part of the history of HFD, though, is its editor's Quakerism. This is evident for one thing in its orientation toward what could be called "the publishing of truth" in a field rife with exaggeration, flim-flam and chicanery. Hulbert has had some distinguished Quaker forebears in this regard: Over a century ago, for instance, Friend August Flitcraft of Illinois set out to provide accurate and standardized information about insurance companies, their rates and policies at a time when such data was unavailable to consumers; *Flitcraft's Compendium* is still a standard reference in the field. And in journalism, it was the Quaker Drew Pearson who all but invented the investigative newspaper column in the 1930s, and for three decades was its most redoubtable practitioner.

PURSuing A QUAKER CONNECTION

While he carries it lightly, Hulbert is aware of this Quaker context; he is no mere nominal Friend. Besides attending Friends Meeting of Washington, Hulbert has been active in committees of the Friends Committee on National Legislation for more than a decade, and presently is clerk of FCNL's Executive Committee.

In his various capacities at FCNL, Hulbert has had occasion to apply his studies of the investment world at three levels: to the broadest policy and legislative concerns, to issues involving FCNL's own funds, and to their implications for individuals. And these reflections have led him in directions which challenge what passes for conventional wisdom, particularly among liberal Friends.

Take for example one of the new buzzwords among non-poor

Friends: "Social investment." Many yearly meetings have long had restrictions on how their corporate funds are to be invested, to avoid entanglements with producers of alcohol, tobacco or munitions; but social investment implies going beyond these negatives to seek out companies which actively produce good things—for instance, recycled paper, environmental cleanup equipment or low income housing.

Such social investment has become quite fashionable of late; several new mutual funds have sprung up to compete for liberal conscience money. There are even a couple of socially oriented investment newsletters now on Hulbert's list; and one of them, *The Clean Yield* (P.O. Box 1880, Greensboro Bend VT 05842; \$75 per year), was among the top performers in 1988.

QUESTIONS ABOUT SOCIAL INVESTMENT

Still, Hulbert looks at the social investment field with something of a jaundiced eye. Not that he doubts the funds' integrity; his questions are of a more fundamental order, reflecting his religious stance.

"The spiritual task of our time," Hulbert believes, "is to integrate the various aspects of our lives." Applying this dictum to finances, his first query is not an ethical one about avoiding bad guys or helping the good; rather, it is more informational, but also more basic: *Where is your money, and what is it doing?* Not many of us really know, and he says we should.

This concern for an integrated life makes him cautious about social investment funds: like other funds, they buy and sell frequently, and it is a rare shareholder who really knows what a fund's holdings are. He notes that one of the best-known funds, a favorite of liberals, is run by person who is an ardent fan of Ronald Reagan. Is this, Hulbert wonders, who the liberal investors really want to support? A social investment fund may be the most practical option for someone who

does not have time to do extensive research on alternatives. But for those who can, Hulbert recommends looking at your own home town. "If you invest in something you know," he suggests. "Then you'll know where your money is, and there are often reasonable investment opportunities nearby." He follows this advice too: his own capital is mostly reinvested in his letter; he has none in the stock market.

Back when Hulbert finished Haverford College and began graduate work in philosophy and economics at Oxford, he was something of a campus Marxist, looking romantically to the great Dialectic to smooth out all social differences after the revolution. His Oxford tutors made a hash of that with their repeated insistence that it be supported with solid arguments that he didn't have. He came away more interested in seeing peace and justice promoted by the flowering of many smaller projects and leadings. Today he says he's still enough of a Marxist to worry about whether one of old Karl's predictions may be coming true.

SOWING THE RIGHT KIND OF SEEDS

He means the one about capitalism germinating the seeds of its own destruction. In particular, he is troubled by the fact that most liberal Friends today are academics, professionals or bureaucrats, with fewer and fewer risk-taking entrepreneurs among us. In this we are not so different from the rest of American society, all of the Reaganite celebration of enterprise notwithstanding. But it makes him wonder: how long can our social order continue without such people providing its driving force? And should not Friends, who were once known as among the finest specimens of the breed, be addressing this concern?

In this Mark Hulbert speaks the mind of the other Quaker newsletter editor in northern Virginia. And I am also haunted by his first simple, tough question: "*Friend, does thee know where thy money is, and what it is doing?*"

FREE PEOPLE READ BOOKS
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 INSIDE: THE QUAKER WATCHDOG
 OF WALL STREET'S GURUS
 Eighth Anniversary Issue

THIS MONTH IN QUAKER HISTORY

In 1808, action on membership applications in Westport Meeting in Massachusetts involved a two-step process. Accordingly, in Third Month, the elders first turned to the women's meeting, and asked them for concurrence with their recommendation to accept one Paul Cuffe. The women's meeting did agree; but then, unexpectedly, the men's meeting did not, and the matter was continued for another month.

It is not clear from the record just what reasons were given for the Westport men's hesitations. Like many leading Friends in that part of New England, Cuffe was a prosperous shipowner and sea captain, who had sailed far and wide in pursuit of whales and commerce. There was every reason to suppose that he epitomized what were called the "minor virtues" of honesty, truthfulness, thrift and diligence, on which so much of Friends' favorable public reputation was built. And as for more weighty matters of faith, the elders had taken what they called "a Solid opportunity with him in order to Discover the Motive and Sincerity of his Re-

quest...." and were highly satisfied.

The only potential problem Cuffe presented was a delicate one for Friends: He was black. This was a delicate matter because, while anti-slavery sentiment was widespread in the Society, this revulsion to African servitude did not necessarily imply sympathy for the proposition of social equality with blacks.

Nevertheless, following several more visits, which only confirmed the elders' conviction of Cuffe's sincerity, Westport's men's meeting acceded to the elders, and Cuffe was welcomed into membership the following month.

Cuffe was true to the Society for the rest of his life, continuing in business and in work for freed slaves until his death in 1817; then he was buried in Westport Meeting's cemetery, but in a far, segregated corner of the burial ground.

QUAKER CHUCKLES

Once at an international meeting of social scientists, Friend Kenneth Boulding listened to a long and somewhat tedious paper entitled "The Decline of the Superstates; the Rise of a New World Order?" Afterward, he summarized the paper's thesis in a limerick:

It may not be too bad a sign
 When Superstates start to decline,
 For what they are Super
 At may be a blooper
 To which we should never incline.

In 1977, the late Friend David Scull took similar Irish poetic license in his account of the misfortune of Herbert Hadley, then Executive Secretary of the Friends World Committee for Consultation's U.S. office, who broke his leg while ice-skating:

A Merry old Quaker named Hadley
 Tried skating, but did it so badly
 They had to use pins
 From his neck to his shins
 So he wouldn't disintegrate madly.