

April 26, 2005

Dear PCM Client:

Sunday, March 20, was officially the first day of spring, and while it wasn't "spring like" on that particular day it really has arrived now on Sunday, April 17, as this is being written. The snow is gone, a few robins have been seen, and the geese are honking as they fly low over Perk's house. Grilling time is here again, Minnesotans are coming out of hibernation, and in mid-May, the morel season begins. Life is good!

But for Perk, spring heralds another season, namely the decoy auction season. The first one is the Frank and Frank auction held in Belmar, New Jersey, in early March which Perk has never attended because it never seems to fit his schedule. However, he always makes it to the Decoys Unlimited (Ted and Judy Harmon) auction held in connection with the Cleveland Decoy Collectors Association at the Holiday Inn in Westlake, Ohio, in mid-March. Attending this one gives him an opportunity to visit his granddaughter, Allison Blumberg, who is a student at Ursuline College east of Cleveland. Allison lives just outside of Chagrin Falls, where Perk and his family lived in 1965-1966 when he was managing the pension fund for Standard Oil of Ohio. (He wants you all to know that he did the right thing while visiting Allison by hanging pictures and new kitchen curtains). The last week in April, when you are reading this letter, Perk will be at the Pheasant Run Resort near St. Charles, Illinois, for the annual Guyette and Schmidt auction which is held in conjunction with the Midwest Decoy Collectors Association annual show. This is the largest decoy show and is always well attended. Next is the second Harmon auction, always held on Sunday and Monday of the last week in July at the Best Western in Bourne, Massachusetts, on Cape Cod. This gives Perk an opportunity to listen to a performance of the New Black Eagles Jazz Band, his favorite Dixieland jazz band, which appears on Sunday night at the Falmouth Historical Society in Falmouth, just a half hour beyond Bourne. Then after spending a few days with his artist sister, Mary Ann Perkins, at her home in Concord, Perk and Dana settle in at the Boston Seaport Hotel for the Guyette and Schmidt summer auction on the last Saturday and Sunday in July. That auction was held for many years at the Cliff House in Ogunquit, Maine, but has now moved to Boston for a variety of reasons. Finally, there is the fall Guyette and Schmidt auction in early November, always held in conjunction with the annual Waterfowl Festival in Easton, Maryland, a three-day celebration featuring painters, carvers, and sculptors from all over the United States. This is a wonderful event that anyone would enjoy. One of the best things about this trip is the opportunity to devour a lot of oysters and crabs at the local restaurants right on Chesapeake Bay. Perk and Dana's favorite is the Crab Claw in St. Michaels, but the Town Dock is a close second. And then there is the fine dining at the 208 Talbot restaurant.

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INVESTMENT MANAGEMENT

Perk is often asked if he doesn't tire of all these auctions where he may not buy anything. The answer, of course, is no, because there is much more to it than just watching the auction, although he admits that is a real hoot at the Guyette and Schmidt auctions where Jim Julia is always the auctioneer. He is known to stop in the middle of a sale to tell a joke that just popped into his mind, and he generally makes sure that everyone has a good time. But the real feature is camaraderie and friendship. Prior to each auction, decoy dealers have set up their wares in their hotel rooms and there is room-to-room trading, i.e., buying and selling. At the Harmon auction on the Cape, and the Guyette and Schmidt auction in Easton, the trading is done in the parking lot where each of the dealers has set up. This trading goes on at every decoy show, including the annual Minnesota Decoy Collectors Association show which is always held the first weekend in February at the Thunderbird Hotel in Bloomington, Minnesota. However, the only auction at that time is a small two-hour affair sponsored by the association. The fun is seeing old decoy collector friends again and dealers who have become friends over the years. Perk loves these "mini vacations" which take him to all of the major auctions. There have been others that he and Dana have also attended, in particular, the auction of the Dr. James McCleery collection at Sotheby's in New York in January 2000, and the auction of the Russell Aitken collection at Christie's in January 2003. The McCleery auction at Sotheby's brought in \$11 million. The goose pictured here is the Elmer Crowell preening Canada which sold for \$684,500 excluding the buyer's premium, at the Sotheby's auction.



One of the really enjoyable aspects of decoy collecting is the hope that someday at a flea market, garage sale or antique shop you will run across a bird for a meager price, which is actually a carving by a famous maker and one that could bring many thousands of dollars at an auction. That can be a little like winning the lottery and it does happen, as we hear stories about a decoy found in an antique shop or at a yard sale which subsequently sold for a significant sum of money. But it just can't be any old decoy and has to be identified by someone who knows what it really is. So when you are out wandering around in flea markets and antique shops if you happen to see what looks like a good decoy, let Perk know about it so he can come and take a peek.

THE MARKET (UGH!)

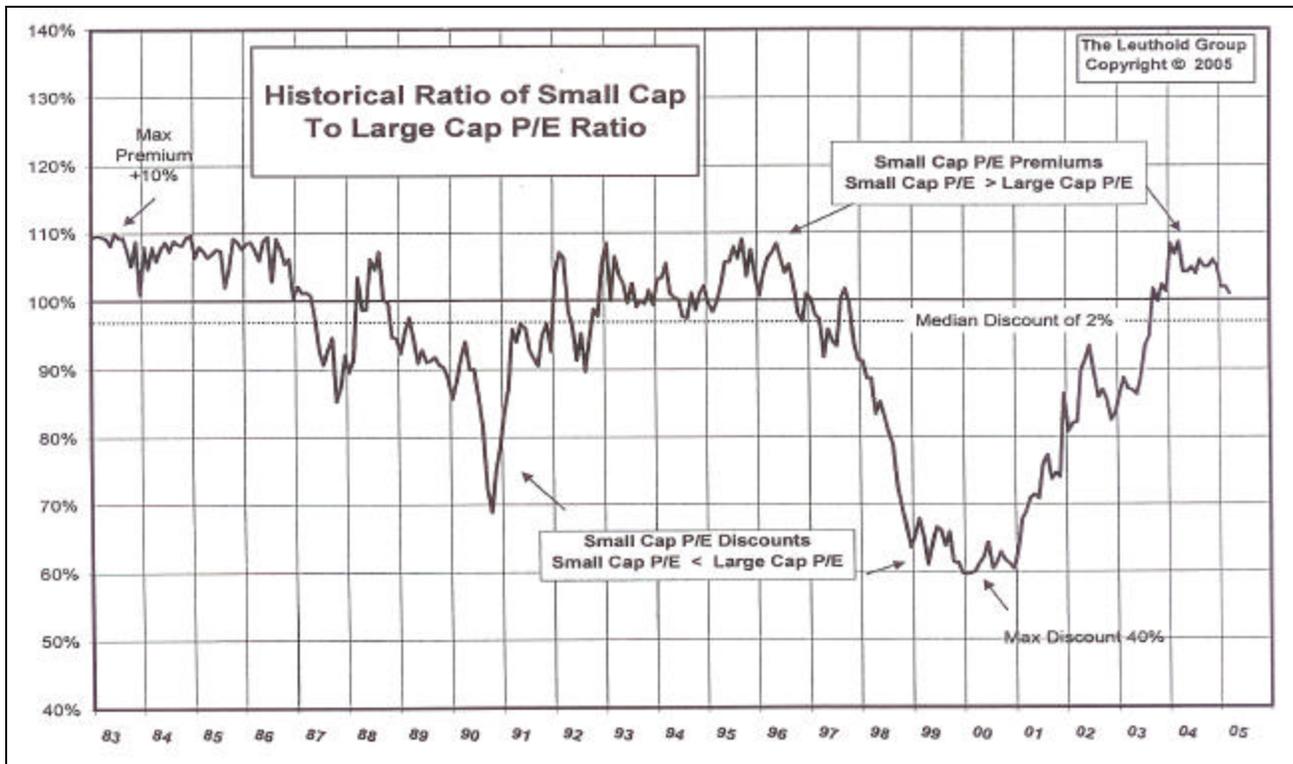
The quarter ended on March 31 was the weakest in two years, with the S&P 500 down 2.58%, the Dow Jones Industrial Index down 2.59%, and the NASDAQ Composite down 8.10%. Small-cap stocks did not fair well, with the Russell 2000 off 5.34%, thus ending for

now an 18-month run. The NASDAQ poor performance is presumably because of its large technology weighting, which was one of the worst performing groups along with financials during the quarter. The best performance, as might be expected, was energy, following the increase in the price of crude. These market statistics are shown in the box.

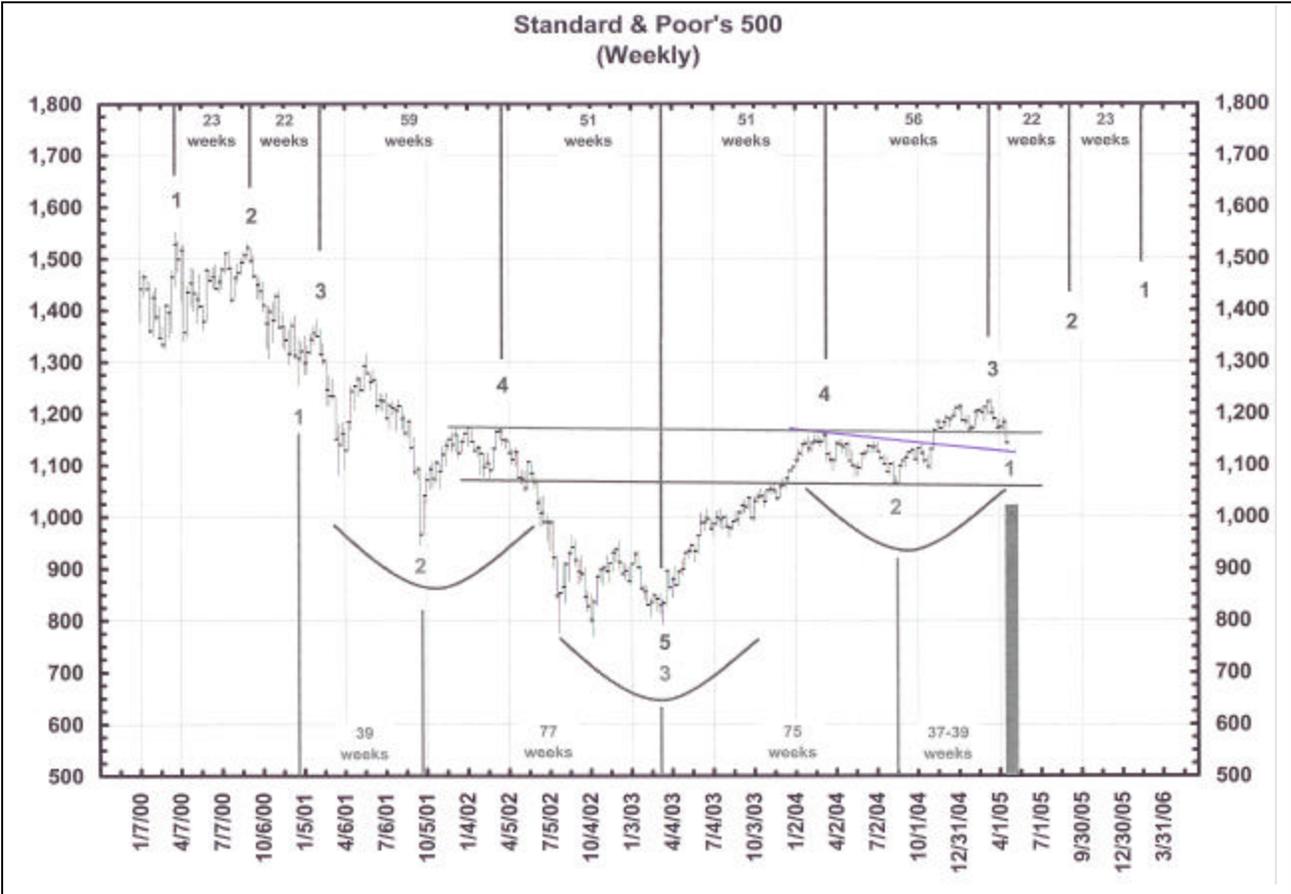
Indexes	% Return 1Q 2005
Russell 1000 Total Return	-1.91
S&P Small-Cap 600 Total Return	-2.06
S&P 500 Total Return	-2.15
Dow Jones Industrial Average	-2.58
Russell 2000 Total Return	-5.34
NASDAQ Composite	-8.10

The Russell 2000 Index, which is generally considered to be the best proxy for small-cap investing was up 14% in the fourth quarter of 2004 and 18% for the year of 2004, but it was down 5% in the first quarter of 2005. As shown in the chart below, courtesy of the Leuthold Group, small-caps generally trade at a P/E ratio of 98% to 110% of the large-cap P/E ratio, except for periods of extreme undervaluation such as the 1990 and

1999-2001 low points. Small-cap stocks are now in a range of normal valuation relative to large-caps, which tells us that stock selection is going to become more important in the months ahead. The low hanging fruit grown as a result of the extreme market decline following the bubble has been picked and now we are going to have to climb higher up in the tree to achieve good results. A good analogy would be Perk's experiences as a trout fisherman in his younger days in southern Minnesota. If he didn't want to walk very far, he fished where many others fished and the trout were small, but if he wanted to walk a long way up the valley to the spring where the creek started, the trout were larger and more plentiful because there were fewer fishermen willing to walk that far. With small-caps now trading at P/E parity with large-caps, it will take more walking, i.e., researching to find companies that will do well for us in our accounts.



There are (have been) numerous things worrying the market: the rising price of oil, rising commodity prices, rising interest rates, and potentially a rising inflation rate. There always seems to be a tendency on the part of investors to project the trend of the immediate past into the future, and thus the optimism of late 2004 was carried into 2005, but it got turned on its head. Now it seems that the first quarter's poor performance is the trend that is being projected for the foreseeable future, but we don't see any reason to project the present into the future. We have not given up on our thesis that there will be a fifth year rise in 2005, just as there has been in each of the past fifth years since the beginning of this century. Please refer to our January 2005 letter, where we presented this data in several different ways. Clearly the fifth and eighth years are the best in each decade, with the fifth year gaining a total of 1709% since 1905, and the eighth years up 476%. We postulated in our narration that this is a cyclical phenomenon and represents a 40.22-month cycle, so three of them back-to-back is 120 months, or 10 years. But because the cycle is slightly longer than 40 years, it tends to move forward a little each decade. The first bottom preceding a fifth year rise was in July 1904, and the last one in January 1995. Accordingly, the next bottom should have been in February 2005. Chris Dvorak, our technical analyst, says that the GANN Square of time and price completes the square on April 27 at 1160.89. While there was a low on January 24 at 1163.75, it was not a hard bottom following a sell-off, and since then the market has gone a little higher (1225.31 on March 7) but has now had that decline in mid-April, taking the S&P 500 well below that 1160 level. On April 15 the S&P closed at 1142.62, and the bears now have the market going much lower this year after a snapback oversold rally. The chart of the S&P shown



on the previous page, courtesy of Ron Griess of Thechartstore.com, shows a bottoming pattern, which should repeat the left side on the right side, resulting in a “mirror image” and an up 2005, and then the 2006 high which will precede the seventh year low needed for the market to have that eighth year rise. As we said then, we don’t expect a fifth year rise as much as the 81.7% in 1915 or as small as the 10.9% in 1965. We are looking for something below the 26% average rise, maybe in the 12% to 15% range.

But if you argue that the rising price of crude, plus rising interest rates will put a stick in the spokes of consumer spending and the economic recovery, we say certainly that is possible. But we think a corrective decline in the price of crude back to the \$40 to \$45 level from which it started when breaking out of that long base is likely. The chart of historical crude oil prices was in our October letter. Take another look at it and you will see that there is ample room for a decline back to that breakout price before resuming a rise. Such a decline in the price of crude could be very good for the market as would a bottom in the dollar, where the chart looks like a bottom may be in the making. It is too early to tell, but the recent low was a higher low. So for now, and until proven otherwise, we will stick with our forecast of a modestly higher market this year followed by a top sometime in 2006.

LOCAL HEROES ZEROS

Giving credit where credit is due, we got the idea for this paragraph from *The New Yorker*, one of our favorite magazines. The theme of the article is that of hometown boy made good—and famous, but now infamous. And it turns out that quite a few of the key figures in the recent wave of corporate scandals fit that description. Richard Scrusby, CEO of HealthSouth, hailed from Birmingham, Alabama, where he was known as King Richard, and was memorialized with such tributes as a life-size bronze statue outside the HealthSouth Medical Center, a Richard M. Scrusby Campus at Jefferson State Community College, and a Richard M. Scrusby Parkway. Unfortunately, his kingdom rested on a foundation of lies and he is now on trial for overstating profits by \$2.7 billion between 1996 and 2002. Another local hero, now zero, is Bernie Ebbers of WorldCom, who was a hero in Clinton, Mississippi, and recently convicted of the massive WorldCom fraud. Then there was John Rigas of Adelphia, who was Mr. Coudersport, Pennsylvania, and is accused of looting his company. Kenneth Lay of Enron is from Houston, not exactly a small town, but nevertheless a hero in his own local area. Another, whose trial is ongoing, is Dennis Kozlowski of Tyco, a hero, now zero. Small pond, big pond—so what, they all presided over companies that they looted in one way or another, and ran like their own private piggy bank.

There have been other heroes (now zeros) who didn’t understand that when their private company goes public, the company is no longer entirely theirs. One was Conrad Black, the CEO of Hollinger International, who took management fees and had private jets, personal chauffeurs, and household staff on the tab of the company. He was thrown out! Not so long ago, Charles Wang, the founder of Computer Associates, used accounting shenanigans to justify bonuses to him and his executives. He is gone too. And I’m sure you remember Armand Hammer, the founder of Occidental Petroleum, who used

Occidental's assets to buy a \$5.8 million Leonardo da Vinci notebook and to finance all sorts of ventures, including an art museum and his autobiography.

Now there are two more recent scandals. One involves a Wall Street hero, Maurice R. "Hank" Greenberg, the 79-year-old icon of the insurance industry, and chairman and CEO for 40 years of American International Group or AIG. Initially, the regulators are looking at accounting improprieties which could cut the company's net worth by at least \$1.7 billion. This will be an evolving story and whether or not there will be criminal charges remains to be seen. Next comes Thomas Coughlin, former Vice Chairman of Wal-Mart, who was just kicked off the board for allegedly padding his expense accounts to the tune of \$100,000-\$500,000. He was a hero in Bentonville where a new library is being named after him and his wife. We think that might change now.

As Major Bowles, of the Original Amateur Hour said many years ago: "Around and around it goes, and where it stops nobody knows."

THE GREAT METROPOLITAN DIVIDE

We have been on our anti-smoking soapbox many times in these letters, most recently in January 2004 when we chronicled the Irish smoke ban that was to become law on February 15. It did, and it has stuck, despite attempts by the Vintners' Federation of Ireland to overturn it, and today is known as the Great Irish Divide. While the North has its Unionists and Nationalists, now there are also smokists and anit-smokists in the Irish Republic.

Now here in Minnesota, we have the Great Metropolitan Divide, as on April 1, a smoking ban went into effect making it illegal to smoke in all public places in Hennepin County, including restaurants, bars and private clubs, but to a lesser degree in Ramsey County. Hennepin County includes our home base, Wayzata, many western suburbs and, of course, metropolitan Minneapolis. In Ramsey County, however, the home of St. Paul and the Capitol, the ban is only for establishments that get more than one-half of their revenue from food, which of course leaves many bars where smoking is still permitted, hence The Great Metropolitan Divide. This is a totally ridiculous situation, and certainly very divisive. The answer, of course, is to have a statewide, i.e., all of Minnesota, ban on smoking in all bars, restaurants, clubs and other public places. If Ireland can do it, so can Minnesota. One year after the Irish ban, a survey has shown that 93% of the Irish populace favors the ban, while 80% of smokers actually agree with it as well. According to the Irish Prime Minister, more than 7,000 smokers have quit since the ban went into effect and cigarette sales have dropped by 18%. And carbon dioxide levels in non-smoking bars have fallen by 45%. On the other side of the coin, the ban has resulted in a 4% drop in the sale of beer and the Vintners' Federation of Ireland translates that into a 20% drop in pub sales. The Irish health ministry estimates that smoking, which is the leading cause of preventable death in Ireland, just as it is in Minnesota, was costing the Irish island up to 5 million euros a day, while in Minnesota it is estimated to cost about \$1.6 billion per year in direct health care cost and another \$1 billion in lost productivity.

Now the smoke is also clearing in many other countries in Europe, and many states in America. Norway has already followed Ireland's lead, and Sweden is going to do the same this coming summer. Great Britain is expected to soon announce its own rules which we expect will outlaw smoking in restaurants and pubs that serve food. Here in America, California has been the leader in banning smoke in all establishments, but other states, including Utah, South Dakota, Delaware, Florida, New York, Connecticut, Maine, Idaho, Massachusetts, Rhode Island, and Vermont have followed their lead in banning smoke in workplaces and bars and restaurants to some degree. And, it is moving beyond the bars, restaurants, clubs and workplaces. In Bloomington, Minnesota, there is now no smoking allowed in any public place or place of work, or within 25 feet of any entrance or exit and in Golden Valley there will be no smoking in public parks and recreation facilities or within 25 feet of any outdoor dining venues, workplace entrances or ventilation equipment of public places and places of work. But San Francisco has really pushed itself into the forefront again as it has now banned outdoor smoking all together. Specifically, the new smoking ban, which has been approved by San Francisco supervisors, prohibits smoking in all city-owned parks, public plazas, and sport facilities, except golf courses. There are fines of up to \$100 on the first offense, \$200 for the second violation, and \$500 for each additional violation. This is what should happen in Minnesota as well. As we wrote in our January 27, 1998 letter, it is wonderful to be in a non-smoking building, but at the exits the smoke is thick and you have to hold your breath until moving well beyond the exit area. This is not fair to non-smokers and should be prohibited.

We really must give credit, however, to an enterprising bar owner in Cork, Ireland. Gareth Kendellen has saved his business, he says, by cutting a hole in his roof. He watched sales plunge at his pub, and then hit on a radical solution. He cut a hole in the roof and created a 50 square foot room beneath it, open to the sky, but separated from the rest of the pub by brick and glass walls. His smokers move into the new room, bringing their lagers with them. The only problem is when it rains and then the smokers sit under free umbrellas. We marvel over the lengths that people will go to to indulge in a habit which is certain to kill them in the end. Is that crazy or what?

BAREFOOTIN' IN BELIZE (WITH A BELIKIN) 2005

Perk and Dana went back to San Pedro, on Ambergris Caye, Belize, Central America, in early February for Jerry Jeff Walker's Camp Belize 2005. There was a large Minnesota contingent there, including Steve and Sharon Leuthold. You will recall we were there with them in early January 2002. This event has become so popular with Jerry Jeff fans that he now does two weeks, the first week in January and the second week in February. And he told Perk that next year he might have to add a third week. Jerry Jeff and his wife, Susan, have a home there called Casa Gonzo, and have found a way to spend time there while still singing and making money! His Tried and True music company sells 250 tickets at \$150 each for each week, which entitles each purchaser to three performances outside under the stars at Wet Willie's bar at the end of a long pier. It is definitely a hoot! And Jerry Jeff was in great form all three nights, doing his inimitable renditions of "Sangria Wine," "L.A. Freeway," and "Mr. Bojangles" (which he wrote), along with many other

favorites. He opened his first night with another song he wrote, "Come Away To Belize With Me:"

Hey come away to Belize with me, I'll show you how simple life can be
Long hazy days in the sun, where it seems everyone has a smile when we meet
Under blue skies and emerald seas, warm winds and those coconut trees
They say your heart never leaves, once you've been down to Belize

So at sunset we'll go sit, way out on the dock, till the pink light is gone
From a funky old bar, I can hear a guitar, playing a down island song
The moon on the water, the pina colada, something you just gotta see
And that's when you start to notice, your heart has fallen in love with Belize

Two other country folk singers were present the first night and each got a chance to sing one of the songs they made famous, Keith Sykes with "Monkey Rivertown Girl" and Larry Joe Taylor with "Island Time."

You will recall that Belize, formerly British Honduras, is a tiny country on the Caribbean Coast, tucked between Mexico on the north and Guatemala on the south. Artifacts from early Mayans carbon-dated as early 2400 BC have been found, and from 2000 BC to 1080 AD, the Mayan civilization spread throughout the region and ultimately numbered nearly one million people prior to the decline of their civilization. The reasons for the decline are still being debated today. In 1638, British sailors established a colony and British Honduras had its beginning, although there were several battles along the way before it became an independent nation in 1981. Belize is not difficult to get to, but from Minneapolis to San Pedro takes a full day of traveling. Perk and Dana left home at 7:00 a.m. for a 9:00 a.m. Northwest flight to Houston, a transfer to Continental Airlines for the flight to Belize, then a Maya Air "puddle jump" to San Pedro. They arrived at the Belize Yacht Club at 7:00 p.m., 12 hours later. But it was worth it. The weather was marvelous, 60° at night, 75° to 80° during the day. The Belikin beer was as good as the last time. And the barefooting is also wonderful, as there is sand everywhere; the streets, the beach, and even the restaurant floor at Elvis'. The transportation around San Pedro is the golf cart, for both tourist and resident. Perk thinks there must be more golf carts there than there are lakes in Minnesota.

There are taxis, of course, but they have now limited the number; passenger cars are rarely seen as the residents use bicycles, golf carts or motor scooters. There are three streets in San Pedro, originally called Front Street, Middle Street and Back Street, but there are now signs calling them Barrier Reef Drive, Pescadora Drive and Angel Coral Street. By the way, the Belize Barrier Reef, while shorter than Australia's Great Barrier Reef, is said to be more prolific with marine life. All-in-all, a great place for a kick-back vacation. Dana, of course, was busy doing what she does best—shopping, or at least looking inside all of the shops that sell clothing. Perk patiently waited outside in the golf cart "people watching" and then moving the cart ahead to the next shop. But it all became worthwhile when he saw the following sign in a window of Maggie's Dress Shop:

There is something in Belize for everyone:
Sand for the children,
Shopping for the wives,
Beer for the husbands,
Sharks for the mothers-in-law.

One of the daily events was to visit one of the Internet Cafés so that Dana could check her e-mail and send one or two and so Perk could call the office. The internet was available at \$5.00 BZ for a half hour, including a “free” Belikin. Telephone calls to Minneapolis were \$1 BZ per minute (\$0.50 U.S.). Dana’s favorite was the CocoNet Internet Café and while waiting for the phone one day and wandering around in the café, Perk came upon the following definition of service which was hanging on the wall. He persuaded the proprietor to make a copy of it for him.

At one time in my life, I thought I had a handle on the meaning of the word “service.” The act of doing things for other people. Then I heard these terms:

- Internal Revenue Service
- Postal Service
- Telephone Service
- Civil Service
- City/County Public Service
- Customer Service

And, over time, I had encounters with these service providers, and so I became confused about the word “service.” What I was getting was not what I thought “service” meant.

Then today, I overheard two farmers talking and one of them mentioned that he was having a bull over to “service” a few of his cows.

SHAZAM! It all came into perspective. Now I understand what all those “service” agencies have been doing to us.

Jerry Jeff closed his Saturday night performance with another song he wrote about leaving Belize, “Cowboy Boots & Bathin’ Suits:”

We've been here a week or so,
Now it's finally time to go.
Can't believe how quickly time has flown,
Packin' up the bathin' suits,
Getting' out the cowboy boots,
That's a sign we must be going home....

Time just stopped for a little while,
We were part of a tiny isle.
Made a lot of friends we'll keep for life.
When we get back home to Texas,
And they ask us what we missed most,
I'll shrug my shoulders, and I'll smile....

Early mornings on the long boat dock,
Drinkin' coffee as the sun comes up
Lazy days napping in the big deck chair.
Late night dancing in a Front Street Bar,
Walking home underneath the stars,
Man it's like some dream we live down here....



Jerry Jeff with Perk



Jerry Jeff with Dana

PASSINGS

In the first quarter of this year we have lost two very famous Johns—Johnny Carson on January 23, at age 79 and Johnnie Cochran on March 29, at age 67. They were different, including the spelling of their first names, but still similar. One was white, the other black, one dominated late night television for 30 years, and the other dominated courtroom trials in recent years. Both had their own theatrical style, which was so important to their careers.

Carson was the king of late night TV, taking over the Tonight Show from Jack Paar in October 1962 and retiring at the top of his game, so to speak, in May 1992. During his 30-year reign he was the most important performer on television. He discovered new talent and provided a spotlight for older comedians, and advanced the careers of emerging stars

like Jay Leno, who became his successor. How could we ever forget his nightly monologue after Doc Severinsen's rendition of the theme song, and following Ed McMahon's "Heeeeere's Johnny!" introduction. Each monologue contained 16 to 22 one-liners before Johnny made his golf swing and headed to his desk. His guests gave the show much of its panache. Tiny Tim married Miss Vicki on the show in 1969 and anyone who was a star or aspired to be one probably was on the show at least once. His portrayal of characters was unforgettable, e.g., Carnac the Magnificent, the all knowing seer, or Aunt Blabby, the gossipy old woman. He was born in a small Iowa town, and while young became an accomplished magician. The path from Iowa to New York had many twists and turns—the Navy, college, a radio job, TV announcer, etc. It was really by a stroke of luck that he was offered the job of the Tonight Show host when Jack Paar decided to leave after only five years, subsequent to his taking over the show from Steve Allen. During his career Carson made a lot of money, and he needed to so he could pay all of his ex-wives, of which there were three over the years. Surprisingly, he was not the same man in his private life that all of us saw before we went to sleep. It is said that he rarely talked to his guests after the show and hated parties. As he said, "I'm not gregarious, I'm a loner." After his retirement in 1992, he spent his time at his Malibu home and on his yacht. If you remember the early days when the show was still in New York, you saw him with a cigarette. That prop was eliminated when the show moved from New York to Los Angeles. That did not mean he had quit cigarettes, for Johnny continued to be a heavy smoker and as you might guess he died from emphysema.

Johnnie Cochran's notoriety came later in his life as part of the O.J. Simpson defense team, but prior to that he had a successful legal career representing, for example, Elmer Pratt, the leader of the Black Panther Party, and Abner Louima, the Haitian immigrant tortured by police officers in a Brooklyn Station house in 1997. He represented Michael Jackson in his first child molestation case, in which he helped negotiate a settlement under which the prosecutors dropped criminal charges. He was a flamboyant dresser with his colorful suits and ties, which went with his gift for courtroom oratory and a knack for coining memorable phrases. In all of his cases he showed a theatrical flair and creativity. He was at his best, when in the Simpson trial, O.J. was asked by the prosecution to try on a bloody glove found at his house after the killings. When O.J. could not get the glove on, Cochran said, "If it doesn't fit, you must acquit." Cochran and his partners at the trial, Robert Shapiro and F. Lee Bailey, were the reason that Perk thought O.J. Simpson would be found not guilty, and made a bet with Chris Dahl with the winner to buy dinner at 21 Club, in New York City, including airfare. Well, Perk won and it's been quite a few years now and he is still waiting for that trip to have dinner at 21. Chris, when will we go?

We would be remiss if we didn't also mention the passing of Arthur Miller, the great playwright, on February 10. In 1949, when he was only 33, his play *Death of a Salesman* opened on Broadway and established him as a giant in the American theater. It won the triple crown of theatrical artistry: the Pulitzer Prize, the New York Drama Critic's Circle Award and the Tony. Over his long career, he wrote 17 plays including *The Crucible* and *A View From the Bridge*, as well as a screen play for *The Misfits*, a 1961 movie starring Marilyn Monroe, to whom he was married at the time. Indeed, many will remember him best for his marriage to Marilyn Monroe after her divorce from Joe DiMaggio. Norman

Mailer noted wryly that it was bringing together “the Great American Body” and “the Great American Brain.” That marriage ended in divorce four years later in 1961, and then a year later, Mr. Miller remarried and six months after that, Marilyn Monroe was found dead of a drug overdose. There has always been speculation that her suicide was related to depression over Miller’s marriage. Much of this has long since been forgotten since that was 40 years ago, but it has been put back into perspective again as the result of Arthur Miller’s death. A long while ago, yes, but Arthur Miller was, after all, 89 years old.

One of the Ambergris Caye singers, Dennis Wolfe, writes a column for the San Pedro Visitor Guide. The one from the February 3 issue was titled “Wheelers and Dealers,” and we include it for your reading pleasure as the first page of our “funny pages.” There is also a hilarious reminder of the Hollywood Squares era, sent in by Dottie Hoel, a wonderful “Brain Exerciser” courtesy of Rich Ferguson, one of Perk’s former co-workers at Piper Jaffray, and finally “Things I Didn’t Know, But I Hope Are True,” from Peter Schillingford.

The cartoon is pertinent for Minnesotans at this time of the year.

Sincerely,

Richard W. Perkins, C.F.A.
President
Senior Portfolio Manager

Richard C. Perkins, C.F.A.
Executive Vice President
Portfolio Manager

Daniel S. Perkins, C.F.A.
Executive Vice President
Portfolio Manager

RWP:RCP:DSP/jah



WOLFE'S WOOFERS BY DENNIS WOLFE

Wheelers and Dealers

"Excuse me. Am I in your way?"

I was lugging in my musical equipment to Mango's for my Wednesday night gig and I had nearly dropped a speaker on this guy's toe. He was one of those slick looking types we see here often in San Pedro; wearing a coat and tie on a tropical island where most of us don't even wear shoes. His laptop computer was up and running at his table.

"Oh, you're fine," I said. "I'll be working over in this corner."

"You live here?" he asked.

"For about eighteen years now," I said, as I plugged in my cables. "How long are you here for?"

"Oh, my friend and I are putting together a deal to build a resort," he told me.

"Oh, yeah?" You're real wheelers and dealers, huh?" I tried not to say it offensively but I have heard that resort building business from a lot of people before him.

"You could call us that," he said, not taking the slightest offense. "We found a piece of property for four million dollars. This morning we lined up the best builder on the island. He says he can build what we want for less than five million. My friend is over at the bank right now taking care of the details."

"Ooh," I said. "Nine million dollars? That's a lot of money. Is that Belize money or U.S.?"

"Oh, it's just Belize money," he said.

At that time, a guy dressed just like him and carrying a briefcase came in and sat down at the table.

"Well, how did it go at the bank?" my new acquaintance asked.

"It went great," his partner said. "Everybody's all excited about the project."

"Any problems?"

"Just one little catch."

"What's that?"

His partner leaned forward and very quietly said, "Man, we've got to put up five thousand in cash."

HOLLYWOOD SQUARES!!!

If you remember the original Hollywood Squares and its comics, this will bring a tear to your eyes. These great questions and answers are from the days when game show responses were spontaneous and clever, not scripted and (often) dull as they are now. Peter Marshall was the host asking the questions, of course.

Q: Do female frogs croak?

A: Paul Lynde: If you hold their little heads under water long enough.

Q: If you're going to make a parachute jump, at least how high should you be?

A: Charley Weaver: Three days of steady drinking should do it.

Q: True or False, a pea can last as long as 5,000 years.

A: George Gobel: Boy, it sure seems that way sometimes.

Q: You've been having trouble going to sleep. Are you probably a man or a woman?

A: Don Knotts: That's what's been keeping me awake.

Q: According to Cosmo, if you meet a stranger at a party and you think that he is attractive, is it okay to come out and ask him if he's married?

A: Rose Marie: No, wait until morning.

Q: Which of your five senses tends to diminish as you get older?

A: Charley Weaver: My sense of decency.

Q: In Hawaiian, does it take more than three words to say "I Love You?"

A: Vincent Price: No, you can say it with a pineapple and a twenty.

Q: What are "Do It," "I Can Help," and "I Can't Get Enough?"

A: George Gobel: I don't know, but it's coming from the next apartment.

Q: As you grow older, do you tend to gesture more or less with your hands while talking?

A: Rose Marie: One more growing old question Peter, and I'll give you a gesture you'll never forget.

Q: Paul, why do Hell's Angels wear leather?

A: Because chiffon wrinkles too easily.

Q: Charley, you've just decided to grow strawberries. Are you going to get any during the first year?

A: Charley Weaver: Of course not, I'm too busy growing strawberries.

Q: According to Ann Landers, what are two things you should never do in bed?

A: Paul Lynde: Point and Laugh

Q: It is considered in bad taste to discuss two subjects at nudist camps. One is politics, what is the other?

A: Paul Lynde: Tape measures.

Q: During a tornado, are you safer in the bedroom or in the closet?

A: Rose Marie: Unfortunately Peter, I'm always safe in the bedroom.

Q: Can boys join the Camp Fire Girls?

A: Marty Allen: Only after lights out.

Q: When you pat a dog on its head he will wag his tail. What will a goose do?

A: Paul Lynde: Make him bark?

Q: If you were pregnant for two years, what would you give birth to?

A: Paul Lynde: Whatever it is, it would never be afraid of the dark.

Q: According to Ann Landers, is there anything wrong with kissing a lot of people?

A: Charley Weaver: It got me out of the army.

Q: While visiting China, your tour guide starts shouting "Poo! Poo! Poo!" What does this mean?

A: George Gobel: Cattle crossing.

Q: It is the most abused and neglected part of your body, what is it?

A: Paul Lynde: Mine may be abused but it certainly isn't neglected.

Q: Back in the old days, when Great Grandpa put horseradish on his head, what was he trying to do?

A: George Gobel: Get it in his mouth.

Q: Who stays pregnant for a longer period of time, your wife or your elephant?

A: Paul Lynde: Who told you about my elephant?

Q: When a couple have a baby, who is responsible for its sex?

A: Charley Weaver: I'll lend him the car, the rest is up to him.

Q: Jackie Gleason recently revealed that he firmly believes in them and has actually seen them on at least two occasions. What are they?

A: Charley Weaver: His feet

Q: In bowling, what's a perfect score?

A: Rose Marie: Ralph, the pin boy.

BRAIN EXERCISER

Exercise of the brain is as important as exercise of the muscles. As we grow older, it's important that we keep mentally alert. The saying, "If you don't use it, you will lose it" also applies to the brain, so . . . Below is a very private way to gauge your loss or non-loss of intelligence. So take the following test presented here and determine if you are losing it. OK, relax, clear your mind and . . . begin.

1. What do you put in a toaster?

Answer: Bread. If you said "toast," then give up now and go do something else. Try not to hurt yourself. If you said, "bread", go to question 2.

2. Say "silk" five times. Now spell "silk." What do cows drink?

Answer: Cows drink water. If you said "milk," please do not attempt the next question. Your brain is obviously overstressed and may even overheat. It may be that you need to content yourself with reading something more appropriate such as "Children's World." If you said, "water" then proceed to question three.

3. If a red house is made from red bricks and a blue house is made from blue bricks and a pink house is made from pink bricks and a black house is made from black bricks, what is a greenhouse made from?

Answer: Greenhouses are made from glass. If you said "green bricks," what the heck are you still doing here reading these questions? If you said "glass," then go on to question four.

4. Twenty years ago, a plane is flying at 20,000 feet over Germany. If you will recall, Germany at the time was politically divided into West Germany and East Germany. Anyway, during the flight, TWO of the engines fail. The pilot, realizing that the last remaining engine is also failing, decides on a crash landing procedure. Unfortunately, the engine fails before he has time and the plane crashes smack in the middle of "no man's land" between East Germany and West Germany. Where would you bury the survivors - East Germany or West Germany or in "no man's land?"

Answer: You don't, of course, bury survivors... If you said ANYTHING else, you are a real dunce and you must NEVER try to rescue anyone from a plane crash. Your efforts would not be appreciated . . . If you said, "Don't bury the survivors" then proceed to the next question.

5. If the hour hand on a clock moves 1/60th of a degree every minute then how many degrees will the hour hand move in one hour?

Answer: One degree. If you said "360 degrees" or anything other than "one degree," you are to be congratulated on getting this far, but you are obviously out of your league. Turn your pencil in and exit the room. Everyone else proceed to the final question.

6. Without using a calculator - You are driving a bus from London to Milford Haven in Wales. In London, 17 people get on the bus. In Reading, six people get off the bus and nine people get on. In Swindon, two people get off and four get on. In Cardiff, 11 people get off and 16 people get on. In Swansea, three people get off and five people get on. In Carmarthen, six people get off and three get on. You then arrive at Milford Haven. What was the name of the bus driver?

Answer: Oh, for heavens sake! It was YOU! Read the first line again!

THINGS I DIDN'T KNOW (AND I HOPE ARE TRUE)

In George Washington's time, there were no cameras. One's image was either sculptured or painted. Some paintings of George Washington showed him standing behind a desk with one arm behind his back while others showed both legs and both arms. Prices charged by painters were not based on how many people were to be painted, but by how many limbs were to be painted. Arms and legs are "limbs" therefore painting them would cost the buyer more, hence the expression, "Okay, but it'll cost you an arm and a leg."

As incredible as it sounds, men and women took baths only twice a year (May and October)! Women kept their hair covered, while men shaved their heads (because of lice and bugs) and wore wigs. Wealthy men could afford good wigs made from wool. They couldn't wash the wigs, so to clean them they would carve out a loaf of bread, put the wig in the shell, and bake it for 30 minutes. The heat would make the wig big and fluffy, hence the term "big wig." Today we often say "here comes the Big Wig" because someone appears to be or is powerful and wealthy.

In the late 1700s many houses consisted of a large room with only one chair, commonly, a long wide board folded down from the wall, used for dining. The "head of the household" always sat in the chair while everyone else ate sitting on the floor. Occasionally a guest, who was usually a man, would be invited to sit in this chair during a meal. To sit in the chair meant you were important and in charge. They called the one sitting in the chair the "chair man." Today in business, we use the expression or title "Chairman" or "Chairman of the Board."

Common entertainment included playing cards. However, there was a tax levied when purchasing playing cards but only applicable to the "Ace of Spades." To avoid paying the tax, people would purchase 51 cards instead. Yes, since most games required 52 cards, these people were thought to be stupid or dumb because they weren't "playing with a full deck."

Early politicians required feedback from the public to determine what the people considered important. Since there were no telephones, TV's or radios, the politicians sent their assistants to local taverns, pubs, and bars. They were told to "go sip some ale" and listen to people's conversations and political concerns. Many assistants were dispatched at different times. "You go sip here" and "You go sip there." The two words "go sip" were eventually combined when referring to the local opinion and, thus we have the term "gossip."

At local taverns, pubs, and bars, people drank from pint-sized and quart-sized containers. A bar maid's job was to keep an eye on the customers and keep the drinks coming. She had to pay close attention and remember who was drinking in "pints" and who was drinking in "quarts," hence the term "minding your P's and Q's."

In the heyday of sailing ships, all warships and many freighters carried iron cannons. Those cannons fired round iron cannonballs. It was necessary to keep a good supply near the cannon. However, how to prevent them from rolling about the deck? The best storage method devised was a square-based pyramid with one ball on top, resting on four resting on nine, which rested on sixteen. Thus, a supply of 30 cannonballs could be stacked in a small area right next to the cannon. There was only one problem—how to prevent the bottom layer from sliding or rolling from under the others. The solution was a metal plate called a "monkey" with 16 round indentations. However, if this plate were made of iron, the iron balls would quickly rust to it. The solution to the rusting problem was to make "Brass Monkeys." Few landlubbers realized that brass contracts much faster than iron when chilled. Consequently, when the temperature dropped too far, the brass indentations would shrink so much that the iron cannonballs would roll right off the monkey. Thus, it was quite literally "Cold enough to freeze the balls off a brass monkey." All this time you thought that was an improper expression, didn't you?