

TODAY'S INVESTOR

BY THOMAS E. O'HARA
Chairman, Board of Trustees
National Association of Investment Clubs



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Q. My two sisters and I will
soon inherit \$10,000. We do not

need this money at present and
thought perhaps that leaving the
\$10,000 intact, we would do bet-
ter investing it together. We al-
ready have a mutual fund which
is holding its own well. I am
leery of buying stocks, would like
to buy land. But then we would
have the problem of paying taxes.
We want to do something besides
buying bonds or letting the
money sit in the bank. What do
you suggest?

A. With three people involved,
your first problem is to get all
three to agree on the way the
money is to be invested. If you
find you have different ideas,
then I think you had better di-
vide the money and let each one
handle it as she wishes.

Inflation being the threat it is,
I think it is important for you to
invest in such a way that you
have an opportunity for apprecia-
tion of principal as well as

growth of income. You can do
this in real estate, of course —
if you know real estate investing
or you have a good adviser.

However, right now the stock
of many of our best oil, public
utility and industrial companies
can be bought at bargain prices.
This is something I would not
ignore.

Q. My wife and I came to the
United States eight years ago. In
our former country we saw peo-
ple work hard all their lives to
save some money and in a few
years, with inflation, they sud-
denly had only enough to live a
few weeks. We will retire in 20
years, have our house paid for,
plus a piece of land valued at
\$4,000 and \$3,000 in savings. A
broker is urging us to sell the
land and invest in a mutual fund.
Can you advise us?

A. I am in no position to advise
you about selling the land since
I know nothing about it. How-
ever, I would like to suggest sev-
eral things for you to think about
in helping you to arrive at a de-
cision.

Through our history both land
and stocks have been a good way
of keeping pace with the inflation
that has taken place in our coun-
try. The ability of your land to

do this depends on its location
and its potential use. Maybe you
banker or a real estate man can
give you an idea of what he
thinks the land will be worth ten
years from now.

The fund you mentioned in
your letter is managed quite dif-
ferently from the majority of
mutual funds, since it engages
in a great deal of buying and
selling of securities and is, in ef-
fect, a mutual fund trading ac-
count. Its record has been quite
sensational, in that \$1,000 invest-
ed in it when it was organized in
June, 1958, would at the end of
1965 have been worth \$10.02.
There is, of course, no guarantee
that this kind of performance will
be continued.

I suggest that you get Arthu
Wiesenberger's book, "Invest-
ment Companies," from your lo-
cal library. It gives the record-
of all major mutual funds and
should help you make a wise de-
cision.

Q. I am a widower, recently re-
tired, with sufficient income to
live on. What should I do with
100 shares of Monsanto Chemical
Company stock I have bought
over the years on an option plan?

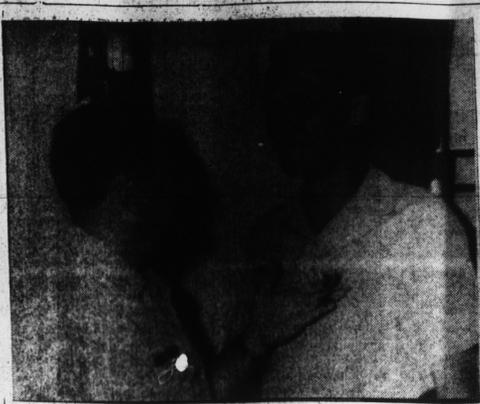
A. I certainly see no need for
you to dispose of the stock. In the
last 10 years Monsanto has in-
creased its sales and earnings per
share at the rate of about 9 per
cent a year. This is an excellent
record. Because of this and the
fact that you say you don't need
the money, I think you should
hold onto it. It would seem to
have a good chance of becoming
more valuable.

Q. I have \$63,000 invested as
follows: \$17,000 in a mutual
fund; \$6,000 in a financial firm
paying \$315 a year and \$40,000 in
savings-and-loan deposits, paying
about 5 1/2 percent. In addition I
receive \$99.60 a month in social
security. In all, my income is
about \$300 a month. I am a wid-
ow, 66 and have no children or
relatives. It seems that I should
have a higher monthly income
without taking chances. Can you
suggest how?

A. From the information you
provide, I calculate that you
should have about \$300 a month
coming in, exclusive of any pay-
ments from your mutual fund.
The fund in question offers a
monthly withdrawal plan, and,
judging from the company's past
record and the amount of your
investment, you should be able
to arrange for monthly payments
of \$100 to \$125. Assuming the
fund's earnings continue as they
have in the past, you should be
able to draw this amount each
month without any long-term im-
pairment of your capital, thus
giving yourself more than \$400
a month income from all sour-
ces.

Q. I have \$16,000 in savings and
loan companies, paying 4 1/2 per-
cent compounded quarterly.
Could I invest this in some mu-
tual funds or in some shares of
General Motors or A. T. & T. and
get better returns with reason-
able safety?

A. At the time I am answering
your letter, you could buy Gen-
eral Motors at about \$73 a share
and American Telephone & Tele-
graph at \$50. The regular divi-
dend, without extras, on General
Motors is \$3.40 a share. This
would give you a return of about
4.6 per cent on your money.
The regular dividend on A. T.



WINS BRONZE STAR — USAF First Lt. Larry L. Davis of Bessemer City, right, receives the Bronze Star Medal from Lt. Col. George Root. The serviceman was decorated for meritorious service against Viet Cong forces. (USAF Photo).

Davis Wins Bronze Star

PANAMA CITY, Fla. — U. S. Air Force First Lieutenant Larry L. Davis (right) of Bessemer City, N. C., receives the Bronze Star Medal at Tyndall AFB, Fla., for meritorious service while engaged in military operations against Viet Cong forces.

Lieutenant Davis, whose mother, Mrs. Pauline Harwell, lives on Rt. 1, Bessemer City, was decorated for his actions while serving as a weapons controller at Tan Son Nhut AB, Vietnam.

He is now assigned at Tyndall as a member of the Aid Defense Command which is the Air Force & T. is \$2.20 a share. At the current price of \$50, this would give you a return of 44 per cent.

From the past record of these companies, it would seem that you could reasonably count on receiving those dividends each year. Actually, last year GM paid \$5.25 a share, including extras; in the last 10 years the dividend has grown from \$2 to \$5.25 per share.

In case of A. T. & T. the dividend in the last 10 years has grown from \$1.50 to \$2.20 per share. Assuming these companies continue to perform as they have in the past, your opportunity for a growing income plus growing value of your investment in either of them would seem a reasonable possibility. There are almost certain to be times, however, when the price of either of these stocks will sell at, will drop sharply; if you were forced to sell during such a period, you might incur a loss.

Q. We rent the farm on which we now live. We have \$7,000 in a savings account. Would we be wise to invest our money in another farm, or can you suggest another investment that would be better for us? Our machinery is clear of debt.

A. Since farming is out of my line, I'm afraid my advice would not be worth much to you. I suggest that you talk with bankers and top-grade farm real estate men in your area and get the advantage of their thinking. You and I are both aware, of course, that buying a farm large enough to provide a good income is an expensive proposition, and your \$7,000 wouldn't go far in the purchase of an adequate one. If, however, you have had reasonable success in operating your rented farm and if your age and health indicates you have a number of years ahead of you to work the farm, then certainly owning your own farm would be advantageous. Certainly with the world's growing need for food, the future in farming seems excellent.

It's easy to start an investment club. The N. A. I. C. has literature that smooths the way for you. For a free copy of the booklet, "An Educational and Investment Opportunity for You," write to T. E. O'Hara, National Association of Investment Clubs, Dept. S., Box 1056, Detroit, Michigan, 48231.

Herald Want Ads Get Results



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after a day of hard work or hard play. And it's pleasant to relax with cool, refreshing beer. In fact, 65% of all the beer produced in this country is enjoyed at home. It cheers your taste as it renews your zest. So, make yourself at home... with beer.

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component of the U. S.-Canadian North American Air Defense Command protecting the continent.

The lieutenant was commissioned in 1963 upon completion of Officer Training School at Lackland AFB, Tex. Lieutenant Davis, a graduate of Bessemer City High School, received his A. B. degree in business administration from Belmont Abbey College, Belmont, N. C.

Lieutenant Colonel George R. Root, commander of the 3625th Technical Training Squadron, of Tyndall, makes the presentation.

The upper intestines are about 23 feet long while the lower are 3 1/2 feet in length.

CLIP and PASTE on a U.S. Postal Card

From time to time, a person should check his social security record, say officials of the Social Security Administration. This is especially important if you have changed employers often.

You can get a statement of the earnings credited to your social security record by using the handy coupon below. Simply clip this coupon, paste it firmly on a postal card, and mail it to this newspaper, Attention: Social Security Editor.

In filling out the card, be sure to give your social security number and name exactly as they appear on your social security card.

REQUEST FOR STATEMENT OF EARNINGS

SOCIAL SECURITY NUMBER:

DATE OF BIRTH: MONTH DAY YEAR

Please send a statement of the amount of earnings recorded in my social security account to:

NAME: (MISS, MRS., MR.)

STREET & NUMBER:

CITY & STATE: ZIP CODE:

Print Name and Address in Ink Or Use Typewriter

Sign your name as you usually write it.

Sign your own name only. Under the law, information in your social security record is confidential and anyone who signs someone else's name can be prosecuted. If your name has been changed from that shown on your social security account number card, please copy your name below exactly as it appears on that card.

Why it Pays to Check Periodically

If you have worked long enough under the social security law, you and your dependents can get monthly social security insurance benefits when you retire or if you should become disabled. Monthly benefits can also be

paid to certain members of your family when you die.

These benefits will depend on the earnings credited to your social security record.

To check on your social security record, clip the coupon above, paste it firmly to a postal card, and mail it

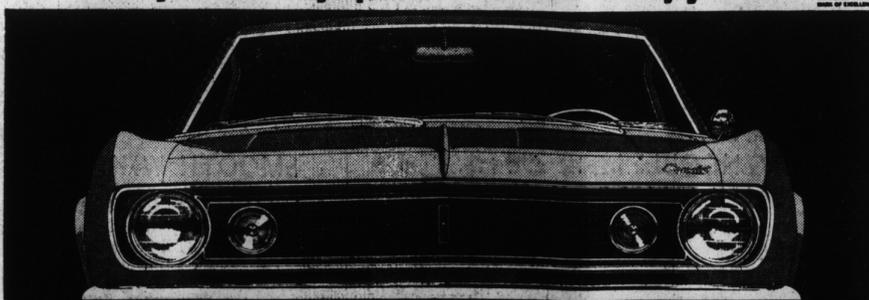
to this newspaper, Attention: Social Security Editor.

Your coupon will be forwarded to social security's recordkeeping headquarters in Baltimore, Md. You will receive a confidential statement of the earnings credited to your record.

NOTE TO THE EDITOR: To assure speedy handling of requests, do not change size of coupon

OSGE-48a (July 1966)
U.S. Department of Health, Education, and Welfare
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