

BUSINESS

Clinton's trip to Africa boon for new stock markets

By John William Templeton
Special to Sentinel-Voice

Is President Clinton going to Africa, the first trip by any sitting United States president, in order to get as far away as he can from Ken Starr and Monica Lewinsky?

Maybe. We can be sure that the American press corps will nevertheless keep him up-to-date from now to April 5.

However, your focus of attention should be on the real

reason the president is travelling: Africa is now the leading continent for the return on investment of American capital — an impressive 28 percent yearly.

And for the foreseeable future, asset values are inexpensive enough for individual investors and investment clubs to make substantial profits in the short- and long term.

The more than 400 publicly-

traded companies on the African continent primarily suffer from lack of exposure to all but the most plugged-in investment analysts.

My newspaper, "Griot," is the only American paper to cover those companies on a consistent basis. However, the president's trip, more than any other event, will bring attention to the economic prospects of Africa, and that should mean almost immediate growth for African public companies.

Individual investors are best served over the long term by relying on the growing number of African-focused mutual funds.

New Africa Fund (NSA), run by Sloan Financial Group, has gone up about 10 percent since the president's trip was announced. There has also been consistent growth from Alliance Capital's Southern

Africa Fund (SOA) and Morgan Stanley's Africa Fund (AFF.) Yet, stock prices are so low for the companies that are traded on Western exchanges that a relatively small amount of money can go a very long way on a short-term basis.

The gap between information and investor interest is nowhere further apart than for African companies. An example is American Diversified Group Inc., (NASDAQ: ADGI), which announced six months ago almost \$100 million in pharmaceutical contracts with West African countries. The stock hardly moved.

In February, an obviously frustrated ADGI scheduled a special briefing for analysts on March 12. The markets took that as a sign that something big was up. In the past 30 days, the shares have grown 150

percent in price — however, they're still only a nickle a share. If one has the patience to wait for earnings to come in from those sales, additional bounces are ahead.

Ashanti Goldfields (NYSE:ASL), the only African firm on the New York Stock Exchange, has suffered a major drop in share price due to the declining price of gold. Yet, its profits are robust and its upcoming production has already been sold as futures at a higher price. This is another situation where market perceptions have yet to catch up to the real value.

Warren Buffett's move to buy silver started a rally of 10 percent for Ashanti in the last month. Ghana is the president's first stop and we can expect those who take an interest in that country to start with Ashanti as an investment.

First South Africa Corp. (NASDAQ: FSACF) has been acquiring South African consumer goods companies and capitalizing on expanding markets. In less than two years, it has been consistently profitable and growing both by acquisition and sales growth.

Lonrho (LNROY) is a British conglomerate that owns or has interests in more than 200 companies on the African continent ranging from Ashanti Goldfields to Kenyan daily newspapers. In the wake of the failed attempt to acquire it by a Black-headed company in South Africa, Lonrho is spinning off its African division.

Shares for Lonrho are at an historic low — even below the liquidation value of the companies if sold separately. (See Africa, Page 13)

YOUR MONEY & YOU

Parents: Urge children to save for retirement now

Special to Sentinel-Voice

Q: My son is just starting to work and we tell him he should start saving for retirement already. We have no retirement, only Social Security, and it's hard for us to make it. What do you think?

Los Angeles, Calif.

A: He should listen to his parents. Congress installed the Social Security program 60 years ago as a supplement to a wage earner's retirement savings. It was never intended as a sole source of retirement income.

For most people, Social Security contributes less than half of their working income. Some receive no more than 10 or 20 percent of what they once earned. If your son expects to live comfortably in his old age, he must begin to set aside money now in order to have enough later. Even a small amount will make a difference by compounding interest over the years.

Q: We buy life insurance for my husband, but none for me. I tell him that's discrimination. Why not the wife and kids?

Houston, Texas

A: The only reason to buy life insurance is to protect survivors from sudden loss of income following the death of the family's breadwinner.

Unless you are the major income producer, your unexpected death, however tragic and lamentable, would not affect your husband's ability to earn a living for the family. Assuming he is the major breadwinner, his death, on the other hand, would put you and your family into a serious financial bind. So, he is trying to protect you and your children.

Q: I've just moved into a small home and don't have a bank account. My neighbor says she pays all her bills with money orders. I've never used one and wonder if it's safe.

Kansas City, Kan.

A: An old and trusted financial service, money orders are safe and commonplace. They are used like a check as a substitute for cash, available from any of thousands of small businesses such as convenience stores and check-cashers.

You buy a money order by paying cash in the amount to be paid, plus a small fee. The amount to be paid appears on the front of the money. You fill in your name as purchaser and write in the name of the person or company to receive the money. People use them to pay utility and department store bills, taxes and traffic fines. They are handy as birthday and Christmas presents, too. Since almost one third of the people in the United States don't have bank accounts, money orders are very popular.

Questions? Write to Travelers Express, 1850 N. Central Ave., Phoenix, AZ 85077-2452. Send a self-addressed, stamped envelope for a personal reply.

Toward a better life by building wealth

Book offers ways to improve life, build success

Special to Sentinel-Voice

Why is it that you rarely hear conversations directed to or about blacks on how to build wealth?

Whenever you hear talk among those in the mainstream, or even in our communities, the terms African-American and poverty are synonymous.

Black society has had its back bent so much by discrimination that African-Americans, more often than not, think of themselves as "victims."


It's true that, because of institutional racism, too many of us are unemployed or underemployed and "dissed" in American society. But the white community's lack of acceptance of us is not sufficient reason for the victim mentality that has such a foothold on so many of us.

Look and listen around you: our so-called "leaders" tell us we are victims, white-controlled media depicts us as victims and the justice system victimizes us; consequently, millions of us accept the fact that we are victims.

Isn't it true that too often we will our power toward the down side of our society? Black

Business Exchange

By William Reed,
publisher of Who's Who in
Black Corporate America.



people never planned to be failures in life; most simply fail to plan toward being successful. We wait for white people to give us our jobs, and for a new King, Jr. to come and lead us to realization of the American Dream.

As victims we give our power to whites, believing they have "A Plan" they invoke whenever we start to make any progress in American society. Because we've accepted being down so long, we don't realize that no man is great enough or wise enough for us to surrender our fates to him.

The only way anyone can lead us is to restore to us a belief in our own guidance. Blacks need people who can lead us out of the morass of victimism. Author Herbert

Harris provides positive "leadership" in a publication that helps us discover the answers required to cease being America's victims.

Head of the LifeSkills Institute, Harris, an African-American, wrote "The Twelve Universal Laws of Success," in which he provides a step-by-step process toward awareness of self-image and identifying factors leading to success or failure.

Harris says his book can help readers create a better life for themselves.

"Basically, all you need are a few key thoughts, some improvement and refinement of your habits and techniques, and one or two people who can assist or guide you on the proper path," he said.

Laid out like a primer for success, Harris' book addresses people of all ages, but has a particular slant toward "baby-boomers" looking to make some mid-life corrections.

The book offers the kind of "corrections" people in their 40s and 50s need in order to make the second half of their lives a lot better than the first.

If you want to wallow in self-pity and continually remind yourself and your friends of how many times blacks have been treated wrong, this publication isn't for you.

Want to stop being a loser and giving out vibes that hinder your being successful at work, life and relationships? You can overcome by starting to love, and feel better with, yourself.

Are you destined to be wealthy? Or, do you prefer to remain a victim? The answer remains with you. Others will know the route you took by the results of your actions.

"The Twelve Universal Laws of Success" is available from LifeSkills Institute, P.O. Box 181069, Cleveland, OH 44118 - (800) 775-0712 ext. 8140.

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