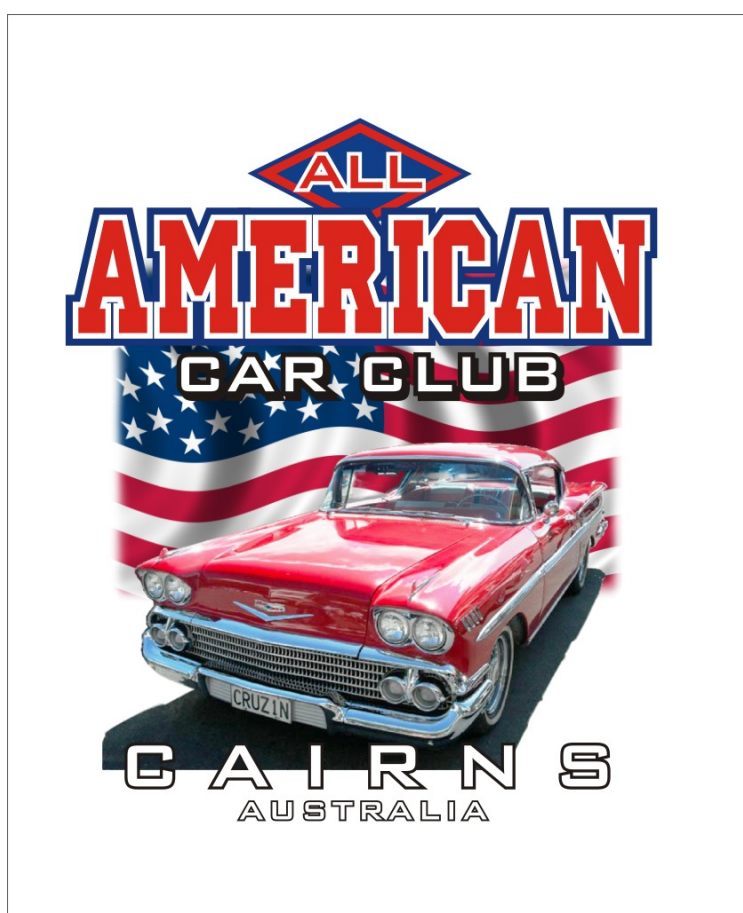


CLUB TORQUE

All American Car Club of Cairns Newsletter



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Feature articles

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Club meetings are held at
**Yorkeys Knob Community
Hall**
**Wattle Street, on the last
Sunday of
every month, commencing
at 10.00am.**

Membership Fees \$45.00
(due each September)

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President's Page

As 2012 kicks off, I am already looking forward to an eventful year ahead. I hope you all had a wonderful Christmas, a Happy New Year and a well deserved break.

Your committee will endeavour to make our regular events an attractive prospect for you to attend this year. The events will include the Kurrimine Beach weekend, Charters Towers Swap Meet, Combined Club's Sports Day, 4th July Cruise, Cairns Swap Meet Car & Bike Show, Warbirds and Car Show, Cairns AutoSpectacular, V8 Supercars, Willies Car Show, and AACCC Christmas Party, to name a few.

Our Events Co ordinators are also looking at events such as Ten Pin Bowling and an adventure day kayaking down the Babinda Creek.

These events along with some regular lunch and breakfast runs should make for an interesting year within our club. The abovementioned list is by no means the extent of what is on this year, who knows what is around the corner. If you have an idea of what you would like the club to do, please let myself or our Events Co ordinators know what your idea is and a plan on how to achieve this and our Committee will try and implement your idea into our events.

The American economy is slowing regaining some respect, so now is as good a time as any to buy/import and American car. Once their economy and the Euro get back on track, our dollar will return to the 70-80 Australian cents to the US dollar. Mind you, I don't believe anything will happen in the short term, not until the U.S elections are done and dusted.

Safe cruzin' to you all, and remember

"when cruizin with the club, be responsible and keep up with the person behind you"

Cheers

Robert



News

Welcome to 2012.

For those of you who are regular readers of the world's number one financial news service/blog – <http://www.zerohedge.com>, you will be aware that the global insolvency crisis is set to deepen to truly calamitous proportions.

In an environment of declining real asset prices (except food, minerals and gold), particularly when taking inflation into account, are American classic and muscle cars a potential wealth preserving investment?

The short answer is I don't know....it's impossible to predict the future with any great certainty....but here are a few hints and discussion.

From: <http://www.telegraph.co.uk/motoring/classiccars/8841453/Classic-cars-a-better-investment-than-gold.html>

Extract

In 1980 he Warren Buffett) was offered the entire Harrah Collection, examples of which formed the National Automobile Museum in Reno, Nevada; 1,400 cars including a 1932 Rolls-Royce Salamanca, a 1932 Bugatti coupé and a 1913 Pierce-Arrow. It would have cost him less than a million dollars but he wavered, then passed.

A few years later a small part of the collection had been auctioned for a staggering \$69 million.

This tale highlights the sheer impenetrability of the classic car market, which for years has defied attempts to track and analyse its movements. It's a mysterious world where – unlike wine, gold or other traded commodities – there has been no independent market index to illuminate its machinations. Until now.

In 2007 banker Dietrich Hatlapa decided to take his love of classic cars a step further and expand his small collection, which started with a 1960 Porsche RS60 Spyder. But he was astonished to find there was no credible historic price-performance information to guide his investment, no way to compare his proposed purchase with other assets.

He made it his mission to create the first authoritative, independent index and founded the [Historic Automobile Group International \(HAGI\)](#) research organisation.

Calling in top-flight expertise from, among others, former colleagues at ING Baring Securities, he began analysing the market in minute detail.

What they found was remarkable. With Bruce Johnson, the former Barings head of research, he discovered there were clear patterns in the classic market, just as there

are indicators allowing other investments to be tracked. You just had to know where to look.

“When I started I was amazed at how little transparency there was within the classic car market; collectors and investors were making buying decisions on little more than hunch and opinion,” says Hatlapa, 47, who lives in London and Spain. “Investors in more traditional markets would arm themselves with more information. This is what I am doing for the classic car market with the HAGI index. Collectors want to enjoy their cars but they also want to know what they’re getting into, financially.”

First, HAGI established the market size for the top 100 historic collectors’ car models: between £10.1 and £12.3 billion in 2008. Total turnover for sales of the top 100 was at least £1.07 billion that year. By comparison, the tradable portion of the fine wine market in 2010 was £3 billion.

The mechanisms of the HAGI index, which tracks the classic car market much as the FTSE 100 tracks the most highly capitalised UK companies listed on the London Stock Exchange, appears beguilingly simple at first glance. But it took years to select the initial 38 car models from 18 marques, representing the top slice of the collectors’ car market, using historical data going back to 1980.

To win its place in the index that now covers 50 cars, each must have had no more than 1,000 examples built, be worth at least £100,000 individually and have an established collector community, among other criteria. Each had to have at least recovered its original price. “It had to have emerged from the valley of sorrow,” as Hatlapa puts it.

Once HAGI’s experts began monitoring the index it became clear that someone who bought a rare Bugatti, Jaguar or Ferrari in top condition would have done better during the downturn than an investor in almost any other asset, including fine art, wine – or even gold, as a chart in Hatlapa’s new reference book, *Better than Gold: Investing in Historic Cars* – demonstrates.

Another startling fact emerged; the classic car market moved entirely independently of any other investment area.

The HAGI index has risen 31.5 per cent since it began tracking the market early in 2009. And while it tracks only the top of the market, which is now worth £20 billion with annual turnover of £2 billion, Hatlapa says it also informs movements further down the classic car market.

“It’s a niche market, not a substitute for other investments,” he cautions. “But if you have property, art and private equity, a collector’s car is an excellent complement to your portfolio, something you can enjoy and touch.

“One thing is certain: there’s a finite supply of classic cars. They aren’t making them any more.”

THE ULTIMATE INVESTMENTS

Gold

Price in 1980: £260 per ounce

Price now: £1,150 per ounce

Aston Martin DB5 saloon

Price in 1980: under £10,000

Price now: well over £300,000 for best examples (1964 DB5 belonging to Westlife's Shane Filan sold at Bonhams' Goodwood auction for £348,000).

Ferrari Dino 246GT

Price in 1980: under £9,000

Price now: £150,000-plus for fine examples (1972 246GT with 30,000 miles and meticulously rebuilt sold for £164,300 at Bonhams Goodwood).

Porsche 911 Carrera RS 2.7

Price in 1980: about £9,000

Price now: upwards of £200,000 for better examples with high degree of originality (at Goodwood this year, Bonhams sold a 1973 lightweight with replacement engine for £221,500).

Mercedes-Benz 300SL Gullwing

Price in 1980: about £25,000

Price now: up to £500,000 for very high-quality restored cars or ones with exceptional history and originality (at Goodwood, Bonhams sold a 1955 example for £342,500; this same car had sold for £122,500 at auction in 2001).

Ferrari 365GTB/4 Daytona

Price in 1980: £20,000

Price now: £250,000 for extremely original low-mileage examples or pristine restored cars.

END

This article seems fairly accurate from some of the auction results I've observed

But what about regular, affordable cars?

That depends on make and model, the age of the car and its condition.

These two American sites provide up to date auction price data for all makes and models

<http://collectorcarmarket.com/menus/makes.html>

<http://collectorcarpricetracker.com/#>

After looking at loads of results from various sites...and for the sake of discussion only...it seems that the more boxes you tick below....the better your investment so far:

- Made prior to 1980
- Made between 1931 and 1971
- Condition very good to excellent
- Good barn-find condition...very well preserved original
- Muscle car
- Muscle car with factory performance options
- Originality
- Coupe, roadster, convertible or wagon
- 1930's Coupe, convertible or Woodie wagon
- Popular model, cult following (e.g. 55-57 Chev, Corvette, MOPAR, Shelby, '32 Ford V8 etc)
- Rarity/Low Production
- Provenance, documentation, early production number
- Top specification and options in the model lineup (e.g. Hemi 426)
- Fantastic looks
- Australian produced American car

As a very general guess...cars that tick most of the boxes may have at least preserved their value, and in some cases done very well....while those that haven't may well have declined in value.

What about the future?

Well...that's the 1.6 quadrillion dollar question.

In the end, it all depends on the global economy....the fate of which will profoundly affect Australia.

It is true that global GDP growth is still spluttering along OK, but it seems solely dependent on unprecedented levels of new debt and accommodative policies of Governments and Central Banks that further increase already unsustainable debts.

These debts affecting the solvency of government, banks, corporations and individuals are already far too high to be dealt in the traditional ways and continue to rise to stratospheric levels.

The seemingly inevitable catastrophic default/insolvency of the world's governments and banks will most likely be dealt with by the twin horrors of depressionary crash in leveraged asset values (property, shares, bonds etc) together with money printing to monetize unserviceable sovereign and private debt. Money printing and the issue of ever increasing new (un-backed/junk) debt is of course is inflationary and reduces the purchasing power of money for day to day living as well as savings.

Unless the money-printing effort is colossal – on the scale of Weimar Germany - we seem likely end up with an acceleration of the current trend, namely deflation of markets/assets financed by credit, together with inflation of hard assets and things we need for daily living.

Would I buy or retain a quality American muscle car or classic that ticks most of the boxes as a small part of an investment/retirement portfolio?

In short ...probably yes, in the belief that many **quality collectible cars** appear to be a recognised hard asset, their supply can't simply be "printed" and are far less likely than property and stocks to be purchased by finance....and therefore less likely to be affected by the atrocious insolvency/disleveraging sell-offs that we have seen in markets around the world.

Please note that this story is merely rant by the Newsletter Editor for entertainment and conversation and does not reflect the views of the Club in any way. No investment advice is given or intended.

As always, your stories, pictures and input would be greatly appreciated.

Please contact Wayne Brocklebank on 0450091301 or [waynewayneo78@live.com.au/](mailto:waynewayneo78@live.com.au)

Links

The first two links are excellent up-to-date American price guides for classic cars
<http://collectorcarmarket.com/menus/makes.html>
<http://collectorcarpricetracker.com/#>

Three classic car auction sites
<http://www.bonhams.com/usa/carsusascottsdale/>
<http://www.rmauctions.com/Default.cfm?SaleCode=AZ12>
<http://www.coys.co.uk/>

And for those people who love Corvettes
<http://www.corvetteblogger.com/>



Features

Australian Produced Slopers

Because its Australia Day, this month's feature is about Australian produced Slopers (1935-40). These relatively less well known cars are exceptionally special for their place in history as the first fully enclosed fastback coupes, first copied by the Americans after World War 2, paving the way for many of the great US coupes. True Aussie design icons.

CHEVROLET

First shown as a body only at the Melbourne Show in June 35. The 1935 Chevrolet All Enclosed Coupe was on a Master Chassis only. The Chev, Pontiac and Olds bodies were



the same and featured a rear folding seat, much like a station wagon, providing access to the boot. This made the style an ideal salesman's vehicle. 1935 and early 1936 bodies used a flip-out rear window (36 EARLY BODY ILLUSTRATED ABOVE). This was changed to a fixed two piece window during 1936. Standard business model cost £275 and the sports £290. The Master Sports cost £365. The Sloper is a unique name given to Australian bodied GM and Ford of the mid to late 30's.

In 1937 GMH introduced their steel turret bodies and the All enclosed Coupe style was radically altered. Two distinct bodies were now produced. COP (Chev, Olds and Pontiac 6) and BOP (Buick, Olds & Pontiac 8). This basic shape ran through to 1941.

Production ex Woodville Plant

YEAR	MASTER	STD SPORTS	BUSINESS
1935	*180	0	0
1936	290	1209	520
1937	207	834	212
1938	128	587	105
1939	53	132	83
1940	149	132	0
1941	32	30	0

*Estimate

OLDSMOBILE

The Sydney Easter Show of April 1935 saw Holden's introduce the All-Enclosed Coupe style on a 6 cylinder Oldsmobile Chassis. The 6 cylinder was priced at £405 and the 8 cylinder £438.

Again it is difficult to find examples of the 8 cylinder Oldsmobile, particularly in 1937 despite being depicted in literature.

Production ex Woodville Plant

YEAR	6 cylinder	8 cylinder
1935	373	81
1936	284	16
1937	197	12
1938	135	0
1939	91	0
1940	29	0
1941	6	0

BUICK

A number of Buicks have survived, mostly 8/40s. The Buick however lasted only to 1938 when it was dropped from the line up

Production ex Woodville Plant

YEAR	8/40	8/50
	Roadmaster	Century
1935	0	0
1936	121	35
1937	114	12
1938	43	0
1939	0	0

The Buick body first appeared on a 1936 chassis. The body was the same as the 8 cylinder Oldsmobile. Two forms were sold, an 8/40 Roadmaster costing £480 and an 8/50 Century costing £550.



1938 Pontiac Sloper



1938(?) Oldsmobile Sloper



1936 Chevrolet Sloper



Supposedly a Pontiac Sloper...extremely rare if genuine

Events

SUN JAN 29TH MONTHLY MEETING TO BE HELD AT COMMUNITY HALL YORKEYS KNOB, CNR WATTLE & CUNNINGHAM ST AT 10:00am.

WED 1ST FEB COMBINED CAR CLUBS KROOZE TO ELLIS BEACH BAR & GRILL. MEET FROM 6.00pm.

SUN 5TH FEB –BREAKFAST RUN TO MARINA VIEW AT PORT DOUGLAS. MEET AT THE BP SERVO AT SMITHFIELD AT 7.45am TO LEAVE AT 8.00am. COST WILL BE \$13 FOR AN ADULT AND IS BUFFET STYLE.

TUE FEB 14TH VALENTINES DAY DINNER RUN TO EDGE HILL TAVERN. MEET FROM 6.30pm ONWARDS.

SUN FEB 26TH MONTHLY MEETING TO BE HELD AT COMMUNITY HALL YORKEYS KNOB, CNR WATTLE & CUNNINGHAM ST AT 10:00am.

AT ANY STAGE ON THE DAY OF A RUN IF THE WEATHER LOOKS DOUBTFUL PLEASE CONTACT EITHER JAMES ON 0417451676 OR CRISTY ON 0410099053

SOME NEW EVENTS COMING
BARE FOOT BOWLS NIGHT
TEN PIN BOLWING
OVERNIGHT RUN TO MENA CREEK PUB
AMERICAN NIGHT FOOD & DRESS UP
BABINDA KAYAK FUN DAY
BATTLE OF THE SEXES NIGHT

AACCC Annual Event Calendar

Mid May – Kurrimine Beach Weekend	Queen’s Birthday weekend –Charters Towers Car Show (Could be last one seeing Queen’s birthday holiday shifts to October)
End of June – Annual Combined Clubs Sports day	4th July – American Independence Day cruise
Mid August – Cairns Swap Meet & Car Show	End of August – Warbirds and Car Show, Mareeba
Mid September – Cairns Auto Spectacular	13TH September – AACCC birthday
End of October – Willies Car Show, Atherton	Late November – AACCC ChristmasParty
December – Christmas Lights cruise	

