

4% Could Mean 30% When The Payoff Hour Arrives

On March 11, 1963, I introduced my Assembly Bill No. 1785, legally referred to as a bill relating to "Statement of Interest Charges," sometimes called the "True Rate of Interest," "Statement of Interest Charges" "Truth in Lending," etc.

The powerful and well-financed lobbyists who bitterly oppose letting people know what they pay for credit tried to discredit the bill by calling it "Chapel's Housewives' Protective Bill," ignoring the obvious fact that my bill affects both men and women.

AFTER MARCH 11, similar bills were introduced by other members of the Legislature, including A.B. 2288 by the Honorable Charles Warren, Democrat of Los Angeles, who represents the 56th Assembly District. His bill was legally described as a "Statement of Interest Charges," but it also received several unofficial designations.

THE CHARLES Warren bill was similar to mine although my bill included more drastic penalties for violations. Both bills were set for hearing by the

Assembly Committee on Finance and Insurance on Tuesday, May 14, at 3:45 p.m., but the bill by Assemblyman Warren was listed first and mine second as a "special order of business," which means that the committee was serving official notice to the public in general, and the Legislature in particular, that the two bills would be given an extensive hearing. This made it possible for numerous witnesses for and against the bills to testify without being shut off on time.

ASSEMBLYMAN Warren

made an opening presentation and was followed by a large number of witnesses, each of whom presented his or her reasons for supporting the Warren bill. At least two of them included in their testimony they also supported my bill. The witnesses for the bill included both Republicans and Democrats. Most of them were there as official representatives of state-wide organizations, but they were not lobbyists, simply citizens who came to support legislation providing that people who borrow money or buy merchandise on credit be in-

formed in large-size type in the contracts and mortgages what interest they really had to pay.

For example, several witnesses testified that certain lending institutions advertise that they will lend money at 4 per cent interest in one advertisement (or television announcement) and on the same day ask people to invest money for which they will be paid 4 3/4 per cent interest. These witnesses testified that if these advertisements and television announcements were honest, anyone could borrow money at one window at 4 per cent and

then take the same money to another window or counter, deposit it, and receive 4 3/4 per cent interest, thereby making an annual profit of 3/4 per cent interest on the lending institution's money.

OF COURSE the "catch" or "joker" is that such lending institutions do pay 4 3/4 per cent on money deposited with them, but if you borrow money from them, the 4 per cent is not simple annual interest. The borrower may be required to pay a service charge of several dollars, receive less than the actual face value of the loan, and then be required to make monthly payments. At the end of a year, the borrower usually pays 30 per cent interest and not 4 per cent. The details vary from one lending institution to another, but this brief summary is typical of what happens now to many borrowers.

After the many witnesses supporting our bills completed their testimony the opposing witnesses testified. They did not mention my bill but attacked the Warren bill as "not necessary," "against the American free enterprise system," "difficult to enforce," etc.

WHEN THE opposing witnesses were through, Assemblyman Warren made a brief closing statement and the committee voted to send the bill to the Rules Committee for assignment to the appropriate committee for interim study. It was then about 5:30 p.m. At my request, the committee postponed hearing my bill for one week, that is, on May 21, but the action of the Assembly Committee on Finance and Insurance in sending the Warren bill in "interim study" was merely a polite way of killing the Warren bill and giving me a polite hint of what would happen to my own bill.

Finally, at this writing I do not know my next step, but I shall continue to fight for the right of the people of California to know the true rate of interest on loans or merchandise bought on credit.

LIFE'S LIKE THAT By FRED NEHEI



"Why... it's payday of course!"

TALK OF THE WORLD

TOKYO, Japan—Although occupation set Japan on the road to true democracy 18 years ago, criticism is mounting that the nation is gradually reverting to its old status as a feudal power.

Except for a few months, the central government has been in the hands of the conservative Liberal-Democratic party since the end of the war in 1945. At the same time, well over three-fourths of the nation's 46 prefectural governors during the postwar period have come from the ranks of the ruling Tories.

It may be stretching a point to compare, as some have done, the prime minister of the feudal "shotgun" (military-political ruler) of the Toguwa Era (1615-1868), but the resemblance of the prefectural governors to hereditary "daimyo" (holders of large fiefs) is so striking it cannot be ignored.

Five governors have been re-elected in quick succession since the first of the year—to their fourth four-year terms. The election of 19 more governors is set for April 17—two of them will be running for unprecedented fifth terms.

Autonomy (Home) Minister Kosaku Shinoda has been an outspoken critic of even a third term for the governors. Prime Minister Hayato Ikeda, on the other hand, argued that it all depends upon the personal qualities of the man. Ikeda then proceeded to go out and cheer on the fourth-term candidates.

Since most of the incumbent governors are members of the ruling Liberal-Democrats, they push the slogan: "Local government with direct connections with the central government."

Japan's 1.3 million retail grocers are up in arms over attempts of big U. S. supermarkets to set up shop in this country. Some 3000 retail dealers staged a national rally in Tokyo and Osaka recently, demanding government action to prevent the invasion of such well-known chains as Safeway, A&P and the Jewel Tea Co.

Results came quickly. Masaki Hizume, director of the Small and Medium-Sized Business Agency, announced that he had persuaded the Sumitomo Trading Co. to abandon plans for a joint venture with Safeway.

The Socialist party also plans to submit a bill to the current Diet session prohibiting the establishment of new supermarkets backed by either foreign capital or by large financial interests.

Sumitomo laid plans for the Safeway tie-up last November. The deal seemed completed when Safeway executives visited Japan at the end of the year. Other joint ventures include Mitsui Bussan with A&P and Nishimura Co. with the Jewel Tea Co.

According to the 15,000-member Federation of Retailers Assn., supermarkets in Japan with annual sales of more than 100 million yen (\$278,000) have grown from 190 to 400 since the end of 1961. Most of them are operated by department stores, fishery firms and private railway interests.

The Japan Self-Service Assn., however, points out that the supermarkets now account for only four to five per cent of food sales compared to 70 per cent in the United States. It hopes to boost this figure to 50 per cent in the next seven years.

Actually, these small retail grocers are not really opposed to supermarkets in Japan—they just want the market to themselves. They are already laying plans to set up their own grocery stores. Sumitomo, in turn, has agreed to supply goods to these collective supermarkets and serve as their business consultant.

Choir Chosen for Holy Ghost Rally

The 25-voice choir of Ambassador High School (Assembly of God) has been invited to sing at the Memorial Day Holy Ghost rally to be held May 30 in Angelus Temple, Los Angeles, headquarter church of the Foursquare denomination.

BEFORE YOU TURN IN, CHECK UP!



PROPERLY DISPOSE OF BURNING CIGARETTE BUTTS AND SEE THAT APPLIANCES (SUCH AS ELECTRIC IRON AND COOK STOVE) ARE TURNED OFF. PREVENT FIRES!

Law In Action

Our founding fathers feared that the separate states might erect trade barriers between each other. Seaboard states might tax imports and hurt inland states, or all states might tax trade passing through and thus slow down business.

So the U. S. Constitution curbs some kinds of state taxes. For example, "No tax or duty shall be laid on articles exported from any state (to another state). And, no preference shall be given by any regulation of commerce or revenue to the ports of any state over those of another; nor shall vessels bound to or from one state be obliged to enter, clear, or pay duties in another."

BUT STATES need money. People in interstate or foreign business should pay some of the state tax burden. How does this work out?

A recent case shows how: To escape state taxes, one Iowa firm contracted, sold, and delivered cement through salesmen who worked in Minnesota.

Could Iowa tax the income from these interstate sales? Yes, said the U.S. Supreme Court, at least in part.

California has one formula. Other states have others, for dividing the taxed income on interstate trade. The U.S. Supreme Court, as a rule, upholds these formulas if they are fair.

States can't put an unfair tax burden on interstate commerce since our policy from the beginning has been to let trade flow freely across state lines. Recently Congress set some limits on state taxation of interstate business.

THUS, IF YOU ship goods from one state to another, or to a foreign land, California can't tax these goods in transit now, even if they are delayed a bit enroute.

As a rule, the Supreme Court stops states from taxing people unless they have an opportunity to get some benefit or service from the state; just living or working in California with its services and protections at hand is enough to warrant an income tax.

Note: California lawyers offer this column so you may know about our laws.

! THERE'S BIG NEWS THIS WEEK-END AT VON'S & SHOPPING BAG



Another Exclusive Offer At... **VON'S and Shopping Bag**

Triumph FINE AMERICAN SNOW WHITE CHINA BY HOMER-LAUGHLIN CO. One Of the World's Largest Manufacturers Since 1871

FREE! 7 PIECES WORTH \$5.40



ON THE VON'S & SHOPPING BAG COUPON PLAN, ASK ANY CHECKER FOR YOUR FREE COUPON BOOK.

1 PIECE FREE EACH WEEK FOR 7 WEEKS

On Von's & Shopping Bag Coupon Plan PLUS The Opportunity To Purchase More Of These Fine China And Serving Units At **SAVINGS up to 60%**

Ask Any Von's & Shopping Bag Checker For Your FREE CHINA COUPON BOOK! Here's How It Works!

Beginning Thursday, May 23rd you will receive ONE PIECE OF TRIUMPH SNOW WHITE AMERICAN CHINA FREE with \$5.00 purchase — each week for 7 consecutive weeks. Simply present designated coupon from this book during week specified to any Von's and Shopping Bag checker. You may select additional duplicate pieces of FREE units on dates featured at SUPER SAVINGS PRICES with each \$5.00 purchase. Complete units are available at SUPER SAVINGS from May 23 thru Oct. 16 without making additional purchases.

FREE! THIS WEEK'S OFFER MAY 23rd-MAY 29th

DINNER PLATE \$1.25 VALUE 10 INCH SIZE FREE

With Coupon No. 1 and \$5.00 purchase. Coupon valid only during period specified thereon. Coupon has no cash value. Non-negotiable, non-transferable.

MEAT CHOICE HUCK STEAKS \$9.95/lb.

Ground Round 69¢
FRESH, LEAN... BEST FOR BOQ BURGERS

Roasting Chickens 49¢
FRESH, CALIFORNIA GROWN, 4.5 LBS. AVG.

Frying Rabbits 57¢
FRESH-TENDER & FLAVORFUL—CUT UP

Sliced Bacon 49¢

RATH BLACK HAWK 1 LB. PKG.
From the Land of Corn

Fully Cooked Red Dainties 69¢

Seafood Sea-lections

Fresh Salmon Steaks 1 LB. \$1.09

Fresh Sliced Barracuda 1 POUND \$1.49

In the Frozen Food Cases

BREADED SOLE 1 LB. PKG. 69¢

BREADED HALIBUT 1 LB. PKG. 79¢

T&M Veal or Beef Cutlets 89¢

Big Dollar Buys!

MUSHROOMS 4 for \$1.00

APPLE SAUCE 5 for \$1.00

STRAWBERRIES 5 for \$1.00

CARNATION MILK 7 for \$1.00

C-H-B MAYONNAISE 29¢

Fine Flavor, Smooth Texture

24 OZ. JAR

SAVE 10%

Gordo's MEXICAN DINNERS 39¢

Beef or Cheese Enchiladas, Chili Rollano, Tacos or Tacomele Dinners, Frozen, 12 Oz.

Oh Boy FROZEN PIZZA 69¢

Cheese Pizza 18 Oz. Size

Pepperoni Pizza 19 Oz. Size 79¢

J & J FIRST AID KIT 59¢

Compact, Convenient, Complete

Ideal for Home, Auto, Outings, etc.

CONTAINS 23 ASSTD ITEMS

\$1.29 Value

Southern California Best!

Mazola Margarine 1 LB. PKG. 39¢

Lipton Inst. Tea 1 1/2 OZ. JAR INCL. 5¢ OFF 44¢

Lipton Inst. Tea 3 OZ. JAR INCL. 15¢ OFF 79¢

Red Heart Dog Food 2 1/2 LBS. 33¢

From May 30 thru June 5 **88c CUP FREE** With Coupon No. 2 and \$5.00 Purchase.

From June 6 thru June 12 **45c SAUCER FREE** With Coupon No. 3 and \$5.00 Purchase.

From June 13 thru June 19 **\$1.10 SOUP-CEREAL BOWL FREE** With Coupon No. 4 and \$5.00 Purchase.

From June 20 thru June 26 **45c Bread & Butter Plate FREE** With Coupon No. 5 and \$5.00 Purchase.

From June 27 thru July 3 **80c SALAD PLATE FREE** With Coupon No. 6 and \$5.00 Purchase.

From July 4 thru July 10 **55c Fruit-Dessert Dish FREE** With Coupon No. 7 and \$5.00 Purchase.

COMPLETER SERVICE PIECES ARE AVAILABLE MAY 23rd thru OCT. 16th—NO ADDITIONAL PURCHASE REQUIRED!

Vegetable SERVICE PLATE Only 99¢

\$2.40 SAUCE-GRAVY BOAT Only \$1.19

\$2.20 Covered SUGAR BOWL Only \$1.29

\$1.25 PICKLE-RELISH DISH Only 69¢

\$1.85 Utility CREAMER Only \$1.19

\$3.00 SERVICE PLATTER Only \$1.49

Pick-up your free china coupon book at your nearby Vons & Shopping Bag market today! Coupon books available for 7 days—May 23rd thru May 30th, 1963.



1260 W. REDONDO BEACH BLVD.—IN GARDENA