

# Tight Money Sends Home Finance Charges Soaring

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If you have tried to borrow money to purchase a home, or buy any other commodity, within the last few weeks you probably were amazed at the interest rates being charged.

Savings and loans who were charging 6 per cent interest a few weeks ago, are now charging 7.2 per cent and 7.5 per cent interest for comparable loans.

FHA and VA loans which were 5 3/4 per cent and 5 1/4 per cent interest respectively are now 6 3/4 per cent and 5 3/4 per cent. Loan charges now are anywhere from 2 per cent to 8 per cent depending on

the type of financing involved. Many properties with good low interest, cease to be of value to a new buyer as many lenders are raising the interest rate before allowing the existing loan to be assumed.

Realtors, bankers, and financiers are all asking what's going on? Can the money market fluctuate so drastically and still be the pillar of strength of our economy? Has the federal government tightened money deliberately to curb inflation, or has management of savings and loans been too liberal with loans and has not been receiving the return required to operate profitably? These are some of the many ques-

tions being asked by concerned businessmen.

ONE OF THE largest savings and loans cannot honor previous loan commitments to borrowers. Still others have completely gone off the market as lenders. Several companies have laid off escrow officers, appraisers, and related personnel required to make loans.

Savings and loans cannot loan money unless they have depositors. For many years the interest paid depositors by savings and loans was much higher than banks were allowed to pay. Today there is little difference between a savings account in a bank or one in a savings and loan. For some unknown reason if the return is the same people would rather save with a bank, although both have insured accounts by the Fed-

eral Government. Banks in California are not as active making real estate loans as their charters give them more flexibility. Consumer credit will be bleeding money from the housing market for some time in the future.

IT'S BEEN said by more than one economist that California's phenomenal growth is due to the large sums of eastern money pulled into our savings and loans because of the high returns paid. Eastern banks and California banks now competing for depositors, would suggest California must be losing many millions of dollars in deposit which would normally go to home financing. Why send money to California from New York if you can receive the same returns in New York.

One could write for hours about the money market, about what affects it, and never cover every facet. The President has called for a curb on the inflation and he has the power and agencies to assure his wishes are carried out. Most realtors and builders would agree there was

very little inflation in Southern California in the field of real estate during the entire year of 1965. Some day someone, will understand what's good for one part of the country is not necessarily good for another. It is this writer's hope that whoever the person may be he will not only understand it but do something about it.

IT DOES not appear interest rates or loan charges will be reduced in the near future. On the contrary they will reach an all time high for modern society. It would behoove those thinking of buying or selling to do so as soon as possible. Call your realtor for his advice and experience.



FRED L. FREDERICKS

## Garden Checklist

1. Perennials that can go in now are pinks and carnations, penstemons, verbena and fibrous begonias. This is the time for starting young chrysanthemums from plant bands, so check with your nursery for different varieties that will keep you in chrysanthemum blooms till Christmas.
2. If you're a hillside gardener, bind up soil on banks with the kind of ground covers that root as they spread. Small, well rooted plants set out close together now will be well-established and "holding their own" by the time fall rains come.
3. The spring rush of growth is underway, and the weeds are thriving too. Keep them from taking over by pulling shallow-rooted ones by hand, attacking stubborn ones with a good, sharp hoe, and using selective weed killers in lawns, and ground covers.
4. Look for blue, yellow, pink and white Marguerites to add great splashes of color to your deck, patio or perennial border. They like lean soil and thrive on little water.
5. This is the best time to plant, transplant or separate bamboo. To give the plants a good start, mix peat moss and ground bark into the soil where they are to grow. You'll find a large selection of this tropical plant at the nursery in all sizes — from dwarf types to giants.

## Candidate Addresses Builders

"Realistically, reapportionment is a long overdue political recognition of the change in our economic base from agrarian to industrial," Lloyd A. Menveg, former president of the Los Angeles Harbor Commission and a candidate for the State Senate in the 32nd District, has told the President's Council of the California State Builders Exchange.

Menveg, seeking the Democratic nomination for the State Senate in the 32nd District, was invited as guest speaker by Frank D. Corbett, executive director of the Exchange, which is composed of 30 area organizations that include 15,000 California firms connected with the building industry. Headquarters of the Exchange are in Sacramento.

Pedro, chairman of the President's Council, introduced Menveg to Council officers, directors, and members attending the statewide quarterly meeting at the International Hotel in Los Angeles.

Citing Menveg's background in real estate and land appraisal, and his experience in developing world trade and harbor area industry, Culley said, "We have enough lawyers in the legislature who know how to write laws. What we need is a businessman of Lloyd Menveg's caliber to determine what laws should be written for the best interests of the overall economy."

"You can't put new wine into old bottles," Menveg said. "Many of our present difficulties and maladjustments have arisen because George Culley of San too many of our state laws—

especially in regard to property taxes and the distribution of state tax funds — are based on our early agrarian economy, and are therefore inadequate to solve the new problems that our 20th century industrialization has brought about."

Major changes advocated by Menveg were uniform statewide assessment ratios, a property tax ceiling of 1 1/2 or 2 per cent of market value, and revision of the formula for distribution of state gasoline tax revenues to return these funds to counties in the same proportion as they are paid in.

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## Montgomery Senior Class Schedules Prom on Friday

Now that third-quarter exams are behind, seniors at Bishop Montgomery High School are looking forward to "A Time to Remember."

"A Time to Remember" is the theme of this year's Senior Prom, to be held next Friday at the Bel-Aire Bay Club in Santa Monica. Terry Bialecki, chairman, said the prom will get under way at 8 p.m.

Keith Williams' Band will play for some 200 seniors who will dance beneath garlands of flowers being created by Jeanine Coast and her decorations committee. Most popular songs, voted on by the class, will include "Moon River," "Theme from a Summer Place," "Summer Time," and "A Time to Remember."

Prior to the prom, the junior class at Montgomery will sponsor a reception for seniors. The reception will be held on campus in the library, where junior girls will serve cookies and punch.

## North Students Set Pre-School

Members of the Modern Living classes at North High School will conduct a pre-school session May 24 to 27 and May 31 to June 3. Applications for registration of children may be obtained from Joan Fabreque, class instructor.

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