Your Money's Worth

By SYLVIA PORTER

How To Tell the 'Truth In Lending'

The "Truth In Lending" bill–under which all lenders would be required by Federal law to tell you, the borrower, what you are being charged for credit in terms of dollars and cents and a simple annual percentage rate on your unpaid balance–is apparently to stay bottled up in a Senate subcommittee for the rest of this session of Congress. So, you'll have to continue to police your own credit deals and see to it that you don't pay a lot more interest than you need to or suspect on your on-the-cuff purchases.

Most Americans think they know what they're paying in interest when they borrow to buy anything ranging from a toaster to a car or house; few do, and their own ignorance often costs them utterly unnecessary and startingly big sums. Most claim to understand that nothing-down-take-a-lifetime-to-pay transactions are expensive; few do understand just how exypensive this way of financing is.

The Truth In Lending bill isn't dead and, in fact, public hearings are slated to begin on it in Washington on May 8. Originally proposed by Illinois' Democratic Sen. Paul Douglas, the bill received a powerful push last month when President Kennedy included a plea for its passage in his catch-all "Protect the Consumer" message to Congress.

But the Douglas subcommittee is itself badly split over the bill, and opposition to it is acute among a broad cross-section of businessmen and financiers. No one publicly disagress with the principle of full disclosure of what consumers are charged when they borrow. (Who would dare oppose truth in lending?) But opponents insist that in some types of installment loans, it's impossible to express the charge in terms of a simple annual rate and many retailers couldn't comply with the law. They forecast that instead of helping consumers to shop more wisely for credit, it would confuse them more, for retailers would bury the charges in the prices of goods and services. With this sort of opposition, the odds are against this bill now.

Since, therefore, you'll probably have to be your own sleuth, here's a short guide through the bewildering maze of loans available to you today and the rates charged.

If you borrow $100 for a full year at 6 per cent and pay back $106, at the end of 12 months, your interest is what it seems to be–a simple 6 per cent. You've had the use of the full $100 for 12 months, you pay your $6 at the end, the 6 per cent is the true rate.

If you borrow $100 for a year at 6 per cent, pay the $6 in advance and pay off the loan in 12 monthly instalments, your rate is roughly double the figure quoted. You pay off half your loan in six months, you have the use of an average of around $50, not $100, for the full year and you paid the $6 in advance. Your true rate of interest is a bit more than 11½ per cent.

If in addition to the $6 you pay in advance on the above loan you pay a $2 investigation fee, your true rate is higher. You get $92, you pay back 12 monthly amounts of $8.33, your rate of interest over the year is 15.7 per cent.

If you borrow under one of the popular "1½ per cent a month" arrangements–or 2 or 2½ or 3 per cent–your interest is considerably higher. For 1½ per cent a month multiplied by 12 months, works out to 18 per cent a year, 2 per cent a month works out to 24 per cent a year, 2 per cent comes to 30 per cent and 3 per cent comes to 36 per cent over the year. And don't kid yourself on this.

Almost half of America's families use instalment credit, and this type of borrowing alone totals close to $43 billion. The invention of instalment financing has been one of the greatest contributions of our century to our high living standard and economic prosperity. Its benefits far outweigh its costs to consumers.

But, of course, there's no justification for your having to pay unnecessarily high rates for the privilege, no reason for you to be ignorant of what you're paying. Shop for credit with the care you shop for the car or TV set you buy with the credit. Compare costs on various types of loans before you sign a contract. You'll save plenty.

Saturday Events To Mark Council's 50th Anniversary

Rogue River Council of the Knights of Columbus, Medford, will celebrate its 50th anniversary Saturday, April 28, with events throughout the day, climaxing with a dinner.

Events are being arranged under the co-sponsorship of John L. Hochstatter and Bill Dugan.

Mass will be celebrated at Sacred Heart church at 10 a.m., followed by a no-host breakfast at Stanley's restaurant.

The early part of the afternoon will be devoted to visiting, including tours of the Rogue valley and stops at the new St. Mary's High school and the council building now under construction.

At 2:30 p.m. council members and visitors will view the annual pear blossom festival parade in downtown Medford.

From 6 to 7:30 p.m. a social hour has been planned in the Starlite room of the Rogue Valley Country club. The anniversary dinner will be served at 7:30. Guest speaker at the dinner will be the Rev. Howard Kenna, president of the University of Portland.

Reservations for the dinner may be obtained by writing to John Mansfield, 201 Crater Lake ave., Medford.

According to Dugan, only two charter members of the Rogue River council are living. One of them, Jens Jensen of Medford, will be at the anniversary celebration. The other is Guy Conner of Portland.

Corvallis Business Firm Damaged by Fire

Corvallis – (UPI) – A fire damaged the Star Trading Center, an electrical appliance firm, here Sunday

The inside was badly blackened. The cause was under investigation.

Red Cross To Host Field Director

Jackson County Red Cross chapter will be host to Red Cross chapters representing 13 counties in Oregon on Thursday, April 26, at the Red Cross building, 60 Hawthorne ave.

Guest speaker will be Ed Siemons, Red Cross field director at the Portland Air Force base, who has recently returned from duty in Europe. During his stay in Germany, as a field director near the East German Border, he accumulated many color slides of service men and their families showing their living conditions and other activities.

The program starts at 10 a.m. and the public is invited to attend the morning portion of the program.

Following lunch, the Red Cross representatives will be taken on a tour of the Veterans Administration domiciliary. Guests desiring to view the slides and to hear Seimons' program as well as remain for the luncheon, are to call the Red Cross chapter SPring 2-4405 for reservations.

Apartment Fire Takes Two Lives

Milwaukee, Wis. – (UPI) – A predawn fire burned out a three-story brick apartment building today. Fire department officials said two persons perished in the blaze and six others were hurt.

The county medical examiner's office would confirm only one death, that of Mrs. Olga Gross, 66, whose body was found in a second-story flat.

Authorities said the blaze, which started in a first-floor storeroom and burned upward through the walls of the structure, was discovered by one of the residents about 3 a.m.

Firement said they didn't know the cause of the blaze, which caused an estimated $50,000 in damage to the building.

The Family Council

Editor's Note: The Family Council consists of a judge, a psychiatrist, three clergymen, three editors and a woman's editor. Each article is a summary of an actual case history. The Council reports on problems that have been deal' with by responsible agencies and counselors. (Copyright by General Features Corp.)

Frances Y.—She's taking a job away from a woman who may need the money.

Grace G.—I want to get back into the thick of important doings.

* * *

Frances Y.—Grace has been my close friend for 20 years. We're both in our 40s and our children are grown. In our spare time we've been helping to run a thrift shop to provide funds for a mental health clinic in our neighborhood hospital.

Now Grace wants to desert me and the committee to take a job with pay. She doesn't need the money. Her husband, like mine, has a fine going business and provides well for his family. I think she's doing an unwise thing from three angles: taking a job from someone who really needs it, taking on new headaches and forsaking the important work she's been doing where she's needed urgently.

* * *

Grace B. — How can one person, even one who knows me as well as Frances, tell what another person really needs?

True, I may not need the money of a paying job, but I do need the satisfaction of knowing my services have some value in the business world. Since I went directly from the support of my father to the support of my husband, I have never had the thrill of earning a regular salary. As a student, I held a few part-time jobs, but I want to see how I fare now as an adult worker.

According to the wants ads, I won't be depriving anyone. There are plenty of calls. And while I'll still try to pitch in as a thrift shop volunteer, I'm eager to try a schedule that's strictly business.

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The Council: What Grace calls a "schedule that's strictly business" is maintained by hundreds of efficient volunteer workers who, as the backbone and elbow-grease of most community improvement projects, crowd high-caliber service into their no-cash return careers. So Grace's proposed switch from non-paying volunteer work to time-clock punching is prompted, we gather, by curiosity about a world she has never known—not by a desire to be more businesslike.

Of the arguments "contra," advanced by friend Frances, we'll buy only one—that is Grace's possilble illusions as to what the workaday world demands, the new headaches she may be inviting. After years of being able to lie down at home when tired, break appointments, beg off commitments, run over to a neighbor on impluse and being boss of most of her hours, can she learn to jump into trim costumes, bolt breakfasts and show up bright and ready each morning at 9?

Also, will the sketchy (by comparsion) attention to her home make the place depressing to her and her family, bring it an ophaned look? Even with outside help, a household doesn't have that serene purring one an on-the-scene housewife can give it.

France's attack on the financial injustice of a woman working for money she doesn't need is not valid. As Grace says, who's to determine "need"? She may "need" to convert her contribution to the thrift shop from services to cash! While she may not need dollars for bread, she may need the lift that comes from having her own funds for extra's with which to surprise her husband and family. In the present labor market, there are jobs for women, skilled and unskilled—especially part-time ones — in abundance.

We trust that Grace will "tithe" with her time for volunteer work, that is, give a tenth at least, if not more. But we understand her desire for the varied contracts, the on-your-toes stimulation, the energizing challenge of outside employment, and we wish her well.

Couple to Attend San Diego Convention

Mr. and Mrs. H. A. Mauck of the Medford TraveLodge will leave this week end to attend a three-day co-owners conference to be held at TraveLodge headquarters in San Diego, Calif., April 29 through May 1.

Mauck is an alternate committeeman for the TraveLodge corporation in the Pacific Northwest area.

More than 400 co-owner partners from all over the country will attend the conference.