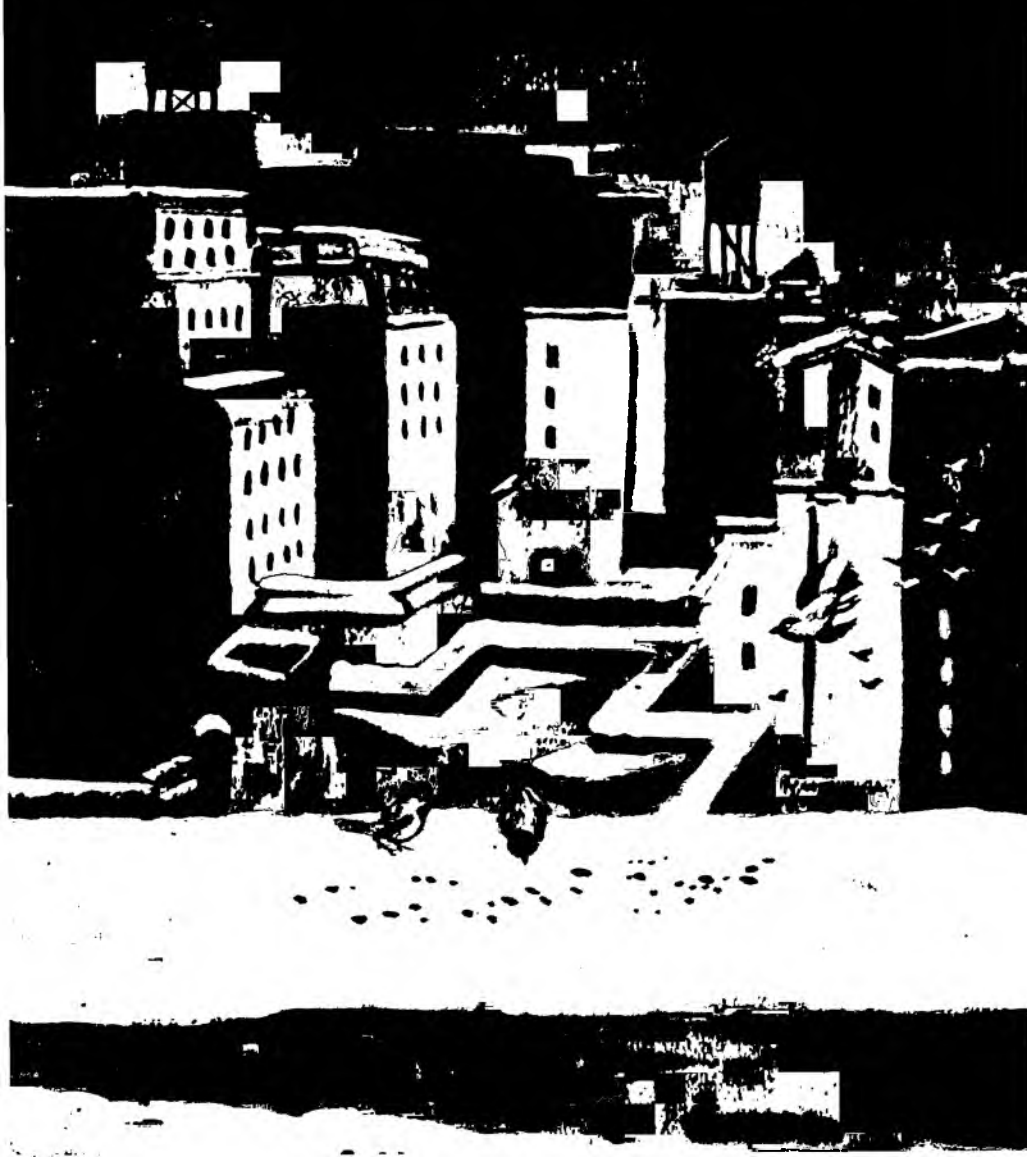


EVERYBODY'S MONEY

Winter 64-65

A MAGAZINE FOR CREDIT UNION MEMBERS



Happy Holidays

AND AFTER!

You're going to need cash come January—that is, if you hope to take advantage of sales that come every year at this time.

If you planned ahead to save for this purpose, you're one up on this message.

If you just couldn't resist buying more presents than you planned and the money went faster, then you may have to skip this year's sales. But if you think you can manage to pay back a loan, then see your credit union first.

Come in and talk to your treasurer. Talk over your plans to buy and save in a sale (see page 11 in this issue for a list). You talk in confidence with your credit union treasurer and your affairs are treated the same way by the credit committee. Straight talk and good dollar sense. Your character counts most when they grant a loan. If you're about to spend more than you can manage, the credit union will tell you in a friendly way.

When you get a loan from your credit union, your money and your fellow members' is yours to use—wisely, of course. The rate you pay to use the money is low, too; and almost always your credit union provides life insurance to protect you and the loan. There's no extra charge to you, either.

So make it a happy holiday and keep your credit union in mind, come January and February, too.



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Everybody's money

WINTER 64-65

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THE

That ting-a-ling on the telephone—does it jingle for you or jangle your nerves with nuisance calls to sell you anything from dance lessons to carpets to cars?

A rising tide of complaints to telephone companies, Better Business Bureaus, and state attorney general offices indicates consumers are tired of picking up the receiver to find themselves at the other end of a hard or fraudulent sell. More and more, consumers want something done to stop practices that are serious invasions of privacy.

A phone call is often the first step into entanglement with a costly "deal." "Our experience is," according to Vincent W. Thorpe, Assistant Attorney General of California, "that the telephone does constitute a major factor in many, if not most, consumer frauds."

Most startling device used by telephone hucksters is one that dials 1,000 homes a day, delivers a recorded message, and doesn't

react one bit to what's said by the person who picks up the receiver.

Most commonly used by telephone con-men is the boiler room. In this operation a battery of phones — maybe 10 to 20—is used to call potential leads and to make demonstration appointments. Many home improvement concerns also use this mass-attack approach to selling over the phone. Boiler room operators (in this case not telephone company employees) make victims of local merchants, consumers, and employees who man the phones. Two cities in Wisconsin recently were taken in by a "boiler room."

Another telephone selling trap is the phony television survey that is really a means of getting leads for a salesman, for example, of aluminum siding. Such "survey takers" use the names of nationally known aluminum companies, which have nothing to do with the offer. The telephone solicitor tells you that you've been specially selected (not true),

TELEPHONE SELL

you'll get a special discount (you don't), and you'll be given cash for "permitting us to demonstrate the aluminum siding to you" (if you do make the purchase and get cash, "the sum is included in the repayment contract and at usurious interest rates," the California Department of Justice told *Everybody's Money*.)

One wonders if P. T. Barnum invented the telephone.

Phony contests or offers to give you free dance lessons or a slick line that says you've been chosen to receive a gift—when you hear these on the telephone, don't rub your eyes in wonder. You're safer if you hang up before the smooth talker at the other end of the wire can say another word. The list of telephone snares used by shady promoters is long and varied, so you have to listen carefully and hang up fast.

Unfortunately the bad image is carried over in the minds of people who are called by legitimate businesses. Even so, more

and more of such firms are stepping up aggressive telephone selling. Their offers may be on the level, but when the phone rings—and you have to answer and often refuse the offer—that's a nuisance in itself.

Pleas by consumers to halt such use of the instrument have put telephone companies on the spot. On the one hand phone companies usually must provide service for legitimate purposes. (Monitoring and finding the unscrupulous and unethical user is a difficult job at least.) On the other hand the phone companies are under the pressure of subscriber dissatisfaction.

If you're pestered, the phone companies advise, hang up. Yet the individual subscriber is at a disadvantage when the telephone seller or solicitor has the use of Wide Area Telephone Service. Some phone companies offer this service of unlimited calls anywhere in a WATS area at a fixed fee. A "magazine salesman" in

Milwaukee thus can call, and has called, dozens of numbers in Madison, 75 miles away. A boiler room in Nevada can call an unlimited number of homes in Los Angeles, across state lines, thus making it more difficult for state regulation. WATS can be a benefit to welfare and other community service organizations. But it can prove a pain in the ear to a young housewife whose dinner burns while some nervy salesman fiddles his message for five minutes.

WATS rates are not low. In Wisconsin, a telephone seller can get a WATS line for long distance service, outgoing calls only, and only one conversation on the line at a time, for \$600 a month. (Rates vary from state to state.) Use of directories is billed extra. Phone company spokesmen say these charges tend to discourage or limit use of WATS by fly-by-night promoters.

All Alone By the Telephone . . .

" . . . my number one gripe is being bothered by business firms making a survey, only to discover they are trying to give me a sales pitch . . . "

" . . . Get rid of high-pressure, smooth-talking salesmen who interrupt the day—they are irritating . . . "

" . . . please save the housewife from the constant annoyance of . . . 'you are the lucky winner' rackets that plague us each day . . . "

" . . . Some of these (soliciting and advertising) people are insolent and rude. We feel this is an invasion of our privacy . . . "

Consumers, telephone companies, and state legal departments are making efforts to curb telephone selling. One man in California tried to get the phone company to print an asterisk alongside his name in the directory. This would mean that he or any other subscriber with the same designation did not wish to be sold or solicited over the phone. The utility company in the area testified this would be very expensive to do. However the state is considering the idea.

One Man's Answer to bothersome telephone pitchmen: When he receives their calls, he reads this message back to them, singsong style: "I am of the opinion that your method of telephone advertising for either commercial or charity purposes is an infringement of the right of privacy a person expects in his home. Mail your request if you like, but please do not call again. This is a recorded announcement." (from *The New Yorker*)

Two Midwest phone companies said they check business and credit ratings of applicants for solicitation use of phones. If one turns out to be a bad egg, his name and business is publicized throughout the phone industry. Even though out-of-state telephone sellers register with the local BBB or C of C, make a deposit with the phone company, and show good bank ratings in other states, some swiftly "sack" a town and then move on, according to a phone company's marketing specialist.



Two phone companies answer criticism by declaring: "We do not stimulate telephone selling to residents. But we do stimulate business-to-business selling."

The largest telephone system in the United States tries to teach businessmen how to use the phone properly. One of its recommendations is that the seller "stick to the truth. A statement that doesn't ring true casts doubt on everything you say. Register your campaign with the Better Business Bureau or the local Chamber of Commerce and invite prospects to check with them." This is a valuable tip to consumers as to merchants on the up-and-up or dishonest callers.

If you don't hang up, but feel the caller is offending, report the incident to the telephone company, the BBB, your state or city legal department. A number of states have anti-fraud laws on the books and consumer protection units in the state attorney general's office. These can be used

by unhappy telephone subscribers annoyed by invasions of privacy.

If the seller is in a legitimate business, inform him that you don't want to be bothered with phone calls. Any selling message can come in the mail, if you want it that way. Most reputable business firms will respect your feelings and change their methods accordingly.

Another way to separate the honest from the quick-buck artists is to ask for the name and address of the person calling. Usually the latter will hang up.

The states of California and Washington are looking into possible legislation to protect consumers against boiler room and other kinds of fraudulent and annoying telephone selling.

Short of ripping the wires out of the wall—which we wouldn't advise—your best bet is to hang up when annoyed.

Or train carrier pigeons.

[END]

If "White Christmas" is more than a song in your neck of the woods, you may be turning in your snow shovel for a snow thrower. You may want to investigate these machines before deciding on the best one for your needs.

Prices range from about \$100 to over \$400. This may be too high for one family for relatively infrequent use of the machine. You might look into buying one together with two or three neighbors and thus reduce cost to each user. If you can get a machine that helps you avoid push and

strain and a possible heart attack, it may be worth while. Ask about rental cost and compare with buying.

Snow throwers are as simple to use as lawn mowers, but they are more complicated mechanically. Manufacturers had to design a mower engine that would run cool, but would stay warm in below freezing weather. The result is the specially winterized power plant used in snow throwers.

They need low speed and high torque (rotation power) to chop out heavy, frozen snow. But at the same time, they need high

speed to throw the snow away from the machine. To meet those needs, manufacturers offer four kinds of throwers.

Rotaries, like the big highway and railway snow plows, have blades on one face of a rotating disk. The snow is scooped into the path of the blades and thrown out.

One-way augers have screw-action blades, like worms in some conveyor systems, that move the snow to one end of the machine. There, a slinger blade throws the snow out.

Two-way augers are similar, ex-

cept that the snow is fed toward the center of the machine, where a slinger blade throws it out.

Two-stage snow throwers have two-way augers which deliver the snow to a second mechanism, which then throws it out.

The simpler machines have a lower price tag and are likely to be more maintenance-free. But if you live in heavy snow country, the simple thrower may not do the job for you.

Snowfall Counts

The amount of snowfall and the area you have to clear are of paramount importance in choos-

SNOW THROWERS



ing a thrower, but capacity ratings listed in pounds, feet, shovel-fulls are largely meaningless. The capacity of any one machine depends on the depth of the snow, whether it is wet, dry, fluffy or packed, and the terrain of the area you're clearing. And remember that speed of removal is often less important than thoroughness, ruggedness and ease of handling.

Given equal power, two-way augers are likely to find the going easier in deep snow because they only have to move the stuff half as far. Two-stage machines, especially those that provide separate speeds for scooping and slinging, can usually be expected to outperform the simpler single-stagers.

Snow throwers are either hand pushed or self-propelled. If your yard is big or hilly, or you have a lot of snow to move, you'll probably want a self-propelled machine. For these, three horsepower is recommended as a bare minimum. Push-power depends a lot on wheel size — good throwers have wheels 10 to 12 inches in diameter and three inches wide. Look for heavy treads on the wheels, either knobby or herringbone. Sturdy push-rod controls for throttles and shifts are more positive and trouble-free than flexible-wire cable, which rusts out easily. And make sure you can operate the controls while wearing heavy gloves or mittens.

In some of the cheaper models the snow chute is fixed. You have

to plot your course well in advance to avoid burying the front porch or covering the path you just cleared. The two-way chute, which tilts either right or left, can cause problems in a high wind. The swivel chute is best, as it lets you throw the snow in any direction.

Look at Wheels

Look for little adjustable wheels or shoes on the scoop so you can vary its height. Some adjust as high as three inches for use on gravel surfaces. Even so, the scraper blade will eventually wear out, so be sure your machine was made by a company that is likely to be in business when you need a replacement.

Some throwers have no means of shutting off the snow-gathering mechanism without shutting off the engine. This can be a disadvantage when you want to take small bites at big drifts that the machine won't handle in one pass.

Whether a two-cycle or a four-cycle engine is best, there seems to be little debate on new or well-maintained throwers. A check of machines in advanced stages of neglect in service shops indicated that four-cycles are a bit more tolerant of abuse. With the wide choice of snow removal machines available, it will pay for you to shop around.

If you do decide to hang up your snow shovel for good, your credit union will be glad to help when you purchase the snow blower of your choice. [END]

A Guide to Winter Sales

It's a fact that you can save by scheduling your shopping to the seasonal sales. One fourth of all department store merchandise is sold at sale prices. Markdowns are greatest for clothing, least for linens.

Most stores have a "no return" policy on sale goods, so examine items carefully before you buy. Know the approximate cost of items on your shopping list so that you will recognize bargains.

One store's "10% off" may be no better than another store's regular price. If a price is unbelievably low, ask if the goods are "imperfects" (slightly irregular goods defective in color, size, or weave) or "seconds" (mended breaks or tears which would shorten the life of the garment). These may be good buys, depending on the intended use. Check on alterations and guarantees—they may not apply to sale merchandise.

A GUIDE TO WINTER SALES

January—At pre-inventory sales and storewide clearances, you will find the largest markdowns of the year. Look for low prices in men's wear—suits, slacks, shoes; women's wear—coats, dresses, lingerie, hosiery, shoes; white sales—linens, and blankets; appliances—refrigerators, freezers, water heaters, air conditioners; small appliances—toasters, irons, grills; home furnishings—curtains, drapes, housewares, floor coverings, mattresses, and furniture.

February—At Anniversary sales, storewide clearances, and Washington's Birthday sales, you will find winter clothing at greatly reduced prices. Semi-annual furniture sales of national brands offer genuine savings.

March—At Pre-Easter sales, you will find savings on boys' and men's wear. Annual sales of washers, dryers, luggage, china, silver, and gift items offer once-a-year savings.

LET THE BUYER BE AWARE

"Experts estimate that a typical family could raise its standard of living as much as 15 to 20 per cent by more careful buying habits. Houses normally sell for less in winter than in spring. Clothing bought at the end of season costs less than at the beginning. These things are elementary, but it's surprising how often elementary information is unknown or disregarded."

Orville Freeman, Secretary of Agriculture
Great Lakes Consumer Conference
Detroit, Michigan

Keep a cool head about



FROZEN FOODS

If you would rather fight than switch from fresh and canned foods to frozen foods, you have good reasons. Among them, poor products, quality variations, inadequate package sizes, brands that come and go, and high prices out of line with production costs.

You may suspect that some frozen foods, especially meat, are made from ingredients fast approaching the end of their shelf life in their fresh state. Or you may have tried the latest "wonder dish," only to discover it was neither wonderful nor convenient (some frozen products take up to four times as long to prepare as

their fresh or canned counterparts). Or you may have been shocked at the pale resemblance of the prepared dish to its colorful picture on the label.

Impressions of frozen foods may be a hangover from the early days of the frozen food industry, but many complaints hold true today. Supermarket managers, mulling over the fact that the consumer spends only \$14 per capita per year at the frozen food counter, may change at least one complaint—high prices.

A recent study conducted by Birds Eye and McKinsey & Company, an independent consultant firm, reported that frozen foods — especially orange juice, french fried potatoes, cakes, green beans, and fruit juice—were among the most profitable items a grocer could sell. Mark-ups on frozen foods were listed as high as 29%, compared with 19% for other groceries and 25% for meats. The Birds Eye-McKinsey report advised retailers to increase their profits even more by cutting their frozen food prices to get more volume and by campaigning to switch customers from canned and fresh foods to frozen foods.

Retailers claimed surprise at their high frozen food profits, but consumers who have checked the prices of frozen broccoli spears plain (18¢) and those with butter sauce (39¢) were not. You should expect to pay higher prices for frozen prepared foods than for the same foods prepared at

home. But how much more you have to pay surprises even the retailers.

One supermarket owner, speaking before the Southern California Frozen Food Council, complained that frozen food manufacturers are using the "convenience food" tag on their merchandise as an excuse to overprice them. He said that by the time the product gets to the consumer, prices are in the stratosphere. He warned that sooner or later the housewife is going to say—"What's wrong?"

The frozen food buyer of a retailer-owned cooperative in New Jersey recently announced the introduction of the cooperative's own brand of boil-in-the-bag sauced vegetables, at 5¢ cheaper than national brands. This came as a result of consumers buying plain frozen vegetables and adding their own sauces because of the prohibitive prices.

More money than time?

Occasional purchases of frozen foods will not break your food budget, especially if you stock up at promotional sales. But if you have more time than money, most frozen foods are not good buys. Exceptions: frozen orange juice, spinach, corn, and lima beans are cheaper than fresh or canned, according to a U.S. Department of Agriculture study.

If you switch:

● Compare prices of different packaged forms. One serving of

mixed vegetables can cost from 6¢ to 11¢, depending on whether you buy a two-pound polyethylene bag or a 10-ounce boil-in-the-bag package. Poly-bagged vegetables are your best buy, saving at least 5¢ a pound. Also, you can measure out what you need, thus eliminating leftovers.

● Read the label. Ingredients are listed by volume, according to law. Such terms as "heavy cream" or "rich in butter" can be checked against the actual volume given in the legal list.

● Ignore the packer's "premium" stamp and look for a USDA shield. All brands bearing this shield will be the same quality, no matter what the price.

● Check the weight. Most frozen vegetable packages weigh 10 ounces, but some weighing only 8 or 9 ounces may appear larger because of a flat, narrow box.

● Ignore the serving claims, and count on four servings per pound.

● Add your own fancy ingredients. Bits of mushrooms, peppers, almonds, onions, rice and sauces added by the manufacturer double, or even triple, the price of frozen vegetables.

● Shop for frozen foods last. Check the thermometer for a zero reading, choose only packages beneath the fill-line, pass over battered packages, and you will have a better chance of getting best quality frozen foods.

[END]

SHOULD YOU

By Jack Haskett

Whether to buy or rent housing accommodation is the single largest decision most of us will ever make. Is renting an apartment cheaper than buying a house? If you do buy, how large a mortgage can you afford? What will your monthly housing costs be?

Personal factors will undoubtedly affect your decision, but these are not easily plotted. Economic factors, however, have been

subjected to a great deal of research, and considerable data is available on them.

Housing experts use a "Relative Merits Table," which takes into consideration both economic and personal items. While the table will not hold true in every case, it does represent what literally thousands of people have found out about renting and buying. See how it jibes with your needs:

RELATIVE MERITS TABLE

<u>Item to Consider</u>	<u>House Buying</u>	<u>Apt. Renting</u>
Location: country	available	not available
suburbs	large supply	adequate supply
city	large supply	large supply
Down payment/deposits	\$500 minimum	\$300 maximum
Closing costs	\$200-\$500	nil
Neighbors	permanent	transient
Childrens' play areas	good supply	poor supply
Financing difficulties	medium	none
Maintenance work	considerable	none
Automatic "saving plan"	yes	no
Possibility of capital gain/loss	yes	no
Ease of moving	difficult	easy

RENT OR BUY?

Which type of housing is actually cheaper? The form below compares the costs of renting an apartment or buying a house. It has been compiled from many Government sources, and represents actual facts as they are, not as we would like them to be. While prices will vary from area to area, the percentages should remain relatively constant, unless there are unusual economic circumstances.

The rent costs are based on a 3-bedroom suite, with fuel and water supplied. The tenant supplies his own electricity.

The house costs are for a 3-bedroom, no-basement home. Total cost is \$16,000, which the purchaser finances with \$2,000 down, the balance by a 25-year mortgage at 6% interest. Theft insurance and telephone costs are not shown because they are the same in a house or apartment.

(Continued on Page 29)

COMPARISON OF MONTHLY HOUSING COSTS

Item	Apt. Renting	House Owning
Mortgage interest/rent payment	\$125.00	\$ 43.00
Payment towards principal/savings*	47.00	47.00
Taxes	—	20.00
Fire & liability insurance	—	5.00
Fuel	—	20.00
Electricity	10.00	10.00
Water	—	5.00
Garbage pick-up	—	3.00
Lost interest**	—	7.63
Maintenance at 3% of house value (national average)	—	40.00
Total	\$182.00	\$200.63

* The interest and principal payments on the \$14,000 mortgage were separated. The interest is an expense; the principal payments actually build equity, so it is a saving. To balance the situation the apartment dweller was "charged" with the same forced saving each month.

** The home buyer has invested \$2,000 as a down payment. If he invested this money at 4% he would receive \$80.80 yearly, or \$7.63 monthly. By having his money tied up he cannot do so, so the amount is a legitimate expense.

CREDIT UNIONS in MEXICO

A Mexican woman borrowed 700 pesos from a loan shark at an interest rate of 20 per cent a month. After paying 5,040 pesos in interest she still owed the original debt.

This is one example of the usury that credit unions in Mexico are helping to combat.

Franco Morales, a credit union volunteer in the state of Queretaro, said, "Many of our people are poor. Some rural workers earn only 5 pesos a day (40 cents U.S.). The credit union is a wonderful instrument for teaching people to help themselves."

The first Mexican credit union was organized in 1950. Today there are about 560 credit unions—more than in any other Latin American country—serving some 38,000 members. These members have about \$1,680,000 in savings and about \$2,560,000 in loans.

Perhaps the most startling thing about the movement in Mexico is that, in spite of its

growth, there are only six full-time paid credit union employees. In addition there are not more than 10 part-time workers paid for two to four hours work a day. All the others are volunteers.

This means that most of the work of organizing and servicing credit unions, and almost all education work, has to be done by people on their own time. Most of them are tired after a hard day of working with their hands, but they find time to devote to an idea they want to see benefit others as it has benefited them. This, of course, is the true credit union spirit which has made the movement what it is today, not only in the U. S. and Mexico, but throughout the world.

The Mexican movement is largely a poor people's movement, which is to be expected since most Mexicans have low incomes. They have few sources of credit. Two banks in the country recently started making small loans, but their requirements as to income and job status are so



MODERN MEXICO CITY, springing up close to the old, provides a background for these three volunteer leaders of Mexico's credit union movement. A broker, a schoolteacher, and a priest, they are devoted to building credit unions against great odds.

ARTISTS paint vivid colors on pottery produced in a Jalisco, Mexico, factory. The owner is also treasurer of the community credit union.

high that possibly 90 per cent of all Mexicans are ineligible to borrow from them.

For millions of people, there is only the private lender who operates without authority or control. Ten or 15 per cent a month is a common interest charge, but it sometimes goes as high as 10 per cent a *day*. Credit union members throughout Mexico can tell you how the credit union got them out of the clutches of loan sharks.

Today, many Mexicans have been able to go into business for themselves after years of working for others at low wages. Loans have been granted for buying taxis, starting and equipping sewing shops, and starting other small businesses.

Credit union people see many similarities between the movement in Mexico and its early days in the U.S. The need is there, and while the obstacles are great, spirit, willingness to work and dedication are in abundance.

[END]



If you suspect a food, drug, or cosmetic to be harmful, insanitary, mislabeled or otherwise unacceptable, you should report the facts to the Food and Drug Administration. Your report will not harm innocent dealers should you be mistaken. The FDA will act on its investigation, not on your complaint alone.

In major cities, the nearest FDA office will be listed in the telephone directory under "U. S. Government, Department of Health, Education, and Welfare, Food and Drug Administration." Or write to Bureau of Regulatory Compliance, Food and Drug Administration, U. S. Department of Health, Education, and Welfare, Washington, D. C. 20204.

In your report, describe the product label, code markings, name and address of place of purchase, and your complaint.



LAUNDROMAT CHEAPER THAN HOME LAUNDRY?

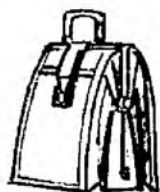
Yes, if you wash less than five loads per week, says USDA. Figures were based on appliance investments, electricity, water, detergent, and disinfectant.



Buy the large economy size! Ready-to-serve cereals in multi-packs of small boxes may cost two or three times more per ounce than the same cereal in a larger box, report food economists of the U. S. Department of Agriculture.

YOU CAN'T ALWAYS "SMELL" A BARGAIN . . .

Old cars can now have a "new" car smell, with the aid of a sweet-smelling spray. Faith Prior, University of Vermont specialist in family economics, reports two cases of persons thinking they had bought new cars who found they hadn't. The bargain-priced "new" 1962 cars had been driven 10,000-12,000 miles. But they smelled "new."



Briefcase...

TAX CUT? You may not believe it, come April 15th. Your withholding taxes may not cover the amount you owe. Reason: the tax cut dropped the rate on this year's income, more on next year's but dropped the withholding rate last March to the level scheduled for 1965.

So here are some ideas: You can increase your paycheck deductions each month in order to save now; you can change the number of exemptions on your W4 form; or, you can start making regular deposits to your credit union share accounts each payday (and earn some extra dividends besides). Or, you can arrange a credit union loan next April when you learn the bad news!

***KITCHEN CHEMISTRY**—The little white cloud that cleans so well in the tv commercials could easily invade your kitchen, if you mix cleaning agents. But chances are, you wouldn't be around to see the cleaning results. Mixing household chemicals can be deadly. Carbon tetrachloride, sodium hypochlorite, and ammonia are good cleaning agents present in many household products, but if mixed together, large amounts of ammonia and chlorine gas will be released. Rules of prevention: Use only one agent at a time and work only in open, ventilated spaces.*

SNEAK PITS, NO MORE! U. S. Grade A tart cherries now allow only one pit in 2½ pounds of pitted red tart cherries. A three-year study by the cherry industry and USDA's Agricultural Marketing Service probed cherries sneaking through pitting machines with their pits still inside. Therefore the grading. Pitting machines have now been improved and the new standards are in effect.

Still, this hasn't solved the question "how many cherries in a cherry pie?" Sen. Phillip A. Hart who has counted cherries in pies served him reports that one brand contained only 40 cherries, compared with 108 in a Senate restaurant pie.

Work at Home Schemes



EVERY YEAR the "earn-money-at-home" schemes swindle several million people out of \$500 million. These rackets use the "help wanted" columns of magazines and newspapers to attract their victims when, in fact, they have no employment to offer, but something to sell. The ads promise steady employment, high profits, guaranteed markets, and unlimited demand for finished products—all yours if you send for instructions and materials.

Those who answer these ads soon learn that the instructions are expensive—and worthless.

The Better Business Bureau reported one case in which a woman sent \$2 for instructions on how to make her spare time profitable. For \$2 she learned that since she was a housewife, surely she knew how to make pies, and she should get an automobile to peddle her pies throughout the neighborhood.

A course of instructions on renovating neckties merely told one victim that she should cut out the soiled parts of the necktie and sew the two pieces together. Still another victim received, for a fee, instructions on how to address an envelope and

how to obtain a list of names—she would have to find clients on her own.

Many promoters make their kill by selling materials and equipment needed for home work at highly inflated prices. An ad promising up to \$5 per hour for "needlework" did not reveal the necessity of buying a kit and instructions for \$39.50 to \$49.50. Even after the arrival of the kit, the victims waited in vain for the promised work. The same type scheme was used to sell knitting machines, at \$159.50 each.

People who fail to read the fine print of their agreements with such promoters are in trouble. In the agreements, the promoters state that they will buy only products that prove to be "up to our standards." Skilled sewers, for example, are amazed to have their aprons returned again and again. None are ever "up to standards." Carefully tended rabbits and mink are refused because they are "not in a healthy and marketable condition."

Growing mushrooms and orchids sounds easy when you read the ads. However the culture of these plants requires experience and skill—in addition to expensive equipment offered by the promoter. Far from bringing in "riches within a few weeks," the amateur usually is left with nothing to show for his work.

What Can Be Done?

The government and the Better Business Bureau are always

on the alert for fraudulent schemes and their promoters. But investigations take time and racketeers sometimes manage to keep ahead of the law by changing schemes and addresses. Even though a promoter is caught, those who lost their money do not get it back.

Investigate

Of course there are a few legitimate offers of home work that do not require payment of fees. You can easily check out a local firm by calling your local Better Business Bureau.

Before getting involved in work at home plans, investigate:

1. Will you draw a salary? How much?

2. If not, what will be the source of your earnings?

3. Will you have to buy instructions?

4. Will you have to seek your own market?

5. What demand exists for your goods or services?

6. Will you have to buy a sales or instruction kit?

7. What provision is made for assuring you of getting commissions due you?

8. Does the plan operate in a "chain letter" manner?

9. Can you get the names and addresses of other persons in this business? Have you checked with them to see if they made the amount of money claimed in the literature?

10. If you do invest, and if you encounter fraud, report all facts to your postmaster and your Better Business Bureau. **END**

In need of a

HOME

HU

Should your home be a desert or a deep blue sea this winter?

If the air in your home is too dry, these things may happen: you're uncomfortable, you use more heating fuel than you should, furniture joints loosen, book bindings crack, floors creak more than usual, walls begin to crack, and house plants wilt. Or veneers begin to peel, moldings shrink, leather dries out, wallpaper loosens, static sparks are common and you may be increasing your family's susceptibility to colds.

These things occur because the moisture content of cold air is low to begin with and becomes relatively lower as the air is heated. This means the thirsty air draws moisture from wherever it can: from your skin, from furniture and books, the walls, and the membranes of your nose and throat.

Add Water to Air

The obvious solution is to add water to the air, such as by means of a humidifier. But too much moisture in the air often results in condensation on walls and windows. Because of impurities in some water, walls may become discolored. Condensation can also cause window frames and sills to rot, and in extreme cases, structural parts of the house.

HUMIDIFIER?

Housing expert A. M. Watkins cites the case of a woman whose piano would not stay tuned in winter. She installed a powerful humidifier which helped the piano, but exterior paint blistered and peeled so quickly that the house required an expensive new paint job every two years.

This happens because the vapor pressure is higher in the house than outside, and vapor seeps through the walls, insulation and siding. An impermeable vapor barrier will retard this leakage, but with some loss around doors and windows.

So where do you go from here? First you should know about relative humidity.

It is the amount of moisture in the air compared with the maximum amount the air could hold at that particular temperature. The warmer the air, the more moisture it can hold. Therefore, cold air from outside, say 0° with a relative humidity of 100 per cent, brought into your house and heated to 72 degrees then has a relative humidity of only 6 per cent. The amount of moisture in the air is the same. The comparison to what the air can hold when heated explains the drastic change in relative humidity.

However, you do add moisture to the air through your everyday activities when you cook, wash, shower or bathe, water plants and even breathe. But is it enough?

In older, drafty homes without insulation, vapor barriers, weather stripping, and storm windows, the moist air escapes rapidly as the drier, colder air enters. In newer, tighter homes there is less of this exchange, but it still occurs. Perhaps all you need to maintain a satisfactory moisture level is weatherstripping and tightening up those leaky doors and windows.

Measure Relative Humidity

Best way to determine whether you need a humidifier is to measure relative humidity in your house during the coldest part of the winter. The most accurate means is with a sling psychrometer. A reputable heating contractor can usually make the test for you. During winter, the relative humidity in your home should be no less than 20 per cent. Nearer to 35 per cent is better.

The contractor usually sells the type of humidifier which operates in conjunction with the furnace. If you have warm-air heat, it carries the moisture directly to each room. This is an advantage in a big house and one where

doors are often kept closed. The disadvantage is that moisture is distributed only when the heat is on and not between heating cycles, even if needed.

Most furnaces already have a simple type of humidifier, but these are usually ineffective. Some are just simple evaporation pans, occasionally with plates to increase evaporation but still not efficiently.

Slightly better is the vaporizing type. An electric element heats the water into steam, which is then distributed with the furnace's heated air.

Most efficient is the atomizing type, which puts moisture directly into the air or sprays it first onto a filter. The latter method filters out mineral impurities, helpful in hard-water areas where these minerals may settle out as dust. With this type you can control the amount of moisture, usually according to charts supplied by the manufacturer. The charts consider indoor and outdoor temperatures and size of the home. A good unit will cost about \$100 plus installation.

The separate appliance-type humidifier is available in both tabletop and console models. The size you need will depend upon the cubic air space of your home, the severity of your winter temperatures, and the construction of your home.

If placed in the living room or a central hall, the humidifier's ejected water vapor will automat-

ically spread throughout the house. Unless, of course, you keep doors shut.

Make Sure You Need One

Before you buy, make sure you really need one. A hygrometer, although not as accurate as a psychrometer, will also measure relative humidity. Good ones cost from \$13-\$15; cheaper ones are generally unreliable. Some dealers will even lend you a hygrometer in hopes of selling the humidifier.

Also, before buying, check whether the store rents the appliance with the option of future purchase. Then if you find the unit satisfactory, the rental payments will apply toward the purchase price.

After renting the humidifier for a few months, however, you may decide you don't want it. It may not be large enough to do the job satisfactorily; or it may be more than you need and a smaller one might be better. Or you might want a less noisy model, or prefer to install a unit in your heating system.

Of course, if you live in a small apartment, your needs might be met with an ordinary vaporizer which sells for just a few dollars.

Your credit union will undoubtedly give you the best deal available on the money you need, if you decide to buy one of the expensive humidifiers and pay cash.

Now choose how to be between desert and deep blue sea.

[END]

Winter Contest Winner

A reader writes how "easy credit" isn't really easy

Dear Contest Editor:

"Buy your children's school clothes now while best selection is available---Pay later." This advertisement from one of our local chain clothing stores tempted me enough that I submitted. Nothing was said about the amount of "carrying charge" or rather, "credit service charge" which they automatically add on if the bill is not paid in less than thirty days was ever mentioned. However, luckily I checked my copy of the charge upon arriving home and discovered that although the amount I had charged was but \$6.16, including sales tax, \$5.98 for the merchandise purchased and 18¢ sales tax, the charge for this small item if not paid for within thirty days would be 94¢!

It seems to me that practices such as this are tantamount to highway robbery, as this exorbitant rate of interest is approximately 16% for going just a little over thirty days in a charge account.

I have learned my lesson, and will, in the future, check much more thoroughly before charging any item anywhere. Also, I saw to it that this bill was paid in much less than the thirty days' grace allowed. Live and learn, as they say.

Mrs. James E. Hoye
Marion County Teachers' Credit Union
Ocala, Florida

Cost of credit

In your Autumn issue you have a very informative article captioned "Know The Cost Of Credit".

Your "typical credit charge" chart is correct as it compares the annual rate, when charges are based on the beginning amount owed and to which we refer to as "add on interest", to an annual simple interest rate when considering the repayment period to be based on a 12 monthly principal plus interest basis.

"The "How to Figure Dollar Cost of Credit" example is incorrect however since you have simply projected the 12 month repayment comparison to one of 18 months. When you get into any monthly repayment period longer than 12 months the annual add on interest rate, when converted to an annual true simple rate, is higher than the 12 month basis and continues to grow as the time limit is extended. Based on an 18 equal monthly repayment plan, as shown in your example, the 8% add on interest rate actually amounts to a 15.2% annual simple interest rate instead of the 14.8% shown.

We can check these figures by using the formula for figuring the annual simple interest rate for any time period or amount when based on a monthly repayment schedule.

Formula:

$$2 \times 12 \times \text{Cost of Loan}$$

Amt. of Loan X (no. payments plus 1)
equals annual simple rate.

In your 8% add on interest example
it would figure:

$$\begin{array}{r} 2 \times 12 \times 34.56 \\ \hline 288.00 \times 19 \\ \hline \text{or } .1516 \text{ or } 15.2\% \end{array} \quad \begin{array}{r} 829.44 \\ \hline 5472.00 \end{array}$$

This same loan thru a credit union based on the principal plus interest plan would only have cost the purchaser \$27.36 compared to his charge of \$34.56. The credit union loan would have also provided any type life and disability insurance which

the individual credit union might offer, with some exceptions, at no individual additional charge on the loan. Had the purchaser bought an outside policy to cover this outside loan it probably would have cost him another 1% for life insurance alone.

We enjoy your magazine very much especially the way a definite stand is taken on the issues.

E. J. Robinette

R.M.B. Employees Federal
Credit Union

Bristol, Tennessee

Thank you, Mr. Robinette, for correcting our reprint and for making clear the formula for computing simple annual interest.—ED.

Ambulance call

Congratulations on the excellent article 'AMBULANCE CALL'. [Summer 1964 issue.]

Up until a year ago, this community had the same problem as stressed in *Everybody's Money*.

Poor attendants, poor equipment and no improvement in service over a period of years seems to be the rule not the exception in hundreds of cities of a population of 50,000 to 80,000 people.

Every day, people die needlessly in ambulances. The general public, the doctors and the hospitals look upon ambulance services merely as a means of transportation. Not until a serious accident where city officials' families are concerned is something done about it.

As members of the Ambulance Association of America, we, as present operators of the service in this county, are making every effort to combat this throughout our entire state.

R. H. Milberg, Manager
Intermountain Ambulance Service,
Pocatello, Idaho

Packaging

I have been receiving *Everybody's Money* for about one year and I can-

not wait for each new issue to arrive at my home. This is an excellent publication!

In your Autumn '64 issue you had a very good article entitled "Did You Look Inside"? Hooray for some publicity to this form of cheating the "hidden persuaders" perform.

Going a little further into this phase of false packaging is the "package" which appears during the Christmas shopping season. Items which sell briskly all year suddenly zoom another thirty-five to one hundred and fifty percent in price because the manufacturer has put a little celluloid and ribbon around the item and sold it "in magnificent Christmas wrapping to delight the receiver". Obviously, the shopper who waits till mid-November, or worse still, December to do their shopping is at the mercy of the stores because there is no other alternative at that late date.

Again, many thanks for your fine magazine and perhaps in the future we may receive it more regularly than four times per year—I'm looking forward to the time.

Wendy Fox
Toronto 9, Ontario

Your illustration on page 5 of the Autumn copy ("Did You Look Inside?") meets with my hearty approval, the measly little piece of pork is a disgrace to any company that packages it, why not put in a couple of pieces of respectable size and charge a few cents more, otherwise leave the word "pork" off of the label.

I might mention that this has got to be a regular thing, any meat that comes out of a can today is either bully beef or old cow, you chew it but you cannot swallow it, this applies to chickens also, they are tough old hens that could not be used otherwise. Thank you for taking up the cudgels in our behalf.

Walter J. Webb
San Francisco, California

Letters



Fresh air for the cat:

Some readers objected to our reprint of Sears' "guide to words to be wary of when you go shopping" (p. 19, Autumn 1964, Everybody's Money). The reprint was not an unqualified commendation for the giant retail chain nor an indication by any means that Sears has a monopoly on words like "honesty, integrity and reputation." Nevertheless we believe that their exposure of hanky-panky in price phrases was worthwhile information.—ED.

Our credit union takes serious exception. We feel that the article is extremely unfair and thoroughly self-serving for Sears and that the obvious approval with which it is reprinted is improper.

A full page of free advertising for Sears and the obvious pat on the back for its well-advertised piety and morality in pricing is a strain on the harmonious relationships of many credit unions with employers of their members—ours included.

More important, the article directly and by implication categorizes anyone who follows any pricing practice other than Sears, Roebuck as somewhat furtive cunning businessmen trying to dupe their customers by playing with words. . . . The farthest extent to which Snap-on [Tools Corp.] and many similar companies may go in protecting the eventual customers of their products against price gouging is the use of the "Manufacturer's Suggested Price."

Erwin R. Seidemann, President
Snap-On Credit Union
Kenosha, Wisconsin

The ad purports to be a public service gesture on the part of Sears, warning the unwary shopper against phony pricing. Your motives for publishing such information are commendable. Spurious mark-downs from mythical "list" prices have long been a nuisance, and are on the increase—even among items selling for less than a dollar!

However, I am impelled to protest

the re-print of a Sears Ad in your magazine. It is ill-advised, and, under the circumstances, not in the best of taste. Your magazine does not endorse other businesses or products, and carries no advertising—original or reprinted.

Harold J. DuBois
Education Chairman
Retail Employees Local 428
State Credit Union
San Jose, California

Frozen vegetables

This item on p. 9, Summer 64, *Everybody's Money*:

"In the supermarket there are variations on a theme. Birds Eye frozen vegetables, the deluxe kind with celery, mushrooms, or cream sauce added—and the price multiplied—will soon appear in even more enticing color and boxes 1 inch higher and wider. Net contents will be the same." *brought this objection from Carl J. Hagen, Treasurer-manager of Marathon Employees Credit Union, Neenah, Wisconsin:*

"The article implies that the consumer does not get full value for his money when purchasing Birds Eye frozen vegetables in their new package with celery, mushrooms or cream sauce added."

Mr. Hagen told us that executives of Marathon, a division of American Can Company were concerned. Marathon makes boxes for the food company and this magazine is distributed to credit union members employed at Marathon. We sympathize with Mr. Hagen's good intentions of keeping friendly relations with management.

We also do not intend to disturb those relations nor to make general charges against the food company or the package maker. But, basing our item on an article in Supermarket News, June 1, 1964, we intended to report only that frozen vegetables, with added sauces or vegetables, cost more. In a local store we found a 10 oz. package of Birds Eye peas selling at 2 for 45¢, or 22½¢ for one. With

cream sauce, a 10 oz. pack of peas was 29¢.—ED.

Laurels

I receive the publication "Everybody's Money" as a member of the Knoxville TVA Employees Credit Union. It certainly is a valuable publication and an important part of our credit union service.

Frank E. Smith, Director
Tennessee Valley Authority,
Knoxville, Tennessee

This Autumn 1964 issue has convinced me. If you can maintain the high standards of publication—attractiveness, subjects of interest, freshness

and simplicity of presentation as contained in this issue; then I am sure *Everybody's Money* will become the most valuable material aid credit unions can provide for their members.

We want *Everybody's Money* for our members.

Theo V. Britt
Secretary-Treasurer-Manager
Thurston County Teachers'
Credit Union
Olympia, Washington

Letters

Should You Rent or Buy?

(From Page 15)

With these representative figures the apartment dweller is \$18 ahead each month. But what about the equity the home buyer is building with his monthly principal payments?

Well, at the end of 25 years the buyer will have a house worth approximately \$16,000. However, the apartment dweller, if he has invested at 4% the \$47 monthly saving we have charged him with, will have a total of about \$24,000, 50% greater than the buyer's equity. And if he has really gone after the pot of gold, and further invested that \$18 monthly cost difference, also at 4%, he will have an additional \$9,000, for a total of almost \$33,000.

When rent payments are slightly higher than mortgage, principal, and taxes combined—in this example \$125 against house costs of \$110—(total cost of home ownership as against total expense of an apartment,

plus charged savings) there is little doubt that on a strict economic basis it is preferable to rent an apartment and invest the difference than it is to buy a house. (These figures are based on the premise that the apartment renter establishes and adheres to a regular and systematic savings program for the difference in the cost factors.)

There are always people who want to own their own homes, and there is certainly nothing wrong with that, as long as you understand the true costs of home ownership. Undoubtedly for a family, owning a home offers advantages far beyond economic value, and this might even be true for those couples or individuals to whom living in an apartment would be like living in a cage. [END]

Mr. Haskett is a freelance writer with articles published in United States, Canadian and British magazines. He has also appeared in THE CREDIT UNION MAGAZINE.

SAVE FOR CHRISTMAS

and earn too!

Why forfeit interest you could earn on your savings? Yet you do, if you are one of 14 million in the United States using Christmas Clubs rather than credit union share accounts. Total loss every year is about \$35 million in interest for this huge group.

The money you set aside each year for holiday use could go into your account at your credit union. It will earn at least 4 per cent in dividend in almost every case. Many credit unions return 4½ per cent.

Credit union practice concerning Christmas savings varies from state to state and province to province because of state and provincial laws. Some states permit credit unions to have Christmas savings programs—but *they pay a dividend*. Other credit unions have moved their dividend reporting dates up to May 30 and November 30. That way the saver earns a dividend and has that extra payment in time for Christmas shopping.

The forfeiture of interest in most Christmas Club arrangements is great and unfair. New York State Attorney General Louis Lefkowitz declared he will ask the state lawmakers to require banks to pay at least some interest on these club accounts.

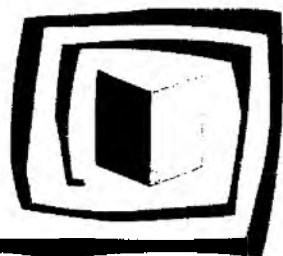
He pointed out that last year about 14 million people deposited \$1,659,000,000 in Christmas Clubs. Most are franchised through "Christmas Club Corporation," while some banks in the United States run their own special Christmas savings programs. Only a few now pay interest. In Canada only two of the five major chartered banks operate Christmas Clubs; neither pays interest.

If you want to have your savings and something extra, for next Christmas, save in your credit union.

"EASY MONEY . . ." *Everybody's Money* will pay \$25 for the best specific, human interest story of your own or your friends' actual experience with "easy credit." Names and places must be given but will not appear in print. Stories are limited to 250 words or less. Send typed entry, with the name of your credit union, to Contest Editor, *Everybody's Money*, CUNA International, Inc., (formerly Credit Union National Association), Box 431, Madison, Wisconsin 53701.

Useful Publications

TO HELP YOU STRETCH YOUR PAYCHECK



HEALTH

The Real Voice by Richard Harris (the story of Senator Estes Kefauver's investigation of the drug industry), Consumers Union, Mount Vernon, N. Y. \$1.50 for subscribers to *Consumer Reports* (or your local library).

Diet and Arthritis, Arthritis & Rheumatism Foundation, local chapter, or 10 Columbus Circle, New York 19, N. Y. 15¢ in coin.

Overweight—A Problem for Millions, Public Affairs Pamphlet No. 364, 25¢. Public Affairs Pamphlets, 381 Park Avenue South, New York, N. Y. 10016.

Smoking and the Heart, U. S. Department of Health, Education, and Welfare, U. S. Government Printing Office, Washington, D. C. 20402. 5¢.

Your Teenage Children and Smoking, Publication No. 423, 15¢; *Smoking, Health, and You: Facts for Teenagers*, Publication No. 424, 15¢, U. S. Department of Health, Education and Welfare, Children's Bureau, Washington, D. C. 20201.

Mothers at Work, Metropolitan Life Insurance Company, New York, N. Y. Free.

WORK AT HOME

Handicrafts and Home Businesses, Small Business Bibliography, Small Business Administration, Washington, D. C. Free.

Earn-Money-at-Home Schemes, National Better Business Bureau, 405 Lexington Ave., New York 17, N. Y. 15¢.

MISCELLANEOUS

Fight Back! The Ungentle Art of Self Defense, Federal Trade Commission, Washington 25, D. C. Free.

Is the Price Right?—Facts and Figures on Car Service, Automotive Council for Women, Inc., 116 East 62nd Street, New York 21, N. Y. 35¢.

Directory of Accredited Private Home Study Schools, National Home Study Council, 1601—18th St., N.W., Washington, D.C. 20009.

Everybody's Money

COMES TO YOU WITH THE COMPLIMENTS OF YOUR CREDIT UNION

This Magazine

and . . . can help you make your money move farther for you
and your family.

Your Credit Union

Your credit union subscribes to *Everybody's Money*—for you and for your family.

Each issue gives information on money management and on consumer services.

Each issue tries to guide the way to wise buying amid the confusion of thousands of products and claims for them. No individual products are recommended. Frauds, deceptions and harmful selling practices are exposed.

What's more, we hope this magazine shows you that in your credit union you and your fellow members help each other best.