

# The San Francisco POLICEMAN

OFFICIAL ORGAN OF THE SAN FRANCISCO POLICE OFFICERS' ASSOCIATION

Vol. III, No. 8

SAN FRANCISCO, CALIFORNIA



OCT., 1958

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## WHAT PROPOSITION 'O' MEANS

Proposition "O" has been greatly maligned and misrepresented. A point has been reached where many of our members do not really understand what the measure will do for them.

1. The twenty five year retirement means that regardless of age at entrance a man may retire at half pay after 25 years of service. This is a feature which many of our men have been asking for. Along with the 25 year retirement is the raising of the age to which you may accrue the one and two thirds percent per year.

The present age is 60. If the proposition passes the age will be raised to 65. This means that you will be able to earn more retirement. At present you would have had to become a policeman on your 21st birthday to earn

65%. If proposition "O" wins, you may receive a 65% retirement after 34 years of service regardless of age.

2. Survivor benefits. This is perhaps the cardinal feature of this amendment. It means that in the event of your death from non-service connected causes your family will be protected the same as the families of people covered by Social Security.

A widow of a policeman would receive \$95.00 per month at age 62. A widow with one child would receive \$190.00 per month until the child reaches 18 and a widow with two or more minor children would receive \$254.00 per month until the youngest child reaches 18.

You talk of insurance and what your family would do in the event of your death. A service connected death leaves the family protected, but what about a tragic death like Captain Olstad's.

He didn't have time enough for a pension so his family receives only what he had in the system.

Here's a chance to do something for your family.

3. The death benefit would be set by the Board of Supervisors. At present the family of a retired member receives \$500.00 Other city employees' families receive \$750.00 We want equality with the other employees in protecting our families.

4. An 8% contribution rate does away with discrimination.

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### Our Opposition Speaks

One of the so-called large tax-paying outfits that has come out against Proposition "O" is the Real Estate Board. This is one of the segments of the Municipal Conference.

They do not speak for all of the real estate people in San Francisco because they have never polled their membership for their opinions. Mr. Frank Gallagher, a local real estate man, stated that he and many other people in the real estate business are for this proposition and have no way of letting us know it.

But the fact was made plain by Mr. Gallagher that the Real Estate Board does not speak for the majority of real estate people.

Here is an avenue that has been passed in the past. Get hold of your friends in the real estate field, ask them for their support. They can help you by putting signs in their windows and by asking their friends to support us. Don't pass up this bet.

### Endorsements For Prop. 'O'

San Francisco Police Officers' Association.  
Gentlemen:

I endorse Proposition "O". The contents of the proposition are fair, and policemen in San Francisco are entitled to the same treatment being accorded policemen in over 85 cities in the United States. The provisions of Proposition "O" would place members of our department on a parity with the members of the Los Angeles and the Oakland Police Departments.

Proposition "O" would also aid the recruitment program set up by the San Francisco Police Department.

For the above-stated reasons, I am urging the citizens of the City and County of San Francisco to vote "yes" for Proposition "O".

THOMAS J. CAHILL,  
Chief of Police.

Gentlemen:

The members of the Police Commission met with representatives from the Police Officers' Association on Monday, September 22, 1958, for the purpose of discussing the relative merits of Proposition "O", which is sponsored by your Association and which will be voted on by the electorate at the election to be held on November 4th.

As a consequence of the meeting and the information obtained concerning this proposed amendment to the Charter of the City and County of San Francisco, the members of the Commission feel satisfied that the benefits contained therein are fair and justified and deserving of a favorable vote by the citizens of our city.

Therefore, the Police Commission is pleased to go on record endorsing the passage of Proposition "O".

With kind regards and best wishes for a successful campaign, we are,

Sincerely yours,  
THE POLICE COMMISSION.  
Paul A. Bissinger, President.  
Civic League of Improvement Clubs;  
Lafayette Club;  
Central Council of Civic Clubs;  
ILWU;  
AFL-CIO Political Council.

### Vital Statistics

Deaths: Ralph Olstad, 9-14.

Retirements: Arthur Hagstrom, 9-1 (D); William P. O'Connell, 10-1 (D); William J. Herman, 10-13 (D).

Promotions: Leslie Brenan to Lieut., 9-9; Leon Gethchell to Asst. Insp., 9-9; Joseph Molinelli, to Sgt., 9-9; I. Thomas Zaragoza, to Dir. of Trf., 10-1; Edward Moody, to Capt. of Trf., 10-1; Arthur Borland, to Lieut., 10-1; Norman Pearsall, to Sgt., 10-1.

Resignations: None.

### Oakland Pay Fight Goes On

Oakland has come up with a formula for salary adjustment which, if passed in November, will have far reaching effect for all policemen. In the past these formulas have tied policemen with other cities, monthly salaries, weekly salaries and all kinds of other hookups.

This one ties to hourly pay in industry in the Bay Area. For your information, the proposed formula is presented:

For the Fiscal Year commencing July 1, 1958, and for each fiscal year thereafter, the monthly compensation comprising the salaries to be paid to the officers and members of the Police Department shall be adjusted as hereinafter set forth to reflect the change, if any, in the annual average of Average Hourly Earnings of Production and Related Workers in Manufacturing in the San Francisco-Oakland Metropolitan Area as shown by the date summarized and published annually by the Division of Labor Statistics and Research of the Department of Industrial Relations of the State of California, as follows:

Each calendar year, commencing with 1959, the City Manager shall compute as soon after the first day of the year as such information for the preceding calendar year is available, the percentage change that occurred, if any, in the annual average for such preceding calendar year in the Average Hourly Earnings of Production and Related Workers in Manufacturing in the San

Francisco-Oakland Metropolitan Area, as compared with the annual average of such average hourly earnings for such workers in such area for the next prior preceding calendar year. This percentage change shall be applied to adjust the then existing compensation of the officers and members of the police department, such adjustments to be effective for the fiscal year commencing on the July 1 next following such computation; provided, that in computing such compensation to be effective for the Fiscal Year commencing July 1, 1959, the salaries in effect for the Fiscal Year commencing July 1, 1957, shall be used as the base and shall be adjusted by applying the percentage change, if any, determined in the manner herein set forth, in the annual average of average hourly earnings of such workers in such area during the calendar years 1957 and 1958 treated as a unit.

"Percentage change" as used herein shall be computed as follows: Annual average of Average Hourly Earnings of Production and Related Workers in Manufacturing in the San Francisco-Oakland Metropolitan Area for the calendar year next preceding the computation divided by the comparable figure for the next prior preceding calendar year.

"Production and Related Workers in Manufacturing" as used herein shall mean the workers included under such title and designation.

—Continued on Page 2

### A Sad Case

In the 19th Assembly District there are approximately 40,000 people who are registered to vote. This covers roughly 200 precincts. This district comprises the Sunset and Ingleside districts.

In this district there are over 700 policemen in residence. In the November, 1957, election we did not carry one of these precincts. We hope to circumvent such an occurrence this year.

Members of the legislative committee are breaking down the lists of registered voters and in the very near future you will receive a letter showing you which district and precinct you vote in.

This letter will also show how many yes and how many no votes we received on the last proposition. You will know what you have to do in order to win.

By coming into campaign headquarters you may obtain a list of the registered voters in your neighborhood. This list will help you carry your precinct; it will tell you who your real friends are and who will be able to help you.

You will, however, have to help yourself. You will have to see them. If you don't tell them, they won't know.

### DISABILITY PROBLEMS

At the last meeting of the Association it was again reported that many men who suffer from a service connected illness are going to their own doctors.

Ward One is subsidized by employee contributions to the Retirement System. It is not a charity ward. Use it.

How can a case be proved as industrial before the Board if there is no record of your injury or illness in their files?

The Association represents its members before the Board at no cost to the member. A representative of the Association is ready to serve you at any hour of the day or night.

Get hold of Ted Dolan, who is the official representative of the Association in matters before the Retirement Board. If you are a member in good standing of the Association, you are entitled to this service.

This is another of the many reasons that show you that it pays to belong to the Association and keep in good standing.

# Vote Yes on Proposition "O"



## You and Proposition 'O'

There has been a bad situation within the ranks of the Association during the last several months. Here we are on the ballot for retirement changes and survivor benefits for our families yet many of our own men do not know what we are attempting to secure.

The money for the campaign has come in very slowly. The old hue and cry that this doesn't affect me has gone up from the same old sources.

This amendment does affect you and your families. With the accrual age raised to 65 you can earn a higher retirement. If you die of non-service connected causes your family will not be left holding the bag as in the case of a Captain of Police who died recently.

This amendment does affect you and yours, it is worthy of your support.

## Bay Area Chapter PORAC

On Wednesday, September 24th a meeting was held in Richmond, California of the Bay Area Chapter of PORAC. At this meeting there were men from about 15 law enforcement agencies in our area.

One of the chief problems discussed was the fact that men do not report injuries to their hearts. In Oakland for example nine men have had heart attacks in the last four months and only one of them had any indication of heart trouble on his folder.

This of course repeats what your Association has been telling you for years. Make a record of injuries in the regular manner so that if something should happen to you there will be basis for a disability hearing in front of the Retirement Board.

Along these lines Oakland also reported that they are now working on a booklet entitled "What Every Police Wife Should Know." This book will tell your wife everything she is entitled to

under California law and of course under Oakland's laws. They are going to publish the book with PORAC's name on it and we will be allowed to copy parts pertinent to us and enter our San Francisco coverage as well.

The City Manager of Richmond was at the meeting. Mr. Howell stated that he thought that organizations of this kind could do nothing but good for policemen. The annual PORAC survey of conditions in all cities in the state is a great facet of membership in PORAC.

Oakland reported on the progress of their pay raise amend-

ment and requested any help that could be afforded them.

Plans were made for the annual conference of PORAC in Long Beach in October. Two men from your Association will be there to represent you. At the conference there will be discussions of the coming legislative year in Sacramento. The Heart, Pneumonia and Hernia bill will be revised to make the presumption of service connection a conclusive presumption. The minimum standards law will be backed by PORAC. Minimum standards simply mean that in California there should be a certain line drawn which would exclude from the police service, people who have been convicted of crimes involving moral turpitude, who have no driver's license and other similar requirements. The problem does not exist as much in large cities as it does in small towns and so-called cow counties, but if we want professionalization, minimum standards must apply all over the state.

It was further reported at this meeting that PORAC's annual survey for 1958 was in the printers. This year's survey will have the largest number of California cities reporting in the history of the survey.

This survey shows every possible working condition enjoyed by law enforcement officers in the state. It is beneficial to us in that we are able to see where we stand condition-wise, whether short or ahead of the average in the state. It also serves as a guide for your legislative committee in the constant fight for working conditions and as well to substantiate claims that we make before the Board of Supervisors.

The September meeting was probably one of the finest meetings ever attended by your delegates and re-affirmed our stand on the merits of belonging to the Peace Officers Research Association of California.

## Recruitment

An article appeared in the Sunday Chronicle dated October 5th about the problem of recruiting policemen. In this article Chief Cahill was quoted as saying: "The department used to attract men because it could offer them security and a pension. Now much of private industry is offering the same thing and the pay is the same or better."

If Proposition "O" is successful, policemen in San Francisco will have a modern and equitable retirement program. Such a program will of course be a good talking point in the recruitment campaign.

This is another reason to support this amendment. Not only will it help you individually, but it will help attract well qualified men with whom it will be a pleasure to associate.

## More-Member Speaks

Continued from Page 1—

the Board of Supervisors more and more "No" votes for all police measures. It should be evident to every member how far-reaching the pressures stated above are evident, even in our city. The legislative committee is even now considering ways and means to get off the back of the Los Angeles Police Department. We must, in the near future, develop our own formula. We are not asleep. Back us with your attendance at the meetings and your paid-up contributions for the campaign.

Ten mayors in Alameda County have been pledged to hold police salaries at \$493 per month—Berkeley, Alameda, and Hayward are holding that line! Make sure we are not next in line! How?

Get in the fight to get that 25-year retirement across this November. Don't expect 25 members of the Association to carry the ball alone! You must do your bit. Contact every friend you ever had and enlist his aid. Get your wives to call up every other policeman's wife and get her interested. Go to the improvement club meetings and talk it up. Show the Downtown Associations that we are a strong, solid block that will not be pushed around. When we win this fight, we will prove to them that we can win every reasonable and just amendment that ever comes up. It is up to you! Don't miff this Golden Opportunity.

You have voted for and are asked to contribute \$10 per man now! We need that money to combat the unseen forces who want to beat us down! Protect your future as well as that of your wife and children. Strengthen and solidify in a united front. This amendment helps every member, whether he wants to stay in after 25 years or retire.

And what about survivors benefits?

Again I repeat: Make your Association a 100 per cent voting block. We've never needed an Association more than now! Get in before it's too late!

TONY BELL,  
Director.

## Blood Bank Bulletin

The next Association Blood Drive will be conducted on Friday, October 31st. Any time from 8:30 a.m. to 6 p.m. during that day will be all right.

Remember, you may need blood for someone soon!

Refreshments will be served after your donation.

The following information was furnished by the Irwin Memorial Blood Bank and is herewith submitted for your information:

Diet when giving routine blood donations;

A low fat meal SHOULD be eaten within four hours before giving blood. Coffee, tea or fruit juices, cereal with milk, toast with jam or jelly are recommended. No cream, butter or fried foods should be taken.

## Campaign H'dquarters

The Legislative Committee decided that this year it would be a good idea to have two offices for the campaign for Proposition "O".

The main office is at 334 Gough Street and a branch is located at 2146 Irving Street. These two offices will be open as much as possible for your convenience and information.

The telephone number at Irving Street is SE 1-5400, and at 334 Gough the phone number is MA 1-1248.

Any help you can give will be appreciated by your committee.

## Minutes of September 16th Meeting

Minutes of the September 16th meeting:

Meeting called to order by President Vogelsang at 8:10 p.m.

Roll call of officers: Pres. Vogelsang (P); 1st Vice Pres. Weiner (P); 2nd Vice Pres. McKee (E); Treas. Burke (E); Secty. Gardner (P); Sgt. at Arms Jeffery (P); Directors—Co. A, Serna (P); Co. B, Sisser (P); Co. C, Milon (P); Co. D, Dempsey (A); Co. E, Bell (P); Co. F, Cole (P); Co. G, Raabe (P); Co. H, Pulizano (E); Co. I, Mahoney (E); APB, Cooney (P); Fixed Post, Babaerini (P); M/C, Combis (P); B of I, Flynn (P); Juvenile, Driscoll (A); City Prison, Tiboni (P); Range, Dijanich (A); Academy, Fowlie (P); Hdqrs., Green (P); Warrant Bureau Cook (E).

Legend: (A), absent; (E), Excused; (P), Present.

Reading of the minutes waived as they were published in the last issue of the newspaper.

Treasurer's Report: Bank Balance as of 9-5-58—\$7375.19. Membership: 9-11-58—1022.

M/S bills be paid. Passed.

**Legislative Committee**—Dolan reported on L. A. as regards their recommended one-step increase by CAO Leask. Police going to people with their pay problem. (Same report by Dolan as in the paper—last issue.)

**Oakland**—Oakland police trying to get their formula made part of the charter this November 4th. They've raised \$50,000 to campaign for the measure.

**Our Proposition**—Speaking before various groups. Obtaining lists of voters from Registrar of Voters; members of dept. to contact their neighbors. Downtown is going to oppose the amdt.

**Blood Bank**—Galousin reporting: Will have drive October 23 to bolster account. Will endeavor to obtain publicity.

**Welfare**—Rosenbaum reporting: Chairman of city employees division, United Crusade drive, set our figure at \$11,600. Welfare Committee voted \$10,500—this is an increase. Feel justified in this amount as we have not had an increase in pay. The check in the full amount will be donated through the Chief's office about the middle of October. Will endeavor to obtain publicity.

**Retirement**—Dolan reporting: Mrs. Darida will probably get pension. Pursuing Olstad matter.

**Candidates' Night**—Candidates' Night scheduled for Tuesday, October 21st.

**Longevity**—Dolan reporting: Awaiting City Attorney's office to file brief.

**Campaign**—Dolan reporting: 26 policemen's wives undertook

the job of calling policemen's wives to ascertain whether they had registered for the Nov. 4th election. Strongly recommended policemen get their wives to get to people in their own voting place to vote for our measure.

**Porac**—Motion passed authorizing the sending of our delegates to the convention to be held in Long Beach Oct. 15 through 17.

**False Arrest, Etc.**—Bro. Marcelli made a motion that a letter be sent to the City Attorney, Dion Holm, with copy for Mr. William Mullins, expressing thanks of Assn. for Mr. Mullins' successful defense in suit brought by Joe Mendez. Mendez had sued for \$25,000 on legality of arrest and force used. Passed.

**Good and Welfare**—Dolan reporting: Urged members to go to the emergency hospitals and ward No. 1 when suffering injuries on job, or when they believe that their difficulties (heart trouble, etc.) are a result of the job. Too many men are going to their own doctors and then calling Dolan several days later, or even longer, requesting that he take some action. By seeing their own doctors first, it is almost impossible for the retirement board to take jurisdiction in the matter. If there are any questions concerning their injuries or ailments the members affected can call Dolan before going for treatment. This can be done any hour of the day.

**Legislation**—Bill Lovejoy, Oakland Police Department, appeared and reported on his department's steps toward getting over their measure to set the wage formula devised by Dr. Philip Neff. If Oakland police had been tied in with the formula in 1939 they would now be receiving as patrolmen \$623 instead of \$516. Their formula is based on productive workers in San Francisco-Oakland Bay Area. It will take them out of politics, in that they won't have to go to the people—it will be mandatory to raise or decrease their wages according to the formula—no permissive language such as we have (not exceeding the top). The productive workers on which they base their formula aggregate to 180,000 workers in 35 different industries. Their proposition will be known as "C". Asked members of this association to contact their friends in East Bay toward voting for the proposition.

**False Arrest Insurance**—A discussion based on a solicitation by an insurance broker was ruled out of order.

Meeting adjourned at 9:50 p.m. after a moment's silence in honor of our departed brothers.

Respectfully submitted,

PETER C. GARDNER,  
Secretary.

## MORE--PROPOSITION 'O'

Continued from Page 1—

tion because of age at entrance. If every man gets the same retirement coverage which would be granted by passage of this measure, why shouldn't we all pay the same.

Some of our men now pay 10%. We don't want a 25 year retirement for nothing, but we want fair treatment for all.

By supporting this proposition you are in a position to do a lot for yourself and for your family. Nothing but good can come by getting behind Proposition "O".

The flat increase in the contribution rate will be a

pay as you go plan. This plan will overcome the argument presented by our opponents, namely that the plan will cost in excess of 1 million dollars.

By the increase of one and one tenth percent the so-called million dollars will be spread over ten years time.

You have some money involved in this campaign. Anyone knows that a campaign costs money. But money alone will not win this fight. Votes win it. Votes that you and yours can get merely by asking your friends for their help and support.

This proposition, if successful, gives you a legacy to bequeath your family. It's worth fighting for!

# Vote Yes on Proposition "O"



# The NOTEBOOK

"FILLED WITH FACTS TO GIVE YOU BETTER LIVING AT LOWER COST"

Vol. 1, No. 4

THE OFFICIAL ORGAN OF THE S.F. POLICE CREDIT UNION

OCTOBER, 1958



**CONGRATULATIONS EXTENDED:**—Kenneth Underwood receives congratulations on becoming 2000th member. From Credit Union Officers and Staff (right to left) David P. Roche, Harry C. Valdespino, Louis Lang, Carleton A. Vogelsang, Andy Valenti, Underwood, and Jim Diggins.

## Treasurer's Corner

Life Savings and Loan Protection Insurance as carried by your SF. Police Credit Union has been covered in several other articles in the newspaper but from the number of questions your Treasurer receives from both members and those in the process of becoming members, it would seem that the answers given have not been adequate.

Does the credit union pay the life savings coverage or the loan protection granted to the members? The answer to this frequently asked question is no. The insurance is carried by the Credit Union National Association (CUNA) Mutual Insurance Society. The Credit Union merely pays a monthly premium on the savings and outstanding loan balances.

### What Is Life Savings Insurance?

Life Savings Insurance covers your account in varying amounts up to two thousand dollars. To further explain the meaning of varying amounts it is necessary to give a breakdown of the insurance payoff.

0-6 mos.—25%  
6 mos. through 54 yrs.—100%  
55 yrs. through 59 yrs.—75%  
60 yrs. through 64 yrs.—50%  
65 yrs. through 69 yrs.—25%

This means that a member putting two thousand dollars into his account prior to age 55 would, on his death, regardless of age at death, leave two thousand dollars and two thousand dollars additional in insurance providing the funds had been kept in the account. The amount of insurance therefore depends on the time of deposit and not the age at death. Example: Member A places one thousand dollars in his account prior to age 55 and an additional one thousand prior to age 60—upon A's death the insurance company would pay one thousand seven hundred fifty dollars to the account. REMEMBER: THE AGE AT THE TIME OF DEPOSIT AND NOT THE AGE AT DEATH DETERMINES THE AMOUNT OF INSURANCE.

### What Is Loan Protection Insurance?

Loan Protection Insurance carried by your credit union is your family's protection against having to settle loan debts after your death or total permanent disability. The debt dies with the

debtor. This protection covers any loan up to ten thousand dollars made by one member. The death section of this insurance carries through the age of 64 years and the total permanent disability through the age of 59. A loan made by a member who is at the time of granting the loan not physically able to perform his duties of his occupation is not covered until his return to full duty. Therefore if the member is physically fit at the time the loan is made, death would automatically bring about a paid note. However, disability is another matter, and the one seeming of most concern to the members. Just because a member goes out of the department on a disability pension does not necessarily mean that the insurance company will pay off the loan. The word TOTAL has a great deal to do with how the claim will be accepted. Many disability pensions granted are permanent but not total. In other words a man may be disabled for police work but not for some other type of occupation. Still, we are not the final word on this problem; that is up to the claims adjuster of the insurance company. If a man is granted a disability pension or is permanently disabled from any accident or illness on or off the job he may place a claim against the company. A member placing a claim against CUNA first contacts the credit union office and has a form sent to his physician which when filled out and signed by the doctor is sent with our disability claim to the company. From there on it is out of our hands. If the claim is accepted it will take about three weeks before the loan is paid in full by CUNA. Remember that if the claim is paid you may run into problems when applying for other work. Many firms require Health and Accident insurance for which you will be ineligible

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## Credit Union Welcomes 2000th M'ber

September 17th, 1958—date of an important milestone in the history of our credit union. On this date, less than five years after the organization of YOUR credit union, we took great pride in welcoming Sgt. Kenneth Underwood of Potrero Station as our 2000th member. Sgt. Underwood, father of four, and a grandfather, told Treasurer Valdespino, "I had heard other officers talking about the credit union and they convinced me that it would be a safe place to save and an inexpensive place to borrow." The 29 year department veteran continued, "I just wish I had joined earlier."

We're glad you've joined up with us, sergeant, and now we have a message for you. This is YOUR credit union. To help it grow even bigger and stronger, talk it up. Help others to find the security which you have learned that the credit union offers. Remember—the only thing we have to sell is service. The best salesmen we have are satisfied members. We'd like to have you bring in our 2500th member.

## ELECTED TO CHAPTER POSTS

We're proud to announce that two of our officers have just been elected to office at the last meeting of the San Francisco chapter of the California Credit Union League.

Edward Comber, president of the credit union, was elected third vice president and Louis Lang, member of our board of directors, was elected to the chapter board of governors.

Their election is just recognition by our chapter of the active part our rapidly growing credit union and its leaders play in state and national credit union affairs.

## Welfare Fund

The following appeared in the S. F. City-County Employees Group Information Bulletin dated October 3rd:

**"Police Department Goes 100%—"**  
Under the leadership of James McGovern, Chairman, and Alan Rosenbaum, Secretary, a pledge of \$10,500 for the 1958 campaign has been received. Mr. Rosenbaum reports that this accounts for 100 per cent of the membership. Congratulations and many thanks to the Police Department for this prompt response to the 1958 appeal."

A Kansas woman tells of going to the city to attend a cattlemen's convention. She made up her mind she would have something unusual to wear on the trip, so she made herself a blouse and embroidered it with every cattle brand she knew of.

In the hotel where the cattle folks were staying, she waited while her husband registered, and noticed two old cattlemen really giving her blouse the once-over. Finally one of them remarked in a voice that could be heard way up the canyon: "That critter sure changed hands a lot, ain't she?"—Ness County News.



**2000TH MEMBER** — Treasurer Harry C. Valdespino hands passbook to Kenneth Underwood. Ken became the 2000th member to join the SF Police Credit Union since it organized in November, 1953.

## Who's More Important Than You?

There are lots of important people in the world. Presidents, Senators, tax collectors . . . grocers, landlords, even foremen.

They all need attention now and then—and some of them become mighty important when you divy up your pay.

But when you get right down to cases, who's more important to you than . . . YOU and your own immediate family?

Anybody? It's doubtful.

On a secret ballot, YOU'D probably rate pretty high among the people-you-want-to-take-care-of . . . and that's the way it should be.

Most people feel the same way. But payday comes and lots of folks forget about themselves.

Some shove their pay in their pockets and deal off the top, sort of first-come; first-served.

Some stack it in neat piles for the Rent - Food - Shelter - Etc. budget columns to carry away . . . which they do.

Others are "blest if they can tell you what happens to it."

And far too many turn all of their Income into Outgo without ever putting aside one nickle for themselves. If you're that way, you'll satisfy lots of other folks but be left with a clean cipher . . . zero-zero . . . nothin' . . . for YOU.

Shouldn't be that way.

YOU really are important to you. YOU ought to be first in line.

Before anyone else gets theirs, YOU should get YOURS.

The easiest way to be sure that you do is to . . .

Slip those top dollars into shares at YOUR Credit Union.

They'll be safe here; they'll help your friends when they need help; and they'll make money for you.

You'll get more back than you put in.

Don't keep only the crumbs of your pay for YOU. Put YOURSELF first in line. It takes only a little every pay day to make a lot of difference in the years ahead.

Start today. "Tomorrow" never comes.

## QUOTATION OF THE MONTH "GENIUS"

Genius is one percent inspiration, and ninety-nine percent perspiration.—Edison.

## Christmas Club

In the last issue of the Notebook a small box appeared announcing the payroll deduction sign-up for the Christmas Club. The response was very good. However, many wishing to sign up were unable to get in due to the short time limit. We would like to take this opportunity to apologize for the short notice, to explain how the Club will work, and how you may still be able to join and enjoy payroll deduction.

The Club will be one of twelve months duration, starting on November 20th, 1958. Checks will be mailed on November 21st, 1959, thus giving the member one month to take advantage of Christmas buying. The various amounts will range from \$60.00 up. The payment per payday will be no less than \$2.50 and each step up will be in multiples of that amount. Therefore the amount placed in the Club may be \$5.00, \$10.00, \$15.00, etc. per month depending on which figure the member wishes. Interest will be paid on these accounts provided that they are left in for the full period and a service charge of fifty cents will be charged the member if he stops short of the full term.

Club	Amount of check at Christmas
\$60 at \$5 per mo.	\$61.20
\$120 at \$10 per mo.	\$122.40
\$180 at \$15 per mo.	\$183.60
\$240 at \$20 per mo.	\$244.80
\$300 at \$25 per mo.	\$306.00
\$360 at \$30 per mo.	\$367.20
\$420 at \$35 per mo.	\$428.40
\$480 at \$40 per mo.	\$489.60

Since these are special savings accounts and not considered shares the Life Savings Insurance does not apply to the Christmas Club. The sign-up for the Club is not over. Even for those wishing to go on payroll deduction there is still time. The person still wishing to take advantage of payroll deduction may do so until November 6th, 1958 but must make up the difference already paid by those on the payroll system.

If you wish you may pay cash rather than having it deducted. These persons will begin with either a half payment on November 5th, 1958 or a full payment on November 20th, 1958.

# Vote Yes on Proposition "O"



# AUTO INSURANCE

Have you ever wondered why your insurance premium is higher than your neighbors; why premiums have been rising steadily for the past several years; or possibly just what the great "fuss" is about.

To begin: Auto Insurance is broken down into two major classifications, Liability and Physical Damage. Each of these are further subdivided into two classifications. First lets consider Liability Insurance. Liability Insurance protects you against claims arising from the operation or ownership of an auto. These claims may arise from either personal injury to some one else or damage to another's property. These claims are covered in your insurance by the BODILY INJURY section and the PROPERTY DAMAGE section. PHYSICAL DAMAGE minimizes your loss in the event your auto is damaged. Physical damage to your auto may be caused by either collision with another object, moving or stationary, or through such agencies as windstorm, rocks thrown from the pavement, fire, theft, vandalism or the many cute things children do to autos. If your auto is damaged by collision with another object, it is covered by the collision section of your policy. If your auto is damaged by any other means, whatsoever, it is probably covered by the comprehensive section of your policy.

Liability (Bodily Injury and Property Damage) insurance is the most important section of your insurance. If your auto is damaged or even "totaled," you can readily ascertain your loss. Your loss can be no greater than the value of your auto. Claims arising from Bodily Injury Injury, however, cannot be accurately measured. Your liability in this case may be a small token payment to the injured or several thousand dollars. No one should be without liability insurance. Your obligation from a single accident may be several hundred times the amount of your yearly premium.

Auto Insurance Companies have added MEDICAL PAYMENTS to their policies. This section covers you or passengers in your auto for the reasonable medical expenses incurred "while in or upon, or while entering or alighting from the auto. . . ." This is a form of catastrophic insurance. It pays medical, surgical, dental, ambulance expenses etc from incidents arising out of the operation of your auto that are not covered or not completely covered by any of the several Health Insurance Plans.

The probability of accident is a function of the number of autos on the streets and highways. In order to be fair to every one, those whose autos are exposed to the greatest dangers are assessed the greatest premiums. Liability premiums are assessed according to the driving record of the insured, the age of the insured and the amount of exposure to accident. More and more Insurance Companies are taking into account the driving record of the insured. Many companies refuse the insurance or charge a much

higher premium to the drivers involved in accidents or those who have received moving citations. Many insurance companies refuse insurance on autos over ten years old.

Liability rates are broken down into several classifications. We are concerned with classifications 1 and 2. Classification 1 is itself broken down into three sub-classifications, 1A, 1B, and 1C. One A classification is for those over the age of 25 years who do not use their auto for business or to drive to work. One B is the same as class 1A except the insured drives to work no farther than 10 miles one way. If the insured drives more than 10 miles one way to work, he is classified as class 1C. Class 2 is for those under 25 years old or for those who own an auto driven part of the time by someone under 25 years of age. It has been the experience of Insurance Companies that drivers under the age of 25 years have been involved in accidents out of proportion to their numbers, therefore, the rates for those under 25 years is much higher than those over 25 years. As we mentioned before the exposure to risk is a determining factor in the rates you pay for your insurance. A person driving in San Francisco has a greater chance of accident than a person driving in Marin County, because there are more autos in San Francisco. Thus the liability rates for those living in San Francisco are greater than those of someone living in a rural or suburban area.

Liability coverage is written in the maximum amounts that the Insurance Company will pay in the event of an accident. For example, if you carry \$25,000-\$50,000 Liability Insurance the Insurance Company will pay the legal obligations you incur in an accident not to exceed \$25,000 to any one person or \$50,000 to several persons in any one accident.

PROPERTY DAMAGE insurance is usually written with maximum amounts of either \$5,000 or \$10,000. If you carry \$10,000 property damage the Insurance Company will pay up to \$10,000 for the damage caused by your ownership or operation of an auto.

PHYSICAL DAMAGE rates are assessed about the same as Liability rates except the make, model, and age of the auto are also taken into account. It is evident that the new "sculptured" look on the late model autos are much more difficult to repair and in the event of an accident the cost to the Insurance Company is much higher. Collision Insurance is usually written on a deductible basis. If you carry \$100 deductible insurance, you must pay the first \$100 of any claim arising from the collision section of your insurance. The company will pay the rest.

COMPREHENSIVE rates are derived the same as collision rates except there is usually no deductible feature. Thus if your auto is stolen or destroyed by fire, the Insurance Company will pay the entire loss.

When you purchase insurance, both you and the Insurance Company incur obligations.

The Insurance Company agrees that in the event of an accident:

- 1) To investigate and make a settlement if advisable.
- 2) Defend the insured against claims even if groundless.
- 3) Pay legally obligated damages assessed against the insured. You agree:
  - 1) To give written notice of accident as soon as possible.
  - 2) To collect pertinent data concerning the accident if able.
  - 3) Forward notice to the Insurance Company of claims or suits against you.
  - 4) Cooperate with the Insur-

## The Ins and Outs Of Interest Rates

Condensed from "Changing Times - The Kiplinger Magazine"

### Part Two

#### COMPARING COSTS

All credit costs, no matter how quoted, can be translated into either of two common denominators. All can be stated in dollars, or all can be stated as simple interest rates.

To find the dollar cost, you add up everything you pay from start to finish. Then you subtract the amount you receive from the lender or the cash price of the merchandise. The difference is the price of the credit.

Finding the interest rate on single-payment credit is quite easy. Divide a year's worth of dollar cost by the amount received from the lender, and your answer is the annual interest rate. Turning dollar charges and discounts on instalment credit into interest rates is harder.

Roughly speaking, a discount rate on a one year instalment loan is just about equivalent to an interest rate twice as big. A 4% discount is equal to about 8% interest. The same goes for an add-on and a carrying charge. You're going to pay off a \$100 balance on a washing machine in 12 monthly instalments. A \$7 carrying charge is added. That's like a 7% add-on and is equivalent to an interest rate of about 14%.

If you want to be more accurate, or if the parts of the problem are too complex to handle, that easily, use a formula. There are many formulas for computing interest rates on instalment credit. Of the five that are in common use, only one is precise, and it is horrendous. The others are easier to use and are close enough for your purposes.

The following method is in common use and is one of the easiest to handle; this formula, which looks awful but can be applied easily, will translate the discount or carrying charge into the equivalent true interest rate:

$$r = \frac{2ml}{p(n+1)}$$

r = the annual interest rate

m = the number of payment periods in a year (12 monthly or 52 weekly)

l = the finance cost in dollars

p = the amount of credit advanced

n = the number of instalment payments you will make

For example, you are offered a \$300 freezer for \$60 down and the balance in six monthly instalments of \$42 each. You'll finance \$240 at a cost of \$12. In the formula, m would be 12, l would be \$12, p would be \$240, n would be 6. And r turns out to be 17%.

Dollar cost is probably the most significant yardstick. You can compare various propositions in clear, understandable terms. You know exactly how much extra expense you take on, exactly how your budget will be affected.

The fact is, you should always find the dollar cost of credit. Many people, lulled by innocent sounding interest rates or hidden instalment-plan charges, have no idea how much they pay just to use credit. It might surprise them to see what the total load comes to—and they might have second thoughts about using credit quite so often.

Interest rates are also a useful yardstick. For one thing, the terms of alternative deals may vary to such an extent that your dollar costs are, in effect, buying two different services. Then

ance Company in defending suits against you.

5) Not to assume any obligation voluntarily.

Remember that your Auto Insurance Company stands between you and financial ruin. In order to carry out this function, the Insurance Company must itself be strong financially. The only way that premiums on insurance can be lowered is to reduce accidents and claims upon these companies.

## More-- Treasurer's Corner

Continued from Page 3—

unless you repay CUNA the amount paid off on your loan.

What is the cost of this Insurance?

The insurance costs the individual member nothing. It costs the credit union \$0.65 per thousand dollars on shares up to two thousand dollars. It cost the same amount on loans. This is ten cents per thousand less than it cost us when we first began as a credit union, i.e., we have actually had a decrease in rates. This premium is the same for all credit unions throughout the country. The rate does not go up or down for the individual credit union because this is actually group insurance, the group being the credit unions rather than the credit union members. The cost of this insurance is an expense and therefore has an effect on the dividend paid. The overall cost would not raise the present dividend by more than 1/2 of 1%. This would mean approximately \$2.80 on the average savings account of \$570 (if this amount remains in the account throughout the entire year). Further, let's take the man who at the age of 54 attains a \$2,000.00 balance—how long would it take him to double that amount by dividend alone? At the present rate it would take approximately 20 years. Let's go one step further, this man takes out a loan of \$2,000.00 for a new car at age 60 and dies six months later. At this time the loan balance is \$1,700.00 and his savings have earned about 600 percent. Without insurance the family would be responsible for the balance of the loan and in many cases inheritance tax would be charged on \$1,300.00 in the savings. However, if the insurance is in force the loan would be paid in full, and the family would be paid \$2,000.00 tax free insurance on the share balance.

The credit union is a SERVICE organization. I believe this is one of the best services we can offer, a protection for the member's family.

Use your credit union. You own it. It offers you a plan for systematic savings through payroll deductions and an inexpensive method of borrowing. Credit Unions grow with members participation.

## Did You Know

In North America the first credit union was formed in 1900 at Levis, Quebec, by Alphonse Desjardins, a legislative reporter, who saw unscrupulous money-lenders were exploiting Canadians. Desjardins also formed the first credit union in the United States at Manchester, New Hampshire, in 1909, the same year he helped get the first credit union law passed in Massachusetts.

knowing what price you are paying. In short, you might be steering your finances blindfolded. And nobody yet has come up with an argument in favor of that.

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