...me Oil Firms At Hearing For Gas Price Wars

VINCENT THOMAS
Assemblyman, 68th District

Occasionally, your legislator gets involved in the middle of a ticklish situation in which the facts about a legislative proposal may be almost completely obscured in a flood of pro and con arguments. Such a situation frequently has economic implications as well as legal and competitive pulling and hauling between business elements may be a factor.

Recently the subcommittee on marketing of the Assembly Interim Judiciary Committee held a two day hearing which was a good example of what is meant. Gasoline price wars, which have been springing up all over the State, were charged to major oil companies by spokesmen for organized service station operators.

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IT WAS ASSERTED that not one major oil company in California has met competition in good faith. All such companies sell to independent retailers—"rebrand station"—at prices less than those charged their regular dealers, who are thus forced to drop their prices below the cost of doing business.

It was alleged that these price wars have cost some dealers their life savings. The subcommittee was also told that the situation would get worse unless remedial legislation is enacted soon.

It was also claimed that the oil companies have developed an elaborate system of rebates and special prices intended to "cushion" regular dealers against losses because of cut rate competition. Instead, however, this system actually makes matters far worse, because under it the companies are free to discriminate between dealers, it was declared.

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CALIFORNIA HAS HAD an anti-trust law on its statute books for more than half a century, and an "unfair trade practices act" for many years. But new law is needed to deal firmly with the problem, the dealers maintained. The unfair trade law flatly prohibits any rebates not extended "to all purchasers purchasing goods upon like terms and conditions."

Dealers recommended that this law be amended in three respects. First, to establish geographical price areas, and require all oil companies to sell the same quality gasoline to all dealers for the same wholesale price. Second, to prohibit any company to make an agreement, including rebates, which would fix the retail price of gasoline. Third, to provide that any dealer accepting a rebate be as guilty of breaking the law as the company offering it.

* * *

OTHER SUGGESTIONS advanced included one that a state petroleum trade commission be set up, and another that the state be authorized to grade gasoline for quality.

Most of the major oil companies reserved their rebuttal except for voicing their opposition to the various proposals for more rigid provisions in the unfair practices law. One spokesman said his company is opposed to price wars because they cost it money.

An important third party to the situation, the ultimate consumer, was brought into the discussion only when one committee member commented that he did not think the consumer suffered because of price wars, since the motorist in one area gets his fuel cheaper, while the one in another area does not have to pay more.

It is obvious that the hearing did not settle the price war issue. The sub-committee will probably have to take its time to investigate the various charges made by the dealers.

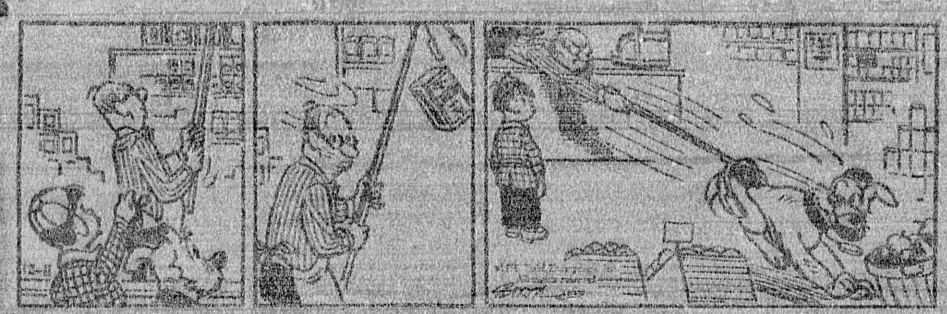
'The Word' to Be Gardena Sermon Topic

Dr. R. Murray Jones, minister of the First Presbyterian Church of Gardena, 1957 Redondo Beach Blvd., will talk on "The Word" at the worship service to be conducted Sunday at 11:00 a.m. This will be the second in a series of Christmas season sermons planned to prepare the hearts and minds of the congregation for the true Christmas.

The annual youth banquet will take place at the new church at 6:30 p.m. Sunday.

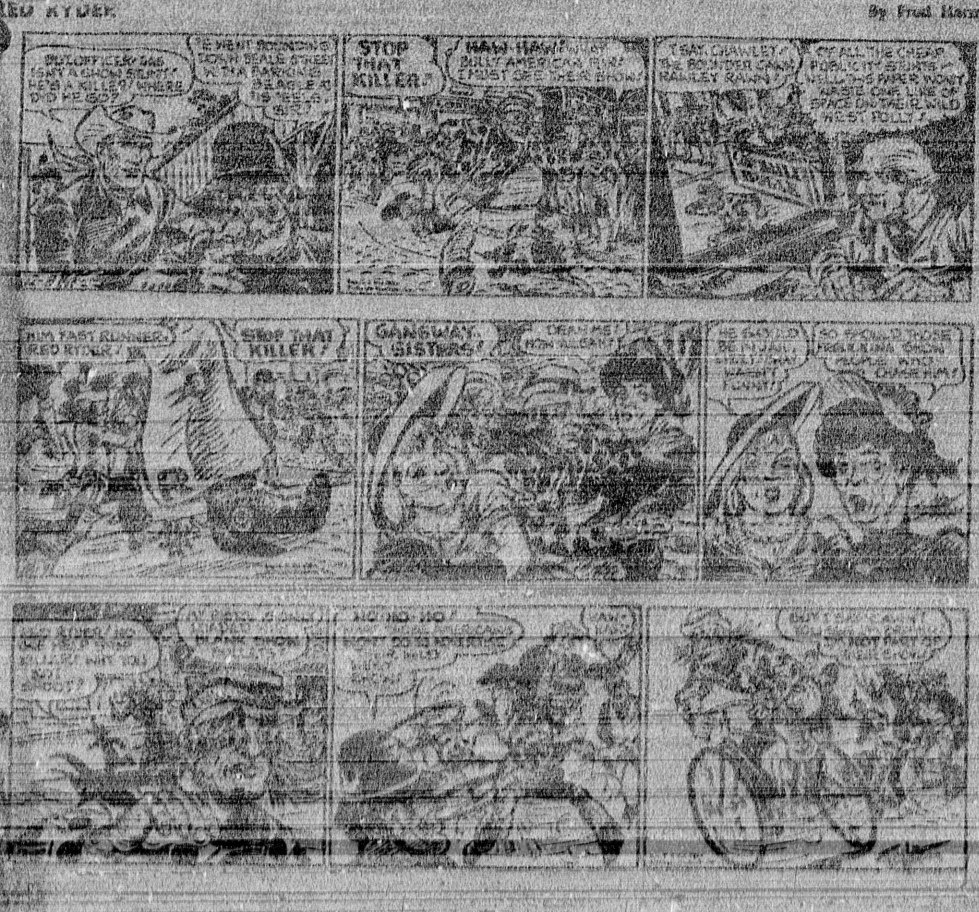
VIRGIL By Lew Kleis

BIVI By George Sauer



SUPERMAN

RED RYDER By Fred Harman



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Jeffers' role in developing the Montrose area has been an important one. He was Chamber of Commerce secretary for 10 years... on the board of directors of Crescenta Mutual Water Co. for 16 years... a charter member of Kiwanis.

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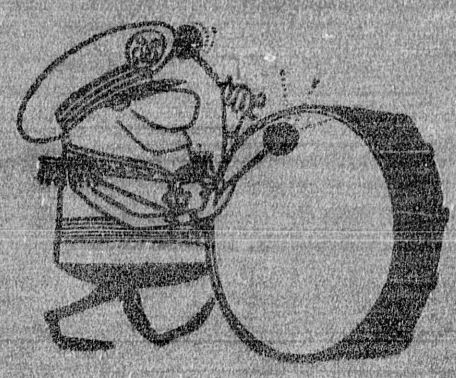

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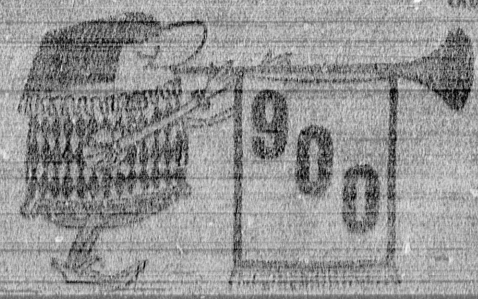

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