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## **Changes in State's Bankruptcy** Laws Advocated by Assemblyman

By CHARLES E. CHAPEL Assemblyman, 46th District of credit cards. Many people simply cannot resist the temp-

Bankruptcy is primarily con-trolled by federal laws, but California state laws are also trolled by federal laws, but California state laws are also involved because the federal law provides that if a bank-rupt has been domiciled in a state for at least six months before filing his petition for hankruptey, he gets the bene-

before filing his petition for bankruptcy, he gets the bene-fit of exemptions provided by the laws of the state where he lives. Lawyers cite this as "11 U.S. C.A. Section 24." A typical bankrupt in the Los Angeles area receives about \$100 per week take home pay; he owes about \$1250 on his automobile, household appliances and furniture: and and an anti-pricing merchandise. Ob-viously, as stated above, the small merchant with a small on his automobile, household appliances and furniture; and he owes about \$3000 to miscel-neous creditors. His total onthly payments to creditors are about twice is income, a collection agency is about to levy on him, and in despera-tion he consults a lawyer who usually explains that under the very liberal California law small merchant with a small

usually explains that under the very liberal California law a man can go through bank-ruptcy and still keep property worth as much as \$30,000 even after he is officially declared a bankrupt by the court. the cure for all the evils of the world is not found in legis-lation. The old expression "There ought to be a law" is familiar to everyone, but laws in themselves mean nothing unless they are enforced Me

THE CAUSE of this typical average situation is the pres-ent California law pertaining ruptcy proceeding, but even more basic is the fact that credit is very easy to get in the Los Angeles area. Big merchants can absorb to property exempt in a bank-ruptcy proceeding, but even more basic is the fact that credit is very easy to get in the Los Angeles area. Big merchants can absorb the losses they suffer when their customers go through bankruptcy, but hospitals, phy-sicians, suregons, and small

scians, surgens, and small merchants are getting badly hurt. Therefore, I have intro-duced my Assembly Bill No. 1717, which amends Section 690.2 of the Code of Civil Procedure, reducing the num-ber of luxury items exempt in ber of luxury items exempt in a bankruptcy proceeding.

IN 1955 there were 6148 bankruptcy petitions filed in the federal court for the Los ngeles area. In 1960, three ere 16,690 bankruptcy petitions filed. Therefore, during the last ix years bankruptcy cases tripled in the Los An

**Bank Execs** 

To Attend

Area Meeting

I AM THE first to admit that

Tough Anti-Narcotics Bill Gets Green Light From Assembly Body

Los Angeles County's tough new anti-narcotics legislative program cleared its first hur-dle in Sacramento Wednesdy as the Assembly Public Health Committe placed a "do pass" recommendation on both bils.

as the Assembly Public Health Committe placed a "do pass" cotics in California. recommendation on both bills,

Committee placed a "do pass" cotics in California. recommendation on both bills, authored by Assemblyman Clayton Dills of Gardena, in submitting them to the low-er house. Los Angeles County Super-visor Kenneth Hahn, whos e leadership initiated the mean-sures which will stiffen penal-ties for convicted dope ped-dlers, are strong support to passage of the anti-narcotics and specifically to passage of the anti-narcotics and specifically to stampout the sources of narcotics and specifically to tiffed before the committee. 2. Segregation and treat-

HAHN STATED that he was

FEBRUARY 19, 1961

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next year unless immediate action is taken. He scored the ease which narcotics violators acoid long California laws and stated that it has become a "merry-go-round" situation. Others testifying in support of the bills were Sheriff Dan Kelsev of Stanislaus County, preident of the Siate Sher-iffs' Assn. and Gardena pub-lisher William J. Hunt. Los Angeles County Sheriff was represented by Chief Fred Fimbrea.

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cases tripled in the Los An-geles area. Furthermore, in 1960 the number of bank-ruptcy filings increased about 45 per cent over the number filed in 1959. Federal authori-ties report that there were only about 3700 bankruptcy cases in the whole of New York State in 1959, as compar-ed with 12,002 in the southern ed with 12,002 in the southern federal district of California and 4900 more in the northern

and 4900 more in the normern California district. Contrary to what many peo-ple think, slightly more than 10 per cent of the bankruptcy cases in the Los Angeles area wildred Mitchell, Vern Hughes, R. A. Wicks, K. N. Mariucci, Sylvia Melvin, and Dorothy McConnell. cases in the Los Angeles area involve business or industry. About 89 per cent are individ-uals who got into trouble be-cause of the easy credit policy of retailers in the Los Angeles area plus the great popularity McConnell. In 1935, the average hourly factory wage could buy five quarts of mik. Today, an hour's work will buy eight to-nine quarts.

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be Harold G. Frenz, R. E. Tay-lor, Clarence E. Clark, Doro-thie Kirkpatrick, Leonard B. Peterson, Ronald J. Carlson, W. Holman Howe, James L. Sutherland, Veva A. Röbinson, Mildred Mitchell, Vern Hughes, D. A. Wicke, W. M. Meriused

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