

KANSAS DAILY NEWSPAPER COVERAGE OF SENATE
BILL 125--TRUTH IN LENDING

by J235

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INTRODUCTION

Federal passage of the Consumer Credit Protection Act, popularly known as Truth in Lending, came eight years after the bill was first introduced in Congress in 1960. The purpose of the Truth in Lending bill was to provide consumers with the facts needed to make informed choices in the use of credit (1967 Hearings of S. 5, p. 2). The bill does not regulate credit nor does it tell lenders how much they may charge.

The Truth in Lending Act specified that the Federal Reserve Board has the authority to certify that a particular state has a law which is "substantially similar" to that of the Federal act (Public Law 90-321). If a state is certified to have a "substantially similar" law, control of the Truth in Lending Act may revert to that state instead of remaining under the control of the Federal Government.

Allegedly, to meet this requirement for a "substantially similar law, Senate Bill 125--Kansas Truth in Lending--was introduced into the Senate February 5, 1969. The 50-page bill included in the first half an almost word-for-word replica of the Federal Truth in Lending Act and in the last half various amendments which raised the interest rates on consumer loans and legalized credit cards. It was supported by the consumer credit lenders and vendors including the Kansas Bankers Association, Retail Council of the Kansas State Chamber of Commerce, Kansas Council of Finance Companies, and the Kansas Credit Union League. Only the first half included provisions needed

to gain state exemption from Federal administration.

The controversy over the state bill concerned the last half of the bill which changed the interest rates and regulatory structure governing consumer credit in Kansas. Those favoring passage of the bill stressed the argument that Kansas must pass the bill to be exempted from Federal administration and quieted efforts to divorce the two parts of the bill for separate action. In this way, the proponents won passage of the total bill. The bill was signed into law April 20, 1969.

A detailed analysis of this confrontation is the subject of a concurrent thesis by William Fasse.

Consumer Legislation

Consumer legislation is a relatively new phenomenon. While the world has had consumers since Adam and Eve, major protection for consumers is a product of the twentieth century. President John F. Kennedy, in March, 1962, began the era of consumerism when he outlined the four rights of the consumer. These rights include the right to safety, the right to be informed, the right to choose and the right to be heard. Under the Kennedy administration, the first Consumer Advisory Council was appointed to "examine and provide advice to the Government on issues of broad economic policy, on Governmental programs protecting consumer needs, and on needed improvements in the flow of consumer research materials to the public" (Document 364).

President Lyndon Johnson established in 1964, the President's Committee on Consumer Interests and the Office of

Special Assistant to the President for Consumer Affairs. During his administration, consumer legislation brought advances in meat inspection, food labeling and advertising as well as rate disclosures on consumer credit.

In his consumer message of October 30, 1969, President Richard Nixon advocated establishing, by statute, an Office of Consumer Affairs in the Executive Office of the President. This would allow consumers to be represented permanently at the White House level. He also proposed the establishment of a new Division of Consumer Protection in the Department of Justice. At the present time, there are more than 130 different consumer-oriented bills before the Congress.

Consumer advocates have criticised the mass media, which serves the public, for being slow in recognizing the public interest in consumer news. The question may be raised as to how responsive was the Kansas press in reporting a consumer issue--the Kansas Truth in Lending bill.

Responsibilities of Journalism

The Canons of Journalism state that the responsibilities of newspapers to their readers include the fair and accurate reporting of news or current happenings. The Canons of Journalism are in effect a code of ethics which was adopted in 1923 by the American Society of Newspaper Editors and was set forth as a means of codifying sound practices and just aspirations in American journalism.

Theorists in journalism have ascribed several social functions and responsibilities of the press. Among these are the following: (1) Enlightening the public. The press should be a major source of the information which man needs to form his own opinions and should keep him in touch with the opinions and ideas of others. (2) Servicing the political system. Under the system of popular government, citizens should know how the business of government is conducted on their behalf. They should be aware of the important problems and issues. The press is an important means of providing them with the information they need. And (3) Safeguarding personal liberties. The press should keep a close watch on government and sound the alarm whenever the citizen's rights are infringed (Peterson, 1966, see Gross, 1966, p. 38).

The elements of journalism which make events become news are the following: proximity of events, prominence of persons involved, personal impact upon readers and breadth or scope of the events. Factors which make news interesting to many persons include: human interest appeal, conflict, controversy, prominence of the individuals involved, unusual events and proximity to events. (Charnley, 1966, p. 36).

This study was made to assess the newspaper coverage given to a purportedly consumer-oriented bill, Kansas Senate Bill 125, popularly known as the Kansas Truth in Lending Bill.

OBJECTIVES

The objectives of the study were:

1. To find if the daily newspapers of Kansas reported the major events leading to the passage of Senate Bill 125.
2. To find if the coverage included editorial opinions and news articles.
3. To find what sources of information were used by the daily newspapers--wire service news, staff written articles or interviews with legislators, lobbyists or interested citizens.

PROCEDURE

The Editor and Publisher International Yearbook, 1969, was used to determine the names of daily newspapers of Kansas and to compile statistical information about each newspaper. The fifty-two daily newspapers of Kansas were searched from the time the bill was introduced in the Senate on February 5, 1969, until it was signed into law by Governor Robert Docking on April 18, 1969. The dates of the major events surrounding the bill were used as a guide, and all the daily newspapers were searched one day prior and three days after each date. The Office of the Secretary of State provided the dates the legislative action was taken on the bill. The files of the Associated Press and the Topeka Capital, the official state newspaper, also were used to select the dates to be searched. The

major events and the day each occurred are the following:

- February 12 Senate hearings on S. 125 before the Committee on Commercial and Financial Institutions
- February 21 Senate hearings on S. 125 before a subcommittee of the Committee on Commercial and Financial Institutions
- March 12 Senate of Kansas votes on Senate Bill 125
- March 19 Kansas House hearings on S. 125 before the Committee on Commercial and Financial Institutions
- March 30 Dispute between opponents and proponents of S. 125
- April 1 House committee approves S. 125
- April 7 Kansas House votes on S. 125
- April 17 Kansas Attorney General gives legal opinion on S. 125
- April 18 Governor signs S. 125 into law.

All articles found in the newspapers were copied and are included in the appendices.

RESULTS

Of the fifty-two daily newspapers searched, thirty-four (65%) used wire service exclusively for coverage of Senate Bill 125. Ten newspapers (19%) did not have coverage of the bill. Seven newspapers (13%) used wire service news and articles from other sources. Five of these seven newspapers used staff written articles as well as wire service news. Two of the seven

newspapers carried editorials concerning the bill, and one newspaper included comments about the bill from the legislator from that district. One newspaper (2%) used no wire service but did include information about the bill in a column written by the state senator from that district.

Three of the thirty-four newspapers using wire service coverage exclusively subscribed to the United Press International. The remaining thirty-one newspapers used news from the wires of the Associated Press.

Included in the coverage by newspapers were many one-sentence to one-paragraph reports on Senate Bill 125. These were included in a news article with many other bills before the legislature. These legislative bulletins are important to show the progress of the bill, but give little information concerning the bill. Twenty (47%) of the newspapers providing coverage of the bill used legislative bulletins as a means of reporting the progress of the bill in the legislature.

Wire Service News

Because 90 per cent of the newspapers carrying reports of Senate Bill 125 used Associated Press news, the coverage given by the writers for the Associated Press was important to the total coverage given by the Kansas Daily newspapers. The Associated Press carried 12 articles about the bill. This number does not include legislative bulletins or articles summarizing progress of many different bills before the legislature, including Truth in Lending.

Table 1. The frequency of each Associated Press wire service article.

Article	Date	Number of newspapers
Lind testifies before Senate committee	Feb. 14	1
Garrison opposes S. 125	Feb. 14	9
Morse testifies before Senate subcommittee	Feb. 21	7
Final Senate vote	Mar. 12	6
Testimony before House committee	Mar. 19	10
House committee decision expected	Apr. 1	2
House committee recommends passage of bill	Apr. 2	3
Built-in lobbies	Apr. 9	13
Senate-House conference committee	Apr. 10	4
Senate approves conference committee report	Apr. 11	2
Attorney General's opinion on bill	Apr. 19	5
Governor signs bill	Apr. 20	5

As Table 1 illustrates, the article about built-in lobbies was the article which was carried by most newspapers. Possible reasons for its popularity were that it was a human interest article and questioned the judgment of some voting legislators. It stated that forty-five of the 125 legislators in the House had financial ties to banks, credit unions, savings and loan association or finance companies. Of these

forty-five, only nine did not vote.

In 1967, the House adopted a rule which states: "No member shall vote on a question in which we have a special personal or pecuniary interest, as distinguished from the general interest that other legislators have there-in."

The wire service article which was second in frequency covered the testimony March 19 before the House committee. This article discussed testimony by representatives of both borrowers and lenders. It was the first article that gave the viewpoint of both the proponents and opponents.

Other articles which received coverage by several newspapers included the February 14 article on Jim Garrison opposing the bill, and the February 21 article on Dr. Morse's testimony before the Senate subcommittee. These articles were about people who were well known in their professions and in the state and this, as cited above, is a major factor in selection of news.

The coverage by most newspapers was rather random. Only one newspaper carried six (50%) of the twelve wire service articles. Only four newspapers carried four (33%) of the articles. This indicates that many of the newspapers carried only one or two of the twelve articles.

Although no general pattern for selection of articles was apparent, human interest articles were printed more frequently than articles on the bill's progress in the legislature.

Newspaper interest seemed to be greater when the bill was first introduced in the Senate. Only one newspaper carried more

than one of the first three articles. This indicates that many newspapers carried one article in February, but did not follow it with another article until in March or later.

Table 2. The frequency of each United Press International wire service article.

Article	Date	Number of newspapers
Testimony before House committee	March 19	1
Senate Bill 125 passes the House	April 8	3
Governor signs the bill	April 20	1

Three newspapers carried United Press International wire service news. These newspapers were the Goodland Daily News, the Larned Tiller and Toiler, and the Kansas City Kansan. The first two newspapers carried only one article and the third newspaper carried three articles. All three newspapers carried the article reporting the House passage of the bill. The Kansas City Kansan also carried an article written on March 19 about testimony given before the House subcommittee and an article written April 20 when the governor signed the bill into law.

Total coverage given by individual newspapers was evaluated by dividing the newspapers into categories of large newspapers, chain newspapers and geographical regions of northeastern, southeastern, central, and plains.

Large Newspapers

The coverage of Senate Bill 125 given by the large newspapers varied greatly. The most nearly complete coverage of the large newspapers was given by the Topeka Capital, which is the official state newspaper. This coverage included topics which were not published in any other paper and which added depth of understanding about the bill. Specifically, these articles included a dispute between a university professor and a lobbyist for the Kansas Bankers Association; an announcement by the Kansas Home Economics Association stating that it was against the bill; an article reporting Representative Robert Keenan's request that a House panel add more consumer protection to the bill; and an article in which Representative Keenan accused the bill of interest rate increases when the House committee stated that the interest rates would not be increased.

Since the legislature meets in Topeka, it would seem that Topeka newspapers would carry more legislative news than other daily newspapers in the state. The Topeka Capital did carry many more stories than any other daily newspaper, but the Topeka State Journal, under the same ownership had less coverage than many of the other daily newspapers in Kansas.

The Wichita Eagle, too, contained staff written articles explaining issues involved. While the Topeka Capital and the Wichita Eagle contained rather complete coverage, some of the other large daily newspapers ignored the bill until the Senate had approved it and sent it to the House. The Topeka Capital,

Wichita Eagle and the Hutchinson News utilized staffs for articles; the other large daily newspapers relied upon the wire service for news. The Hutchinson News was the only newspaper of the large daily newspapers to carry an editorial about the bill, and this was not the equal of those carried by the Parsons Sun, a small newspaper.

Wichita Eagle

It is a morning publication which receives both the Associated Press and United Press International wire services. In 1969, it had a circulation of 128,471. Although 64 per cent of its circulation was within Sedgwick County, it was widely read throughout south central and western Kansas. In thirty-two counties of Kansas, 80 per cent or more of the households received the Wichita Eagle. In forty-two counties, 50 per cent or more of the households received this newspaper. The only regions which did not receive the Wichita Eagle were the extreme northwestern and northeastern Kansas counties (Aangeenbrug, 1969, p. 4).

Coverage consisted of five articles written by its own staff. Each article contained concise informative news. The article which appeared April 8 quoted several legislators' comments as they debated the bill in the House for four hours. It also stated that the legislators attempted to amend the measure ten times, a fact which was not brought out in wire service news. The Wichita Eagle did not contain a separate article when the governor signed the bill into law, although the signing

was mentioned in an article about the bills passed by the 1969 legislature. With this exception, a reader could read only the articles on Senate Bill 125 which appeared in the Eagle and have enough information to follow the progress made by the bill in the legislature and to understand some of the controversy surrounding the bill.

Wichita Beacon

It is an evening publication which receives both the Associated Press and United Press International wire services, but its coverage consisted entirely of the Associated Press wire service news. In 1969, it had a circulation of 66,276, which was the largest circulation of any evening newspaper in Kansas. Sedgwick county received 96 per cent of all of the copies of the Beacon sold. The Beacon ran three articles and two legislative bulletins. The two bulletins told of the bill's passage in the House and Senate. The wire service articles used included the Jim Garrison story, announcement of the House vote, and the article on built-in lobbies. The entire coverage was not as complete as that of the Wichita Eagle, which is under the same management as that of the Wichita Beacon.

The Wichita Beacon-Eagle is the combined Sunday newspaper in Wichita. It carried a staff written article about the attorney general's opinion on the constitutionality and adequacy of the bill.

Topeka Capital

It is a morning publication which is a member of the

Associated Press wire service. In 1969, it has a circulation of 66,164. The Topeka Capital is the official state newspaper. Since the Kansas legislature meets in Topeka, legislative news could possibly be emphasized because of its proximity. The Topeka Capital was the second largest morning newspaper printed in Kansas. Shawnee County, of which greater Topeka is a part, accounts for only 45 per cent of the total distribution. There are thirty-three counties in Kansas in which 50 per cent or more of the households receive the Topeka Capital. Its distribution is chiefly in the northern top three tiers of counties in Kansas. The newspaper is not circulated in significant numbers in southern Kansas (Aangeenbrug, 1969, p. 4).

The coverage included twelve staff written articles and one Associated Press wire service article. The Capital contained the most nearly complete information about Senate Bill 125 of all of the daily newspapers in Kansas. It began coverage on February 14 and continued coverage until April 20 when the bill was signed into law.

Topeka State Journal

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 28,802. The Topeka State Journal is the fifth largest evening daily with an extensive circulation pattern. There are eight counties in Kansas in which 20 per cent or more of the households received the Topeka State Journal. These counties account for 87 per cent of the newspapers distributed. About 80 per cent

of the households in Shawnee and Wabaunsee counties received the paper (Aangeenbrug, 1969, p. 4).

Coverage of the bill included wire service bulletins and articles, as well as staff written news. Senate Bill 125 was mentioned in an article about the Attorney General's Consumer Advisory Council; members of which disagreed on the merits of the bill. The newspaper also carried an article about two representatives who proposed unsuccessfully a series of amendments to the bill. Another article was the wire service article on built-in lobbies. The final article was a staff written article stating that the bill had been sent to the governor for his action on the bill.

Hutchinson News

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 50,622. It was the third largest evening paper circulated in Kansas, being distributed primarily in the southwestern part of the state. It was the dominant evening daily in term of its relatively large share of the local circulation over a large area. In twenty-three counties, 50 per cent or more of the households received the Hutchinson News (Aangeenbrug, 1969, p. 8).

The coverage of the bill included wire service news, staff written news and an editorial. The first article, printed February 13, was a staff written article giving general information about the bill. It quoted Representative Robert Keenan who opposed the bill. There was no further coverage of the bill until April 8 when a wire service bulletin was printed about

preliminary approval of the bill in the House. The Hutchinson News carried an editorial which stated that the "so-called 'truth in lending bill' passed by the lawmakers just doesn't live up to its nomenclature. The bill, in fact, only raises the interest rates on most bank loans and allows revolving credit. It does little or nothing to meet the requirements of the federal truth in lending law." This editorial was the only one written by a newspaper with more than 10,000 circulation.

For a newspaper which was the most dominant evening newspaper, it did not have complete coverage of the bill because of a lapse of coverage from February 13 to April 8.

Kansas City Kansan

It is an evening publication which subscribes to the United Press International wire service. In 1969, it had a circulation of 30,632. It has major competition from the Kansas City Star which was received by 80 per cent or more of the households in Wyandotte county (where the Kansas City Kansan is published) and its surrounding counties (Aangeenbrug, 1969, p. 4).

The coverage of the bill consisted of three wire service articles. The first article was written about testimony before the House Commercial and Financial Institutions Committee. The second stated that a final vote in the House was expected on the bill. The third article reported the governor signing the bill into law. The first article appeared March 19, after the Senate had approved the bill. It carried no articles explaining the bill or giving background information about the bill.

Salina Journal

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 32,861. In thirteen counties, 50 per cent or more of the households received the Salina Journal. It was mainly distributed in the north central and northwestern counties. There was less distribution in counties which have local evening newspapers. These counties include Ellis, Russell and Norton. The Salina Journal is the fourth largest evening newspaper circulated in Kansas (Aangeenbrug, 1969, p. 4).

The coverage of Senate Bill 125 consisted of two wire service articles and two wire service legislative bulletins. The coverage began March 20 with a wire service article quoting the opponents and proponents of the bill. A legislative bulletin April 9 announced that the bill had received preliminary House approval. Another legislative bulletin mentioned that the bill was approved by the legislature. The final article stated that the governor was signing the bill into law but with reservations.

The coverage included nothing about Senate action on the bill since the first article was written March 20, after the Senate had approved the bill. The coverage did include the wire service article which contained testimony from those for and against the bill. The coverage of the bill began late in the legislative session and the coverage was rather limited.

Chain-owned Newspapers

For ease in classification, all the chain-owned newspapers will be grouped together. A chain or group newspaper is one which is owned by the same person or persons or corporation and which may or may not have the same news executives. The newspapers may or may not be autonomous.

During the 1969 legislative session, there were five newspapers owned by John P. Harris. These newspapers are the Chanute Tribune, the Garden City Telegram, the Hutchinson News, the Olathe News, and the Ottawa Herald.

The Seaton family owned the Manhattan Mercury, the Coffeyville Journal, and the Winfield Courier.

The Stauffer family owned the Arkansas City Traveler, the Kansas City Kansan, the Newton Kansan, the Pittsburg Headlight-Sun, the Topeka Capital, and the Topeka State Journal.

With the exception of the Hutchinson News, which has a circulation of 50,622, the newspapers in the Harris group have circulations within the range of 4,800 to 6,500. Among these newspapers with similar circulation, there was a great variation in coverage given to the bill. For example, the Ottawa Herald had four articles and two legislative bulletins while the Olathe News had no coverage of the bill. The coverage of the Harris newspapers began at different dates and ended at different dates with no consistent pattern of coverage. The Garden City Telegram began coverage February 14 while the Ottawa Herald began in March and the Chanute Tribune began coverage in

April. There was no pattern for the selection of wire service articles to be used by each newspaper.

Harris group of newspapers

Chanute Tribune

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 5,864. The only real competition from a large daily newspaper was from the Wichita Eagle and the Kansas City Times. Both of these were morning newspapers; 50 per cent or more of the households received the Kansas City Times and 20 per cent of the households received the Wichita Eagle (Aangeenbrug, 1969, p. 4).

The Chanute Tribune printed two wire service articles and two legislative bulletins. These were printed in April which indicates the newspaper did not publish anything about the bill until it had been passed in the Senate and approved by the House. One of the articles announced the passage of the bill after it was approved by the Senate-House conference committee. The other article contained the attorney general's opinion about the bill.

Garden City Telegram

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 6,502. Fifty per cent of the households in Finney and Kearney counties received the Garden City Telegram. In Finney county, 80 per cent or more of the households received the Wichita Eagle (Aangeenbrug, 1969, p. 4).

The Telegram ran one legislative bulletin and four wire service articles, beginning with coverage of the Senate subcommittee hearings in February and continuing until April 9. The first wire service article was the article about Jim Garrison's opposition to the bill. The second article announced that the bill was scheduled for a final vote in the Senate and included proposed interest rate changes. The third article told of testimony before the House committee by opponents and proponents of the bill, and the fourth told of the built-in lobby in the legislature. The coverage did not include an article about the governor signing the bill into law.

Hutchinson News

The Hutchinson News was a member of the group of Harris newspapers and its coverage has been discussed with the large daily newspapers.

Olathe News

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 4,857. It gave no coverage to Senate Bill 125.

Ottawa Herald

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 6,231. Fifty per cent or more of the households received the morning Kansas City Times. Twenty per cent or more received the Topeka Capital and the Kansas City Star (Aangeenbrug, 1969, p. 4).

The coverage of the bill included two legislative bulletins

and four wire service articles. Coverage began with an article March 12 announcing the Senate would vote on the bill. It also included some information on the proposed interest rate changes. The coverage continued with three more wire service articles. The article about built-in lobbies was shortened before printing. The last article to appear reported the attorney general's opinion on the bill's constitutionality. The coverage began late and did not include articles on the Senate hearings.

The circulations of the Seaton newspapers varied from 6,000 to 10,000. All three newspapers began coverage in February and two continued coverage until April when the bill was signed into law. The third paper, however, stopped coverage in the middle of March. All three newspapers used wire service coverage only, with no staff written articles or editorials. The Winfield Courier used only legislative bulletins while the Manhattan Mercury and the Coffeyville Journal used wire service articles and legislative bulletins.

Seaton group of newspapers

Coffeyville Journal

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 10,080. Newspapers which were circulated in Montgomery county, where Coffeyville is located, included the Wichita Eagle and the Kansas City Times. Twenty per cent or more of the households received each of these newspapers. The evening Independence Reporter, published in Montgomery county was also distributed to 20 per cent or more of the households in the county (Aangeenbrug, 1969, p. 4).

The coverage of the bill consisted of three wire service articles and one legislative bulletin. Included in the selection were two informative wire service articles--the February 21 article explaining a credit problem and the March 19 article about testimony of representatives for borrowers and lenders. The third article gave the attorney general's opinions on the constitutionality of the bill. The selection of the wire service articles seemed to be random and the coverage lacked continuity.

Manhattan Mercury

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 9,035. Competitive newspapers include the Kansas City Times with 20 per cent or more of the households in Riley county receiving it, and the Topeka Capital with 50 per cent or more of the households in the county receiving it (Aangeenbrug, 1969, p. 4).

The coverage in the Manhattan Mercury included three wire service articles and one legislative bulletin. The coverage began with the February 21 article explaining a credit problem which was taken from Senate subcommittee hearings. The coverage also included the April 9 article on built-in lobbies and an article about the signing of the bill into law. The Manhattan Mercury began coverage early with the February 21 article but did not continue coverage until April 8. There was no coverage of the bill while it was in the House.

Winfield Courier

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 6,010. Competitive newspapers include the Wichita Eagle, which had a circulation of 80 per cent or more of the households in Cowley county. Fifty per cent of the households received the Wichita Beacon (Aangeenbrug, 1969, p. 4).

The coverage consisted of two legislative bulletins. The first bulletin printed reported the passage of the bill by the Senate. The second bulletin stated that the bill had received preliminary approval by the House. The coverage lacked information about Senate or House testimony which would give background information about the bill. The coverage did not follow the bill's progress through the legislature.

The newspapers owned by the Stauffer family varied in coverage from the Topeka Capital, which gave extensive coverage, to the Pittsburg Headlight-Sun which had no coverage. Five of the six newspapers were members of the Associated Press; the sixth subscribed to the United Press International wire service. The coverage by the newspapers began at different dates. The Topeka Capital and the Arkansas City Daily Traveler began coverage February 14 while the Topeka State Journal and the Kansas City Kansan did not begin coverage until March. The Newton Kansan began coverage in April while the Pittsburg Headlight-Sun did not begin coverage at all. The follow-up coverage after the initial article varied greatly. The Arkansas City Daily Traveler began coverage in February but had only one article

after that, while the Topeka Capital had twelve articles after the initial one.

The immense difference in circulations and size of the newspapers and the amount of manpower available are factors which could influence news content of a newspaper. The Topeka Capital circulation is ten times as great as that of the Newton Kansan or the Arkansas City Daily Traveler.

Stauffer group of newspapers

Arkansas City Daily Traveler

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 6,788. Competitive newspapers include the Wichita Eagle, the Wichita Beacon, and the Winfield Courier, another newspaper published in Cowley county. Eighty per cent of the households in Cowley county received the Wichita Eagle and 20 per cent of the households received the Wichita Beacon (Aangeenbrug, 1969, p. 4).

The coverage given by the Arkansas City Daily Traveler consisted of two wire service articles. The first article was about Jim Garrison objecting to the bill. The second article was about testimony given March 19 before the House committee. There was no coverage after this.

Newton Kansan

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 7,543. Eighty per cent of the households in Harvey county received the Wichita Eagle (Aangeenbrug, 1969, p. 4).

The only coverage given by the Newton Kansan was one legislative bulletin in April.

Pittsburg Headlight-Sun

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 12,232.

It had no coverage of Senate Bill 125.

Kansas City Kansan

The Kansas City Kansan is a member of the Stauffer group of newspapers and its coverage has been discussed with the large daily newspapers.

Topeka Capital

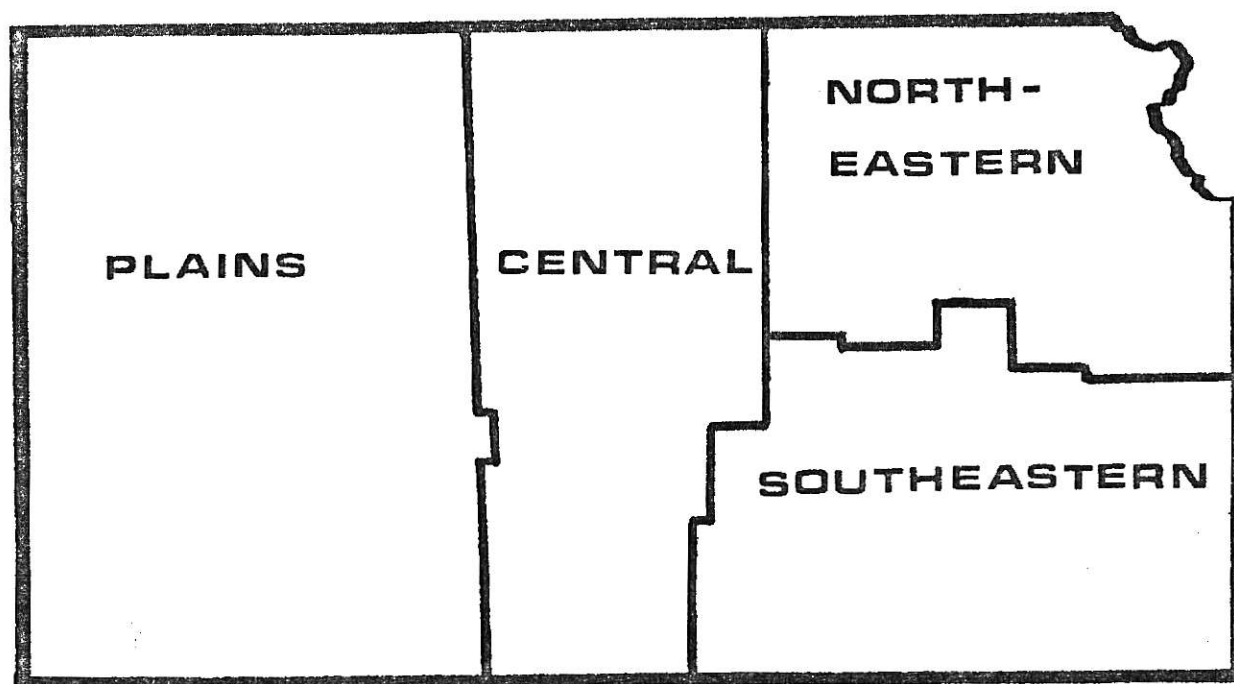
The Topeka Capital is a member of the Stauffer group of newspapers and its coverage has been discussed with the large daily newspapers.

Topeka State Journal

The Topeka State Journal is a member of the Stauffer group of newspapers and its coverage has been discussed with the large daily newspapers.

Newspapers by Regions

The State of Kansas was divided into regional areas--the northeastern, the southeastern, the central, and the plains. The map on page 26 shows the regions. The daily newspapers from each of these regions were evaluated.



Northeastern newspapers

The daily circulations of newspapers in the northeastern region ranged from a high circulation of 14,836 for the Lawrence Journal World to a low circulation of 2,860 for the Council Grove Republican. Of the eight newspapers in this region, three carried no coverage of the bill (the Atchison Daily Globe, the Council Grove Republican, and the Hiawatha World); one newspaper carried legislative bulletins only (the Junction City Daily Union); and four carried wire service articles (the Abilene Reflector-Chronicle, the Clay Center Dispatch, the Lawrence Journal World and the Leavenworth Times). There were no newspapers in this region which carried editorials or staff written articles about the bill.

Coverage by each newspaper began randomly and continued haphazardly. There was no general pattern in selection of wire service articles used. While two of the five newspapers began coverage in February and continued until April, one began in March and continued until April, and two began in April.

Three out of the four newspapers using wire service articles printed the article about built-in lobbies. No other articles or legislative bulletins were printed as consistently by the northeastern Kansas newspapers. The great variety in selection of wire service coverage by the northeastern Kansas newspapers followed a general trend of all Kansas dailies. Space limitation, general unawareness of the bill, conscious editorial judgment or pressure by local factions could be factors influencing the beginning date of coverage, the amount of coverage, and the type of coverage.

Abilene Reflector-Chronicle

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 5,112. Fifty per cent of the households received the Topeka Capital and 20 per cent of the households in that county received the Kansas City Times, the Wichita Eagle, and the Salina Journal (Aangeenbrug, 1969, p. 4).

Coverage of the bill included two wire service articles and two legislative bulletins. Coverage began in March when the bill was mentioned in a legislative bulletin. Wire service articles included the article of testimony before the House

committee and the article on built-in lobbies. Coverage was concluded before the signing of the bill into law by the governor or before the attorney general gave his opinion on the constitutionality of the bill.

Atchison Daily Globe

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 7,031. It had no coverage of Senate Bill 125.

Clay Center Dispatch

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 3,587. Other newspapers which circulated in Clay county included the Topeka Capital, which was received by 80 per cent of the households (Aangeenbrug, 1969, p. 4).

The coverage given to the bill consisted of one wire service article written on built-in lobbies. There were no legislative bulletins.

Council Grove Republican

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 2,860. It had no coverage of Senate Bill 125.

Hiawatha World

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 3,738. It had no coverage of Senate Bill 125.

Junction City Daily Union

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 6,217. Competition was fairly evenly distributed between the Wichita Eagle, the Kansas City Times, and the Topeka Capital. All of these newspapers are received by 20 per cent of the households in that county (Aangeenbrug, 1969, p. 4).

The coverage of the bill consisted of three legislative bulletins beginning in April. The legislative bulletins did not explain the aspects of the bill but told of its approval in the House and that the governor felt "deficiencies" in the bill should be corrected. The "deficiencies" were not further explained.

Kansas City Kansan

The coverage given to the bill by the Kansas City Kansan was discussed with the large newspapers.

Lawrence Journal World

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 14,836. Fifty per cent of the households in Douglas county received the Kansas City Star and 20 per cent received the Topeka Capital. Fifty per cent of the households in Douglas county received the Lawrence Journal World (Aangeenbrug, 1969, p. 4).

The coverage given by the Lawrence Journal World consisted of four wire service articles and one legislative bulletin. The first article concerned testimony before the Senate subcommittee.

The next article announced that the bill had passed the House. Other articles included the article on built-in lobbies and an article stating the bill had been sent to the governor for approval. The coverage started early in the legislative life of the bill and continued until the bill was sent to the governor. However, there was no coverage during March when the Senate approved the bill and the House began testimony.

Leavenworth Times

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 10,408. Eighty per cent of the households in Leavenworth county received the Kansas City Times and 20 per cent received the Kansas City Star (Aangeenbrug, 1969, p. 4).

The coverage included four wire service articles. The coverage began February 14 with the wire service article quoting Jim Garrison. The coverage also included the March 19 wire service article on testimony before the House committee. The coverage concluded with a wire service article April 10 written about the Senate-House conference committee. Three of the four wire service articles were not given headlines, but were grouped with several other articles under the headline "Scanning the News--Kansas, the Nation, the World."

Manhattan Mercury

The Manhattan Mercury is a member of the group of Seaton newspapers and its coverage has been discussed with that group.

Olathe News

The Olathe News is a member of the group of Harris newspapers and its coverage was discussed with that group.

Ottawa Herald

The Ottawa Herald is a member of the group of Harris newspapers and its coverage was discussed with that group.

Topeka Capital

The coverage given to the bill by the Topeka Capital was discussed with the large newspapers.

Topeka State Journal

The coverage given to the bill by the Topeka State Journal was discussed with the large newspapers.

Southeastern newspapers

Nine of the fourteen newspapers in the southeastern region had circulation of 5,000 or less with the remaining five with circulations from 6,000 to 10,000. Of the fourteen newspapers in this region, three carried no coverage of the bill (the Burlington Republican, the Haysville Reporter, and the Neodesha Sun). Two newspapers (the Ft. Scott Tribune and the Fredonia Herald) carried legislative news bulletins only. Six newspapers carried wire service articles (the Augusta Gazette, the Columbus Daily Advocate, the Independence Reporter, the Iola Register, the Emporia Gazette, and the Wellington News). Three of the newspapers (the Parsons Sun, the El Dorado Times, and the Derby Daily Reporter) used other sources in addition to wire service

news in articles about the bill. Two of these (the El Dorado Times and the Derby Daily Reporter) used comments from the legislator in their district and the Parsons Sun contained three editorials as well as wire service articles.

Five of the newspapers began coverage in February and three of these continued coverage throughout March and April. One newspaper began coverage in March and five newspapers did not begin coverage until April. Awareness about the bill by newspapers increased slowly until in April, when eleven of the fourteen newspapers carried some coverage of the bill. Coverage was sparse and infrequent in a majority of the newspapers in the southeastern region. This is shown by the fact that six of the eight newspapers carrying wire service articles carried only one article. The seventh newspaper carried two articles and the eighth carried six wire service articles.

The most complete coverage given by any Kansas daily of its size was given by the Parsons Sun. The quality of the editorials showed depth of understanding and insight into the bill.

Augusta Daily Gazette

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 2,670. Eighty per cent of the households in Butler county received the Wichita Eagle (Aangeenbrug, 1969, p. 4).

The coverage given by the Augusta Daily Gazette consisted of two wire service articles. The first was shortened from the February 21 wire service article which quoted Dr. Morse in his

testimony before the Senate subcommittee. When the article was shortened it failed to identify the source quoted except to mention "Morse". Apparently the paragraph identifying him had been edited out and no revisions made to correct this. The other article was a wire service article written in April which stated that the bill had been approved by the House. The Augusta Daily Gazette edited this article from a wire service article about several bills.

Arkansas City Daily Traveler

The Arkansas City Daily Traveler was a member of the group of Stauffer newspapers and its coverage was discussed with that group.

Burlington Republican

It is an evening publication which had a circulation of 2,489. It had no coverage of Senate Bill 125.

Chanute Tribune

The Chanute Tribune was a member of the group of Harris newspapers and its coverage was discussed with that group.

Coffeyville Journal

The Coffeyville Journal was a member of the Seaton newspapers and its coverage was discussed with that group.

Columbus Daily Advocate

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 2,994.

Competition from other Kansas daily newspapers was slight in Cherokee county (Aangeenbrug, 1969, p. 4).

One wire service article was the only coverage given to the bill. The April 10 article discussed the Senate-House conference committee. Because the coverage began so late in the bill's progress through the legislature, adequate background information could have added depth to the article. However, this information was not added.

Derby Daily Reporter

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 3,223. Eighty per cent of the households in Sedgwick county received the Wichita Eagle and the Wichita Beacon (Aangeenbrug, 1969, p. 4).

Coverage of the bill included a report from the representative of that district who termed the bill "another fraud to our Kansas public namely Mr. Average Citizen, like you and I". There were also two legislative bulletins, one announcing House passage of the bill. The other reported the governor's request for the legislature to lower some of the interest rates.

El Dorado Times

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 6,089. Eighty per cent of the households in Butler county received the Wichita Eagle (Aangeenbrug, 1969, p. 4).

The coverage given to the bill included one wire service

article, one legislative bulletin, and comments on the bill in an article written by the state senator for that district. The article on built-in lobbies was the wire service which appeared. The legislative bulletin announced that the House had given preliminary approval to the bill. The state senator stated the bill had been passed and "allowed the state to avoid the enforcement of the federal consumer credit protection act . . .". He concluded by stating that "the bill has many shortcomings to me." He did not elaborate as to what these shortcomings were.

Fort Scott Tribune

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 6,105. Eighty per cent of the households in Bourbon county received the Kansas City Times and 20 per cent received the Kansas City Star (Aangeenbrug, 1969, p. 4).

The only coverage given was a sentence on the bill within an article on several bills before the legislature. The sentence written April 21 stated that ", , , deficiencies in the truth in lending measure should be corrected." No other coverage was given to the bill.

Fredonia Herald

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 1,774. Fifty per cent of the households in Wilson county received the

Kansas City Times. Twenty per cent received the Wichita Eagle (Aangeenbrug, 1969, p. 4).

The coverage of the bill consisted of three legislative bulletins. The bill was first mentioned in a February 21 bulletin which told about testimony before the Senate subcommittee. The second article announced the upcoming Senate vote. The last legislative bulletin announced preliminary approval of the bill by the House.

Haysville Reporter

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 2,596. It had no coverage of Senate Bill 125.

Independence Reporter

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 7,188. Twenty per cent of the households in Montgomery county received the Wichita Eagle and the Kansas City Times. Twenty per cent of the households in Montgomery, the county in which Independence is, received the Independence Reporter. Fifty per cent of the households in neighboring Elk county received the Independence Reporter (Aangeenbrug, 1969, p. 4). One legislative bulletin and one wire service article was the coverage given to the bill by the newspaper. The wire service article published April 11 stated that the Senate had approved the Senate-House conference committee report. It gave some interest rate changes that were included in the bill. The coverage did not begin until April.

Iola Register

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 5,041. Fifty per cent of the households in Allen county received the Kansas City Times (Aangeenbrig, 1969, p. 4).

News coverage by this newspaper included two wire service articles and two legislative bulletins. The first wire service article appeared February 21. This article quoted Dr. Morse's testimony before the Senate subcommittee. Two legislative bulletins appeared in March. In April, the only coverage given to the bill was the wire service article on built-in lobbies. The February 21 article had good information while the last article added human interest to the bill.

Emporia Gazette

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 9,888. Fifty per cent of the households in Lyon county received the Kansas City Times and 20 per cent received the Wichita Eagle and the Topeka Capital (Aangeenbrug, 1969), p. 4).

All of the coverage given by the Emporia Gazette was published after April 8. This included two articles and three legislative bulletins. The first article was the article on built-in lobbies. The other article was the article which the attorney general gave his opinion on the constitutionality of the bill. Four of the five articles were written on four consecutive days. Possible reasons for this sudden interest at

such a late date could be that the newspaper decided at that time the bill became an important issue or they had no space on earlier dates to print articles or they were unaware of the bill's existence, or possibly a combination of these reasons.

Neodesha Sun

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 1,401. It had no coverage of Senate Bill 125.

Newton Kansan

The Newton Kansan was a member of the group of Stauffer newspapers and its coverage was discussed with that group.

Parsons Sun

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 9,211. Twenty per cent of the households in Labette county received the Kansas City Times (Aangeenbrug, 1969, p. 4).

The coverage given to the bill consisted of seven wire service articles and three editorials. The wire service coverage began February 14 with the article quoting Jim Garrison and continued until the bill became law April 19. The first editorial was written February 14. It urged readers to contact their state senators telling him of their dissatisfaction with the bill. Another editorial written April 9, termed Senate Bill 125, "an illegitimate offspring of strange bedmates". The editorial continued by explaining that the Kansas Bankers Association had joined forces with the small loan companies in backing

the bill. The editorial concluded by stating that "Governor Docking would be acting in the public interest by vetoing the bill and forcing proper legislation to be enacted on the subjects involved." The third editorial was written April 21 after the bill had been signed into law by the governor. This editorial expressed the opinion that the bill was "a brazen fraud upon the people of Kansas!" It concluded by stating "The Kansas Bankers Association and the State Chamber of Commerce hardly covered themselves with glory by their involvement. As organizations with a great deal of potential for the good, they are caught with egg on their faces. Perhaps they owe an apology to the state at large." The coverage given by the Parsons Sun was the most complete coverage of any Kansas daily of its size. It was the only Kansas daily of its size that wrote editorials.

Pittsburg Headlight-Sun

The Pittsburg Headlight-Sun was a member of the group of Stauffer newspapers and its coverage was discussed with that group.

Wellington News

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 4,536. Eighty per cent of the households in Sumner county received the Wichita Eagle and 50 per cent received the Wichita Beacon (Aangeenbrug, 1969, p. 4).

The coverage given to the bill included two wire service articles. The first one printed February 15 quoted Jim Garrison's

disapproval of the bill. The second article was a report of the testimony before the House committee. The Wellington News began coverage with the first wire service article but did not continue printing coverage after March 19.

Wichita Beacon

The coverage given to the bill by the Wichita Beacon was discussed with the large newspapers.

Wichita Eagle

The coverage given to the bill by the Wichita Eagle was discussed with the large newspapers.

Winfield Courier

The Winfield Courier was a member of the group of Seaton newspapers and its coverage was discussed with this group.

Central newspapers

The daily circulation of newspapers in the central region ranged from a circulation of 2,672 to a high of 12,284. Six of the seven newspapers had daily circulation of under 5,500. Of the seven newspapers in this region, two (the Lyons News and the Russell Daily News) carried no coverage of the bill. One newspaper (Beloit Daily Call) carried one legislative bulletin and four (the Concordia Blade Empire, Great Bend Tribune, the McPherson Sentinel, and the Pratt Tribune) carried wire service.

Two of the newspapers began coverage of the bill in February and continued until April. One newspaper began coverage in March. The remaining two newspapers which gave coverage to

the bill did not begin coverage until April. Those newspapers in the central region which began coverage in February were also the newspapers which had the most complete coverage in March and April. The Great Bend Tribune, which began coverage in February, had the most complete coverage with three wire service articles, three legislative bulletins, and two reports from the legislator from Great Bend. The Concordia Blade Empire, which began coverage in February, had three wire service articles and four legislative bulletins.

The newspapers in the central region had a great variation in coverage. Space limitation, general unawareness of the bill, conscious editorial judgment or pressure by local factions could be factors influencing the beginning date of coverage, the amount of coverage, and the type of coverage.

Beloit Daily Call

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 2,762. Fifty per cent of the households in Mitchell county received the Topeka Capital and 20 per cent received the Salina Journal (Aangeenbrug, 1969, p. 4).

The coverage given to the bill consisted of one legislative bulletin April 10. This one bulletin stated that the governor had asked the legislature to lower proposed interest rates in the bill.

Concordia Blade Empire

It is an evening publication which is a member of the

Associated Press. In 1969, it had a circulation of 3,874. Eighty per cent of the households in Cloud county received the Salina Journal and 50 per cent received the Topeka Capital (Aangeenbrug, 1969, p. 4).

The coverage given to the bill consisted of three wire service articles and four legislative bulletins. The coverage began February 14 with a wire service quoting Jim Garrison who did not favor the bill. The next wire service article quoted the proponents and opponents in their testimony before the House committee. The last wire service article was the April 9 article on built-in lobbies. Legislative bulletins followed the legislative progress of the bill through the Senate and House.

Great Bend Tribune

It is a morning and evening publication which is a member of the Associated Press. It has a circulation of 12,284. Eighty per cent of the households in Barton county received the Wichita Eagle and 20 per cent of the households received the Hutchinson News (Aangeenbrug, 1969, p. 4).

The coverage of the bill included wire service news and news written by the legislator from that district. The coverage included six articles and two legislative bulletins. The coverage began February 12 with a report from the legislator from that district who was against the bill. The legislator wrote another editorial report March 30, which urged the readers to write their legislator to tell him their feelings. The wire service articles included information on the interest rate

changes, testimony of proponents and opponents of the bill. The coverage began in February and continued until April. The Great Bend Tribune printed legislative progress of the bill throughout the time it was before the legislature.

Hutchinson News

The Hutchinson News was a member of the group of Harris newspapers and its coverage was discussed with the large newspapers.

Lyons News

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 3,109. It had no coverage of Senate Bill 125.

McPherson Sentinel

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 5,330. Fifty per cent of the households in McPherson county received the Wichita Eagle and 20 per cent received the Hutchinson News (Aangeenbrug, 1969, p. 4).

The coverage of the bill consisted of one wire service article and one legislative bulletin. The coverage began in April which was late in the bill's life. The first bulletin announced that the bill had received preliminary approval in the House. The article was written April 19 about the attorney general's opinion on the constitutionality of the bill.

Pratt Tribune

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 4,350. Eighty per cent of the households in Pratt county received the Wichita Eagle and 20 per cent received the Hutchinson News (Aangeenbrug, 1969, p. 4).

The coverage given to the bill consisted of one wire service article and one legislative bulletin. The wire service article announced that the Senate would vote on the bill and included some of the interest rate changes. The legislative bulletin stated that the bill had received preliminary House approval.

Russell Daily News

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 3,983. It had no coverage of Senate Bill 125.

Salina Journal

The Salina Journal's coverage of the bill was discussed with the large newspapers.

Plains newspapers

The newspapers in the plains region provided the most consistent coverage of the bill. All newspapers in the region carried wire service articles and four newspapers carried editorial or column coverage of the bill. Generally, coverage by the plains region newspapers began in April--four of the six

newspapers began coverage in April and one began in March. The amount of coverage given by each newspaper was small; the majority of newspapers had only one wire service article and two legislative bulletins.

Since all newspapers in the plains region carried coverage of the bill, a level of general awareness had been achieved by the newspapers. However, the significance of the bill was not realized soon enough to give complete coverage of the bill.

Dodge City Globe

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 7,731. Eighty per cent of the households in Ford county received the Wichita Eagle and 20 per cent received the Hutchinson News (Aangeenbrug, 1969, p. 4).

The coverage given to the bill consisted of two legislative bulletins and one wire service article. All three of these were published in a three-day period, April 8, 9, and 10. The wire service article was the article about built-in lobbies.

Garden City Telegram

The Garden City Telegram was a member of the group of Harris newspapers and its coverage was discussed with that group.

Goodland Daily News

It is an evening publication which is a member of the United Press International. In 1969, it had a circulation of 2,406. Twenty per cent of the households in Sherman county received the Topeka Capital (Aangeenbrug, 1969, p. 4).

Since Sherman county is on the Colorado border, the Colorado newspapers may be distributed in Sherman county. Coverage of the bill consisted of one wire article and one legislative bulletin. The legislative bulletin announced that the Senate had given tentative approval to the bill. The wire service article announced that the bill had passed the House and explained the interest rate increases. Both of these articles were from the United Press International wire service.

Hays Daily News

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 7,994. Twenty per cent of the households in Ellis county received the Wichita Eagle, the Kansas City Times, and the Topeka Capital (Aangeenbrug, 1969, p. 4).

The coverage consisted of one legislative bulletin and two wire service articles. All of the coverage was written in April with the legislative bulletin announcing that the bill had passed the House. One wire service article announced the signing of the bill into law. The coverage included nothing about the bill when it was in the Senate.

Larned Tiller and Toiler

It is an evening publication which is a member of the United Press International wire service. In 1969, it had a circulation of 3,081. Eighty per cent of the households in Pawnee county received the Wichita Eagle and 20 per cent received the Hutchinson News (Aangeenbrug, 1969, p. 4).

The only coverage given was a wire service article April 8 stating that the bill had passed the House.

Liberal Southwest Daily Times

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 7,829. Twenty per cent of the households in Seward county received the Wichita Eagle (Aangeenbrug, 1969, p. 4).

The coverage given to the bill consisted of five wire service articles: the first began February 14 and the coverage continued until April 10. The first wire service article was one quoting a lobbyist for the Kansas Bankers Association as he testified before the Senate committee. Although this article was one written by the Associated Press, the Liberal Southwest Daily Times was the only newspaper to carry it. Several other newspapers carried the article quoting Jim Garrison, also written February 14. The next wire service article was March 19, on testimony before the House committee. Included in the coverage in April was the built-in lobby article and announcement that the bill had passed the House. Another wire service article stated that the Senate-House conference committee was considering changing some of the interest rates in the bill.

Norton Telegram

It is an evening publication which is a member of the Associated Press. In 1969, it had a circulation of 3,413. Fifty per cent of the households in Norton county received the Topeka Capital (Aangeenbrug, 1969, p. 4).

The coverage given to the bill consisted of one wire service article on the Senate-House conference committee.

SUMMARY

The total coverage given to the bill by each of the Kansas dailies varied greatly in both frequency and quantity.

The most nearly complete news coverage of the bill was given by the Topeka Capital, which provided in-depth coverage throughout the bill's life in the legislature. This can be attributed to its position as the official state newspaper and its proximity to the state house. The legislature met in Topeka which was probably another reason that the Topeka Capital followed the bill's progress.

Nineteen newspapers began coverage in February, when the bill was first introduced into the legislature. Eight newspapers began coverage in March after the bill had been approved by the Senate. Fifteen newspapers did not cover the bill until April. Ten newspapers in Kansas ignored the bill.

An indication that there was a general unawareness of the issues of the bill or its importance was shown in the haphazard selection and amount of news coverage given by each newspaper. Predictably, human interest articles, such as the articles on built-in lobbies and testimony by opponents and proponents, were carried by more newspapers than were the news stories covering the progress of the bill in the legislature.

Thirty-four newspapers used wire service news exclusively because only the large newspapers in Kansas have news bureaus

in Topeka or assign staff members to cover the legislature.

Eighteen newspapers used news coverage other than wire service news. These nonwire service articles included reports from legislators, staff written material, and editorials.

Editorial comment was limited to the Parsons Sun and Hutchinson News. In three strongly voiced editorials, the Parsons Sun opposed the bill and advocated its defeat. The editorial in the Hutchinson News also opposed the bill.

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APPENDICES

Truth in All Credit

TOPEKA (AP) — All firms in Kansas charging interest or service charges for credit would come under a truth in lending bill being considered by the Kansas Senate, a lobbyist says.

Stanley L. Lind of Kansas City appeared before the Senate Committee on Commercial and Financial Institutions. He said he represents five state organizations, including the Retail Council of the State Chamber of Commerce and the Kansas Bankers Association.

He said the groups hope the bill, introduced in the Senate Feb. 5, will be passed.

Lind said the organizations think the bill should be made effective before July 1, when a federal version would go into ef-

fect in all states which have not adopted an acceptable equivalent of the federal act.

The Senate bill would compel disclosure of the annual interest percentage on each consumer credit transaction, regulate advertising of credit terms and require creditors to specify the method by which the balance in a revolving account would be determined for service charge purposes.

Lind said in response to a question that anyone lending money on a regular basis, no matter how small the amount, would be covered by the bill.

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Describes "truth in lending" bill as "profit in lending"

TOPEKA (AP) -- The chairman of the Kansas Association of Community Action Program Directors suggested Thursday he thinks the "truth in lending" bill could be billed the "profit in lending" bill.

James Garrison of Girard said it is "highly ironic that the truth in lending which we vigorously support is saddled with an increase in these (installment loan and retail credit interest) rates." The bill is now under

consideration by the Senate Committee on Commercial and Financial Institutions headed by Sen. Robert F. Bennett, R-Prairie Village.

Garrison, director of the Southeast Kansas Community Action program, issued a prepared statement on the bill.

He said the maximum interest rate for installment loans of up to \$300 would be increased by one-half from 14.76 per cent a year to 21.72 per cent a year.

Smaller increases would be provided for most installment loans on larger amounts.

"What seems to be going on is that Senate bill 125 is using truth-in-lending as a sort of front for increasing the interest rates on almost all kinds of retail credit and installment loans," he said.

"I don't see any sense in riding this increase in on truth-in-lending. They ought to be separate issues."

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Lending Bill Is Attacked

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Truth In Lending Bill Also Brings Loan Rate Raise

TOPEKA (AP) — The chairman of the Kansas Association of Community Action Program Directors suggested Thursday he thinks the "truth in lending" bill could be billed the "profit in lending" bill.

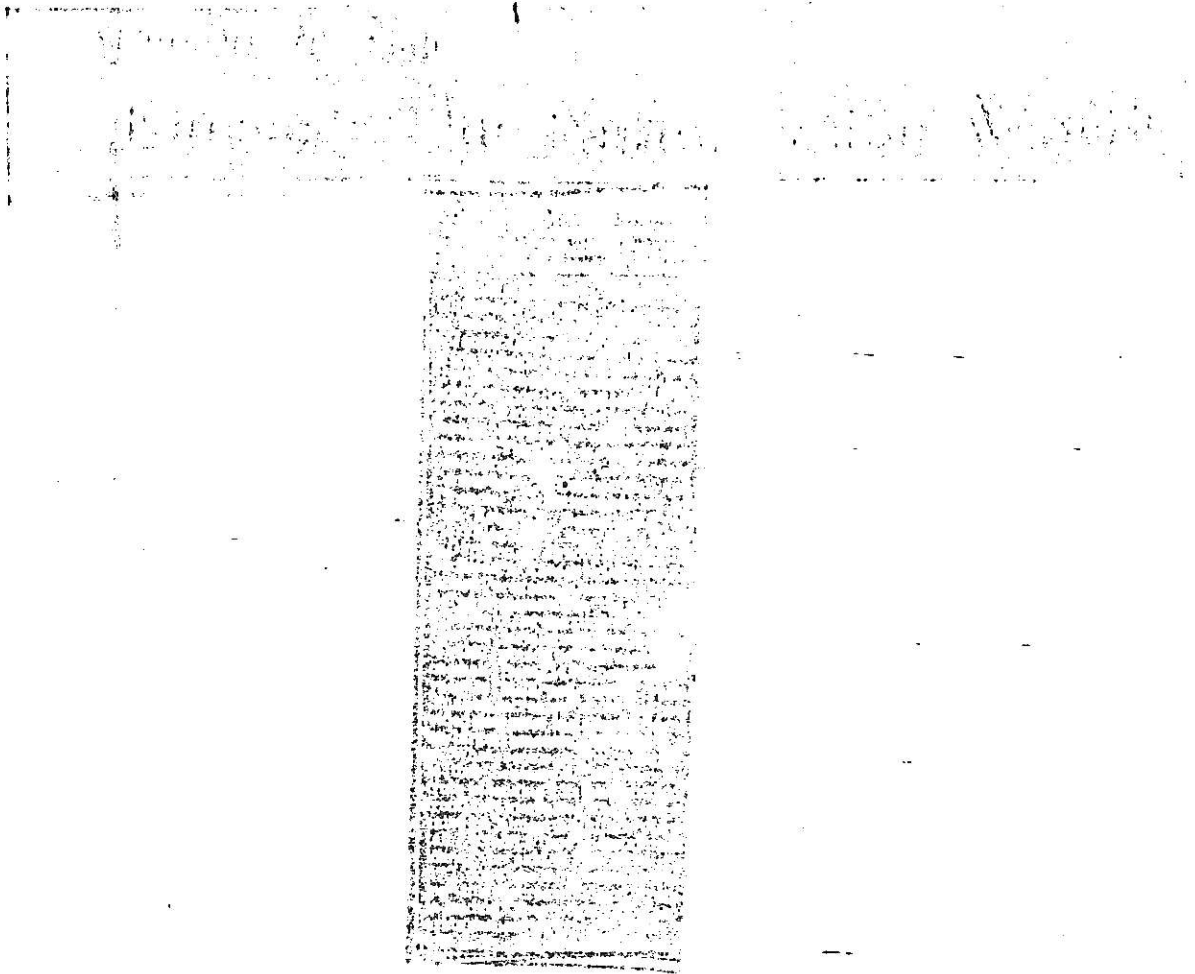
James Garrison of Girard said it is "highly ironic that the truth in lending which we vigorously support is saddled with an increase in these (installment loan and retail credit interest) rates. "The bill is now under consideration by the Senate Committee on Commercial and Financial Institutions headed by Sen. Robert F. Bennett, R-Prairie Village.

Garrison, director of the Southeast Kansas Community Action program, issued a prepared statement on the bill.

He said the maximum interest rate for installment loans of up to \$300 would be increased by one-half from 14.76 per cent a year to 21.72 per cent a year. Smaller increases would be provided for most installment loans on larger amounts.

"What seems to be going on is that Senate bill 125 is using truth-in-lending as a sort of front for increasing the interest rates on almost all kinds of retail credit and installment loans," he said.

"I don't see any sense in riding this increase in on truth-in-lending. They ought to be separate issues."



'Lending Truth' Bill Challenged

TOPEKA (AP) — The chairman of the Kansas Association of Community Action Program Directors protested Thursday in Topeka the "truth in lending" bill could be billed the "profit in lending" bill.

James Garrison of Girard said it is "highly ironic that the truth in lending which we vigorously support is saddled with an increase in these (installment loan and retail credit) interest rates." The bill is now under consideration by the Senate Committee on Commercial and Financial Institutions headed by Sen. Robert F. Bennett, R-Prairie Village.

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"I don't see any sense in riding this increase in on truth-in-lending. They ought to be separate issues."

Truth-in-Lending Concept Blasted

A Kansas war on poverty official said Thursday a State Senate bill is using the truth-in-lending concept "as a front for increasing interest rates on almost all kinds of retail credit and installment loans."

James Garrison, director of Southeast Kansas Community Action Programs (SEKAP), said the so-called truth-in-lending bill and interest rate changes should be wholly separate issues.

The Kansas Assn. of CAP directors had met Wednesday in Topeka and strongly opposed the bill.

Increased Cost Alleged

"The increases will tend substantially to raise the cost of credit to the lower income groups," directors of Office of Economic Opportunity administrative agencies said in a statement.

In testimony on the bill earlier Thursday before the Senate Committee on Commercial and Financial Institutions, legislators heard support for the bill.

Stanley L. Lind of Kansas City, a lobbyist for five state groups including the State Chamber of Commerce and the Kansas Bankers Assn., said all state firms charging interest or service charges for credit would come under the truth and lending bill.

Effective Date

Lind said the organizations he represents think the bill should be made effective before July 1, when a federal version would go into effect in all states which have not adopted an acceptable equivalent of the federal act.

The Senate bill would compel disclosure of the annual interest percentage on each consumer credit transaction, regulate advertising of credit terms and

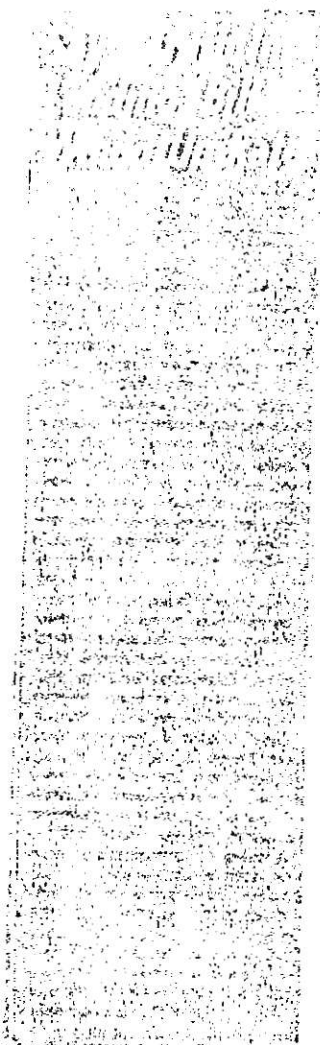
method by which the balance in a revolving account would be determined for service charge purposes.

CAP director Garrison argued that the federal truth-in-lending law will go into effect whether the similar state legislation is adopted or not.

Garrison said the Senate bill ups the permissible interest rate for installment loan amounts from \$100 to \$300 to 21.72 per cent from 14.76 per cent under Kansas General Interest law — an increase of almost seven per cent.

He listed other proposed increases as 14.76 per cent to 18 per cent for loan amounts from \$300 to \$700; from 10.89 per cent to 14.76 per cent for loans over \$1,000.

Proposed increases under the state Sales Finance Act would hike present rates in the \$300 to \$700 range from about 16 per cent to 18 per cent, Garrison said.



New Interest Rate Blasted

TOPEKA (AP) — The chairman of the Kansas Association of Community Action Program Directors suggested Thursday he thinks the "truth in lending" bill could be billed the "profit in lending" bill.

James Garrison of Girard said it is "highly ironic that the truth in lending which we vigorously support is saddled with an increase in these installment loan and retail credit interest rates."

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GARRISON, director of the Southeast Kansas Community Action program, issued a prepared statement on the bill.

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Bill Includes Interest Rates, Lending Truth

TOPEKA (AP) -- A Kansas Senate sub-committee is considering a bill that includes truth in lending legislation and incorporates various laws on interest rates for consumer credit.

Morse said that under the measure, a consumer would pay back \$446 on a one-year installment loan of \$400 and pay back \$492 on a two-year loan. He said the rates for the same loan under current law would be \$32 for one year and \$64 for two years.

Morse points out that's an increase of 45 per cent.

The chairman of the full senate committee, Republican Robert Bennett of Prairie Village, said the bill was prepared at the request of many organizations representing financial institutions and businesses in Kansas.

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Credit Expert Explains Bill

TOPEKA (AP) — You would pay back \$48 on a one-year installment loan of \$60 and pay back \$62 on a two year loan under a Senate bill, an expert on consumer credit said Thursday.

Dr. Richard L. D. Morse, professor of family economics at Kansas State University, said the rates for the same loan under current law would be \$2 for one year and \$64 for two years. The increase, he said, amounts to 45 per cent.

Dr. Morse was credited by Sen. William Proxmire, D-Wis., as being "the earliest and most consistent" supporter of truth in lending legislation enacted by the U.S. Congress.

He testified Thursday before a subcommittee of the Senate Committee on Commercial and Financial Institutions.

The subcommittee is considering a 50-page bill that includes truth in lending legislation in the first 29 sections and incorporates various laws on interest rates for consumer credit in some of the last 26 sections.

Morse said that because it incorporates the two elements, the bill is "cumbersome and redundant."

But Stanley Lind, representing the Kansas Association of Finance Companies, said the rates are essentially the same ones that have been in effect since 1961.

"We know that the first time interest is mentioned in the legislation, temperatures go up. There is much lack of knowledge about the subject," he said.

"The rates of interest today are the highest in history. The

increases are consistent with the economic market."

In his testimony, Morse referred to Lind as the author of the bill. Lind refused comment after the meeting on Morse's statement.

Sen. Ed Reilly Jr., R-Leavenworth, was asked if he knew where the bill originated. He commented that he did not. Reilly is chairman of the banks and banking subcommittee.

But Sen. Robert F. Bennett, R-Prairie Village, chairman of the full committee, said the bill was prepared at the request of many organizations representing financial institutions and businesses in Kansas.

Bennett said it now will be up to the committee to hold hearings and to determine what to do with the bill.

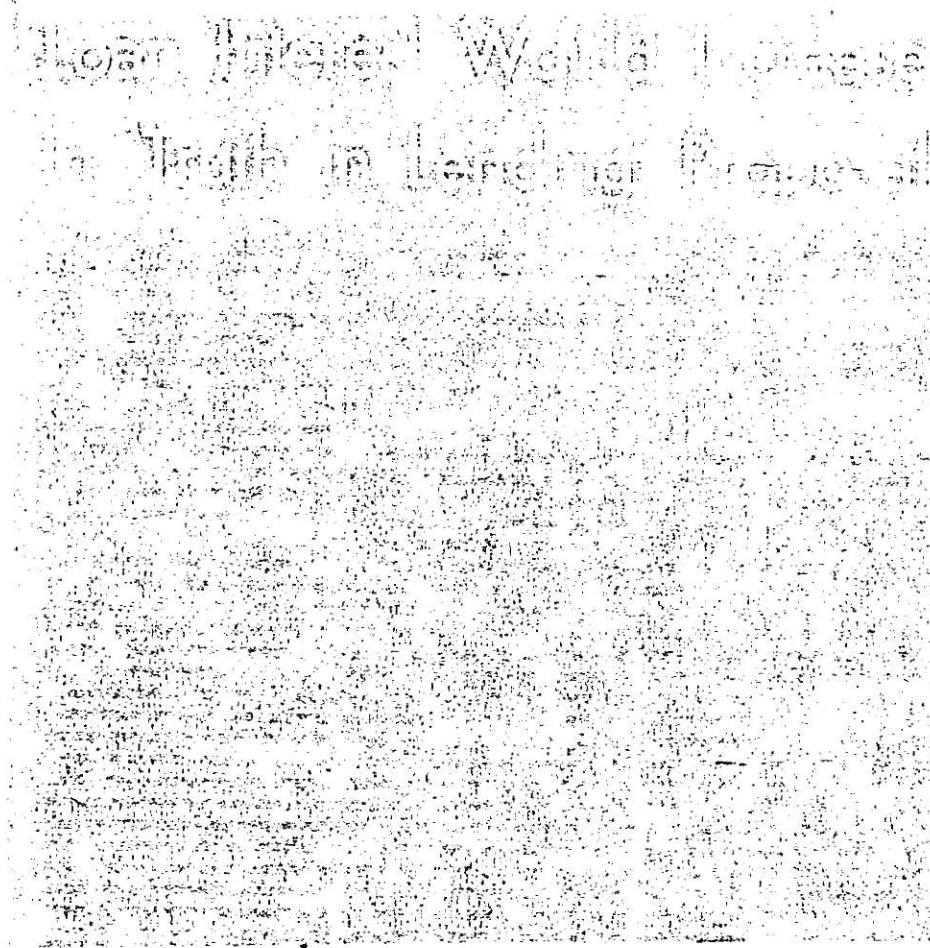
Morse said the laws on interest rates are so complex they are difficult even for an expert to follow, let alone a consumer.

He asked members of the committee if they could tell him what the simple annual interest rate would be on a revolving credit account that would have the same rate as installment loans, if a 50-cent a month service charge contemplated under the bill is included.

Committee members remained silent.

"It is important that credit be determined like it is," Morse said, "Tell it like it is."

"I think you ought to quote the simple annual interest." He said he once had been told, "Ah, but we are not charging interest; we are charging time-price differential."



Credit expert gives testimony

TOPEKA (AP) — You would worth, was asked if he knew pay back \$436 on a one-year installment loan of \$400 and pay back \$492 on a two-year loan under a Senate bill, an expert on consumer credit said Thursday.

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Lending Bill 'Truth' Under Stiff Challenge

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But Sen. Robert F. Bennett, R-Prairie Village, chairman of the full committee, said the bill was prepared at the request of many organizations representing financial institutions and businesses in Kansas.

Bennett said it now will be up to the committee to hold hearings and to determine what to do with the bill.

Morse said the laws on interest rates are so complex they are difficult even for an expert to follow, let alone a consumer.

He asked members of the committee if they could tell him what the simple annual interest rate would be on a revolving credit account that would have the same rate as installment loans, if a 50-cent a month service charge contemplated under the bill is included.

Committee members remained silent.

"It is important that credit be determined like it is," Morse said, "Tell it like it is."

"I think you ought to quote the simple annual interest." He said he once had been told, "Ah, but we are not charging interest; we are charging time-price differential."

Loan Truth Bill

Also May OK

Interest Boost

By DAN HAMRICK
Associated Press Writer

How much would it cost you for a \$400 installment loan under a bill now under consideration in the Kansas Senate?

Dr. Richard L. D. Morse, professor of family economics at Kansas State University, said Thursday it would cost \$46 in interest if the loan were for one year and \$92 if it were for two years.

Total Figures

In other words, he said, you would pay back \$446 for a one-year loan and \$492 for a two-year loan.

Dr. Morse, credited with being a prime mover in federal truth-in-lending legislation, said the figures for a \$400 loan represent an increase of 45 per cent over the amount allowed under present Kansas statutes for a one-year loan.

He said that under present law, the interest on a one-year installment loan of \$400 would be \$32—or \$14 less than would be allowed under the bill.

Before Committee

Dr. Morse testified before the banks and banking subcommittee of the Senate Committee on Commercial and Financial Institutions.

The subcommittee is considering a 50-page bill that includes truth-in-lending legislation in the first 29 sections and incorporates changes in various laws on interest rates in some of the other 26 sections.

Present law permits interest of \$3 per \$100 per year for the first \$3,000 and \$6 per \$100 for loans over \$3,000.

Revised Schedule

The bill would set up a revised schedule, permitting \$12 interest per \$100 for the first \$300; \$10 interest per \$100 from \$300 to \$1,000, and \$3 interest per \$100 for installment loans over \$1,000.

Stanley Lind, representing the Kansas Assn. of Finance Companies, said the rates are essentially the same rates that have been in effect since 1958.

"We know that the first time interest is mentioned in the legislature, temperatures go up," he said. "There is much lack of knowledge about the subject."

Rates at Peak

"The rates of interest today are the highest in history," he said. "The increases are consistent with the economic market."

Morse told the committee the bill is "cumbersome and redundant" because it combines truth-in-lending with the revised interest schedules.

He also said that the laws on interest rates are so complex that they are difficult even for an expert to follow.

To illustrate his point, he asked members of the committee if they could tell him what the simple annual interest rate would be on a revolving credit account that would have the same rates as installment loans, if a 50-cent a month service charge contemplated under the bill is included. There was no answer.

"It is important that credit be determined like it is," he said. "Tell it like it is."

Simple Interest

He said, "I think you ought to quote the simple annual interest." He said that he once had been told, "Ah, but we are not charging interest; we are charging time-price differential."

Dr. Morse also spoke out against a section of the bill that would permit any sales finance company to agree to purchase from the seller any contract on terms agreed upon between them.

The section states further, "Filing of this assignment, notice to the buyer of the assignment and any requirement that the holder maintain dominion over the payments or the goods if repossessed shall not be necessary to the validity of the written assignment of a contract as against creditors, subsequent purchasers, pledgees, mortgages and lien claimants of the seller."

Morse said, "It's high time we no longer make the consumer a ping pong ball between the buyer, the seller and the finance company."

He said the provision would relieve the banker and financier from the responsibility that the consumer has against the seller.

Final Vote Due Today On Truth-Lending Bill

OPERA (AP) — A bill that would cover truth-in-lending legislation in Kansas is scheduled for a final vote today in the Senate.

The bill, given preliminary approval Tuesday, would permit for interest rates on many consumer loans, and combines personal installment loans and finance loans under one package with similar interest rates.

However, it would also give consumer the right to know precisely what interest rates are.

Sen. Robert F. Bennett, R-Druid Village, the bill's floor manager, said that unless the legislation, the federal truth-in-lending legislation will go into effect July 1, 1969 in Kansas. He said the first 29 sections of the bill are almost identical

to the federal bill, and the last 26 sections are comprised of various laws relating to consumer loans and interest rates.

The bill would permit maximum interest rates on most installment loans of up to \$500 to be lifted from 14 to 21 per cent a year; loans from \$300 to \$1,000 to 18 per cent from 14 per cent; loans from \$1,000 to \$3,000 unchanged; and loans over \$3,000 to be increased from 11 to 14 per cent.

Rates under the Sales Finance Act — covering loans of credit by a retailer — would remain unchanged except for loans from \$300 to \$1,000. The hike on these would be from 16 to 18 per cent a year.

The new maximum rates would be:

Loans up to \$300, 12 per hundred per year; loans of \$300 to

\$1,000 \$10 per hundred per year, or 1.50 per cent a month or 17.98 per cent a year; over \$1,000, \$8 per hundred per year, or 1.20 per cent a month or 14.46 per cent a year.

The rates on most installment loans permitted by present law are:

Loans of up to \$3,000, \$8 per hundred per year, or 1.20 per cent a month or 14.46 per cent a year; loans over \$3,000, \$6 per hundred per year, or .90 per cent a month or 10.6 per cent a year.

The rates on loans under the sales finance act now are loans of up to \$300, \$12 per hundred per year, 1.78 per cent a month or 21.46 per cent a year; \$300 to \$1,000, \$9 per hundred per year, or 1.35 per cent a month or 16.21 per cent a year; over \$1,000, \$8 per hundred per year, or 1.20 per cent a month or 14.46 per cent a year.

Truth-In-Lending Bill To Final Vote Today

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Senate's Final Approval Due For Truth-In-Lending Bill

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Voting Today

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Truth In Lending Bill Set For Senate Vote

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Sen. Robert F. Bennett, R- Rates under the Sales Finance Prairie Village, the bill's floor Act — covering loans of credit manager, said that unless the by a retailer — would remain state acts, the federal truth-in- unchanged except for loans from lending legislation will go into \$300 to \$1,000.

Truth-in-Lending Bill Vote Scheduled Today

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Opponents to Truth in Lending Bill Say It Protects Finance Industry, Not Borrowers

TOPEKA AP — Representatives of lenders and borrowers appeared before a House committee Tuesday to express their divergent views on a bill that combines truth in lending legislation with provisions to hike interest rates on consumer loans.

The representatives of the financial institutions called on the House Committee on Commercial and Financial Institutions to approve the bill.

Representatives of other groups said they want truth-in-lending legislation but think it should be separated from the provisions dealing with higher interest rates.

Dr. Richard L. D. Morse of Kansas State University, a prime mover in the drive that led to federal truth in lending legislation, told the committee the bill violates the intent of the federal law.

Harold J. Stones, representing financial institutions, said "We believe increases in maximum rates are justifiable, logical and timely. If annual percentage rates are disclosed, he (the borrower) can shop for credit and get the best rates applicable to him."

Stones said some ceilings have to be high enough to permit access by poorer-risk consumers to the credit market.

James Garrison, president of the Kansas Association of Community Action Program Directors, urged deletion of the provisions for higher interest rates.

David Lee, a former research assistant for the Kansas Office of Economic Opportunity, said the bill is not "as much a consumer protection bill as it is a protection bill for the finance industry."

He said the truth-in-lending section was written into the measure as a facade to accomplish less re-

putable purposes in the higher interest sections.

Lee said the bill would repeal the 30-month limitation on the special small loan law that permits finance companies to charge as much as 36 per cent a year. He said this, along with other provisions dealing with revolving loan accounts, "amounts to a prescription for perpetual debt for the unwary."

Morse and Lee charged that the financial institutions never would have gotten interested in truth-in-lending legislation if they did not fear regulation. Morse read a 1963 resolution of the Kansas Bankers Association opposing federal truth-in-lending legislation.

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Rates under the sales finance act covering loans of credit by retailers would remain unchanged except for loans from \$300 to

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Witnesses speaking in favor of the bill included Stones and Stanley Lind, representing finance companies. Stones said he spoke in behalf of the following: the Kansas Bankers Association, the State Chamber of Commerce, the Kansas Association of Finance Companies, the Kansas Motor Car Dealers Association, the Western Retail Implement and Hardware Association, the Kansas Credit Institute Committee and the Kansas Credit Union League.

Witnesses opposed to the higher rates included: Morse; Lee; Garrison; Rep. Robert P. Keenan, D-Great Bend; Rep. Bill McCray, D-Wichita; Jim Young, representing the Kansas Federation of Labor; Mrs. Jane Morse, a Lawrence housewife; and Jerome Robinson, executive director of the Topeka Office of Economic Opportunity.

Galen Mack, representing the Kansas Council of Churches, said the council is for truth-in-lending legislation but is not anxious to support a measure to hike interest rates.

Lenders Borrowers Heard On Truth In Lending Measure

The Arkansas City Traveler reported on March 19, 1969, that a public hearing was held in the city of Arkansas City to discuss the Truth in Lending Act. The hearing was held at the city hall and was attended by a large number of citizens. The hearing was held to discuss the proposed changes to the Truth in Lending Act, which was a federal law that required lenders to disclose the true cost of borrowing to consumers. The hearing was held in the city hall and was attended by a large number of citizens. The hearing was held to discuss the proposed changes to the Truth in Lending Act, which was a federal law that required lenders to disclose the true cost of borrowing to consumers. The hearing was held in the city hall and was attended by a large number of citizens. The hearing was held to discuss the proposed changes to the Truth in Lending Act, which was a federal law that required lenders to disclose the true cost of borrowing to consumers.

Committee Hears Views on 'Truth', Interest Rate Bill

TOPEKA (AP) — Representatives of lenders and borrowers appeared before a House committee Tuesday to express their divergent views on a bill that combines truth in lending legislation with provisions to hike interest rates on consumer loans.

The representatives of the financial institutions called on the House Committee on Commercial and Financial Institutions to approve the bill.

Representatives of other groups said they want truth-in-lending legislation but think it should be separated from the provisions dealing with higher interest rates.

Dr. Richard L.D. Morse of Kansas State University, a prime mover in the drive that led to federal truth in lending legislation, told the committee the bill violates the intent of the federal law.

Harold J. Stones, representing financial institutions, said, "We believe increases in maximum rates are justifiable, logical and timely. 'If annual percentage rates are disclosed, he (the borrower) can shop for credit

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Stones said some ceilings have to be high enough to permit access by poorer-risk consumers to the credit market.

James Garrison, president of the Kansas Association of Community Action Program Directors, urged deletion of the provisions for higher interest rates.

David Lee, a former research assistant for the Kansas Office of Economic Opportunity, said the bill is not "as much a consumer protection bill as it is a protection bill for the finance industry."

He said the truth-in-lending section was written into the measure as a facade to accomplish less reputable purposes in the higher interest sections.

Lee said the bill would repeal the 30-month limitation on the special small loan law that permits finance companies to charge as much as 36 per cent a year. He said this, along with other provisions dealing with revolving loan accounts, "amounts to to a prescription for perpetual debt for the unwary."

Morse and Lee charged that the financial institutions never would have gotten interested in truth-in-lending legislation if they did not fear regulation. Morse read a 1963 resolution of the Kansas Bankers Association opposing federal truth-in-lending legislation.

The measure would permit maximum interest rates on most installment loans of up to \$300 to be hiked from 14 to 21 per cent a year; loans from \$300 to \$1,000 from 14 to 18 per cent; loans from \$1,000 to \$3,000 unchanged.

Rates under the sales finance act—covering loans of credit by retailers — would remain unchanged except for loans from \$300 to \$1,000. The hike on these would be from 16 to 18 per cent.

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Truth in lending bill provides for big hike in interest rates

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Representatives of Lender Borrowers Appear

Truth in Lending Views Are Varied

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Divergent Views on Truth in Lending Combined with Increased Interest Rates

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Lending Bill Argued Before House Panel

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Homestead Tax

"Truth-in-Lending"

Bill Sparks Debate

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Morse and Lee charged the financial institutions would have gotten interested in truth-in-lending legislation if they did not fear repeal. Morse read a 1963 resolution of the Kansas Bankers Association opposing federal truth-in-lending legislation.

The measure would set maximum interest rates on installment loans of up to \$1,000 to be hiked from 14 to 18 per cent a year; loans from \$1,000 to \$5,000 from 14 to 18 per cent; loans over \$5,000 unchanged.

Rates under the sales tax act—covering loans of over \$5,000—would remain unchanged except for loans from \$300 to \$1,000. The hike on those would be from 16 to 18 per cent.



DAILY TRIBUNE
Great Bend, Kansas
Tuesday, April 1, 1969

Expect Decision On Lending Bill

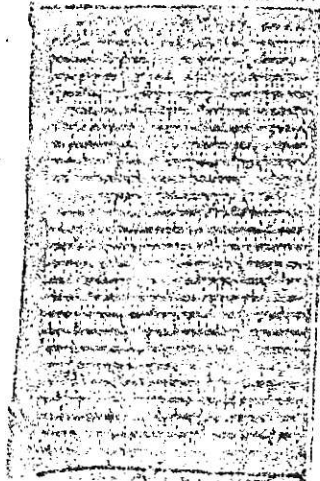
TOPEKA (AP) — A decision on a "truth in lending" bill is expected today by the Commercial and Financial Institutions Committee of the Kansas House.

Opponents claim it is mainly legislation to increase legal interest rate ceilings on many forms of credit. The bill already has passed the Senate.

Rep. Jack Turner, R-Wichita, urged in a hearing Monday that the committee recommend passage of the truth in lending part of the bill but hold the rest over until the legislature can determine the impact the interest rate hikes would have on Kansas merchants, businesses, banks and consumers.

"Truth in lending is just a device to get this bill past the legislature," Turner said. "enacting the part that goes beyond truth in lending will lead to federal controls."

5



Legislative Briefs

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On installment loans where the principal balance is between \$300 and \$1,000, an amendment cut the proposed interest rates from \$10 to \$8 a year.

A similar amendment was made on amounts of \$300 to \$1,000 to be repaid in 12 monthly installments for retail transactions covering services and goods other than motor vehicles.

The bill made no change in provisions which opponents say would authorize rates of 21.72 per cent on loan balances of \$300 or less. Nor was a change made in sections that critics say would authorize banks and retailers to charge an equal rate on bank credit cards and retail credit.

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Interest Rate Is Increased by Vote in House

TOPEKA (AP) -- A bill increasing interest rates on some forms of consumer credit and installing state-enforced truth-in-lending has been approved by the Kansas House.

The vote Tuesday morning on approving the measure was 81 to 28.

The measure now goes back to the senate for consideration of house amendments.

The bill would increase interest rates, legalize 18 per cent interest on revolving and open end credit plans and provide for state-enforced truth-in-lending. It received preliminary house approval yesterday after four hours of debate.

If the senate accepts house changes in the measure, the bill will go to Governor Robert Docking.

If the senate refuses to accept the changes, the measure would be sent to a conference committee of senators and representatives to work out a version acceptable to both legislative branches.

Check Made After Credit Boost Passes

More than 60 Legislators Have Loan Business Ties

TOPEKA AP — A check of records indicates a controversial consumer credit bill which passed the Kansas House Tuesday had a built-in lobby in the legislature itself.

At least 17 of the 40 members of the Kansas Senate have ties to banks, savings and loan associations, credit unions or finance companies.

At least 45 of the 125 House members have similar ties.

In a majority of cases, the legislators either are officers or employees, own at least 5 per cent interest, or receive at least \$1,000 a year compensation from such firms.

Statements outlining substantial interests of nearly all legislators are on file with the secretary of state. The lawmakers are not required to report lesser interest than 5 per cent ownership of \$1,000 a year compensation.

Included in the tabulations attorneys who represent or are members of legal firms representing various forms of the consumer credit industry.

Only nine members with listed ties to financial businesses failed to vote on the measure, Senate Bill 125, when it passed the House 81-28.

Earlier, only one of the 17 senators with listed financial ties failed to vote as the bill

passed the Senate 31-3.

The bill, which was amended by the House, would increase the maximum legal rates on some forms of consumer credit, legalize 18 per cent interest on revolving and open end credit plans, and provide for a state-enforced "truth in lending" law.

In 1967 the House adopted a rule which reads: "No member shall vote on a question in which we have a special personal or pecuniary interest, as distinguished

from the general interest that other legislators have therein."

It does not appear there has been any determination of the precise meaning or application of this rule.

Earlier this session, when the House was voting on the question of sustaining or overriding the governor's veto of a proposed accelerated highway construction bill, the House excused Rep. Raymond King, R-Hesston, from voting.

King asked to be excused on grounds he has an interest in a highway bridge contracting firm.

But if Senate Bill 125 had its own lobby in the legislature, there were charges on the floor of the legislature that the bill also had been lobbied with great vigor by lobbyists representing various commercial lenders.

One House member charged during debate of the bill that the measure actually was written for the legislature by a lobbyist for the consumer loan industry. No one arose to dispute the charge.

The bill was introduced by the Commercial Institutions Committee of the Senate, an 11-member group which has at least eight members with ties to various segments of the credit industry.

On the House side the bill was considered by the House Commercial and Financial Institutions Committee.

The chairman and vice-chairman of the House committee are both bankers and at least eight of the remaining 15 members have ties to banks, finance companies or other credit organizations.

Consumer Credit Bill Had Built-In Lobby

TOPEKA, Kan.—A check of records indicates that a controversial consumer credit bill which yesterday passed the Kansas House had a built-in lobby in the Legislature itself. At least 17 of the 40 members of the Kansas Senate have ties to banks, savings and loan associations, credit unions or finance companies. And at least 45 of the 125 House members have similar ties.

In a majority of cases, the legislators either are officers or employees, own at least five per cent interest, or receive at least \$1,000 a year compensation from such firms.

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THE BILL, which was amended by the House, would raise rates on some forms of consumer credit. It also legalizes 18 per cent interest on revolving and open-end credit plans, and provides for a state-enforced "truth-in-lending" law.

Only nine members of the House with listed ties to financial businesses failed to vote on the measure—Senate Bill 125—which passed 81-to-28. Earlier, only one of the 17 senators with listed financial ties failed to vote as the bill passed the Senate 31-to-3.

As far as the House is concerned, the action seems to ignore a rule adopted in 1967. It reads: "No member shall vote on a question in which he may have a special personal or pecuniary interest, as distin-

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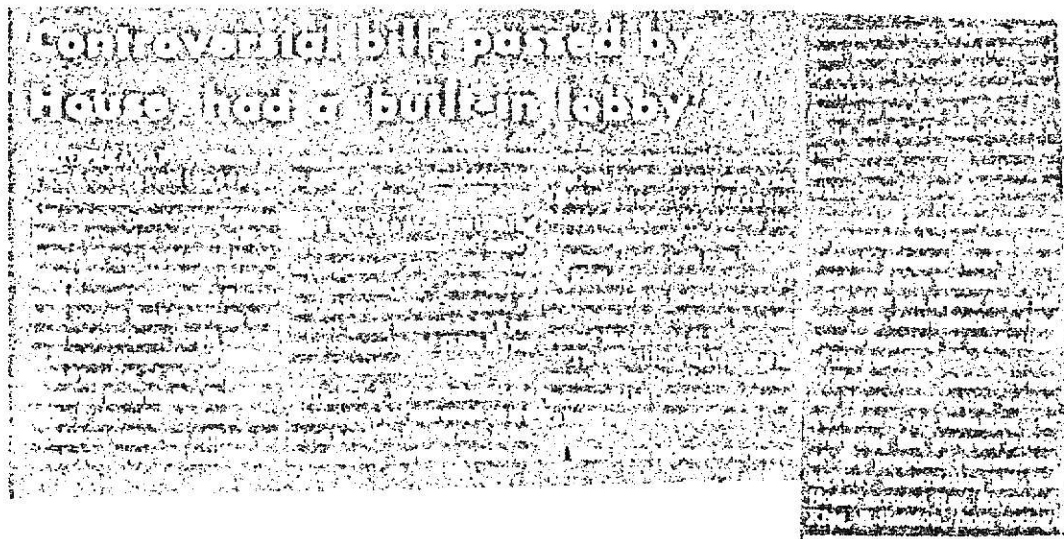
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Controversial Consumer Credit Lobbyists

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**THIS BOOK
CONTAINS
NUMEROUS PAGES
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MISSING OR OF POOR
QUALITY TEXT.**

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FROM THE
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Built-in Lobby Tied to Credit Measure

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Included in the tabulations attorneys who represent or are members of legal firms representing various forms of the consumer credit industry.

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The bill, which was amended by the House, would increase

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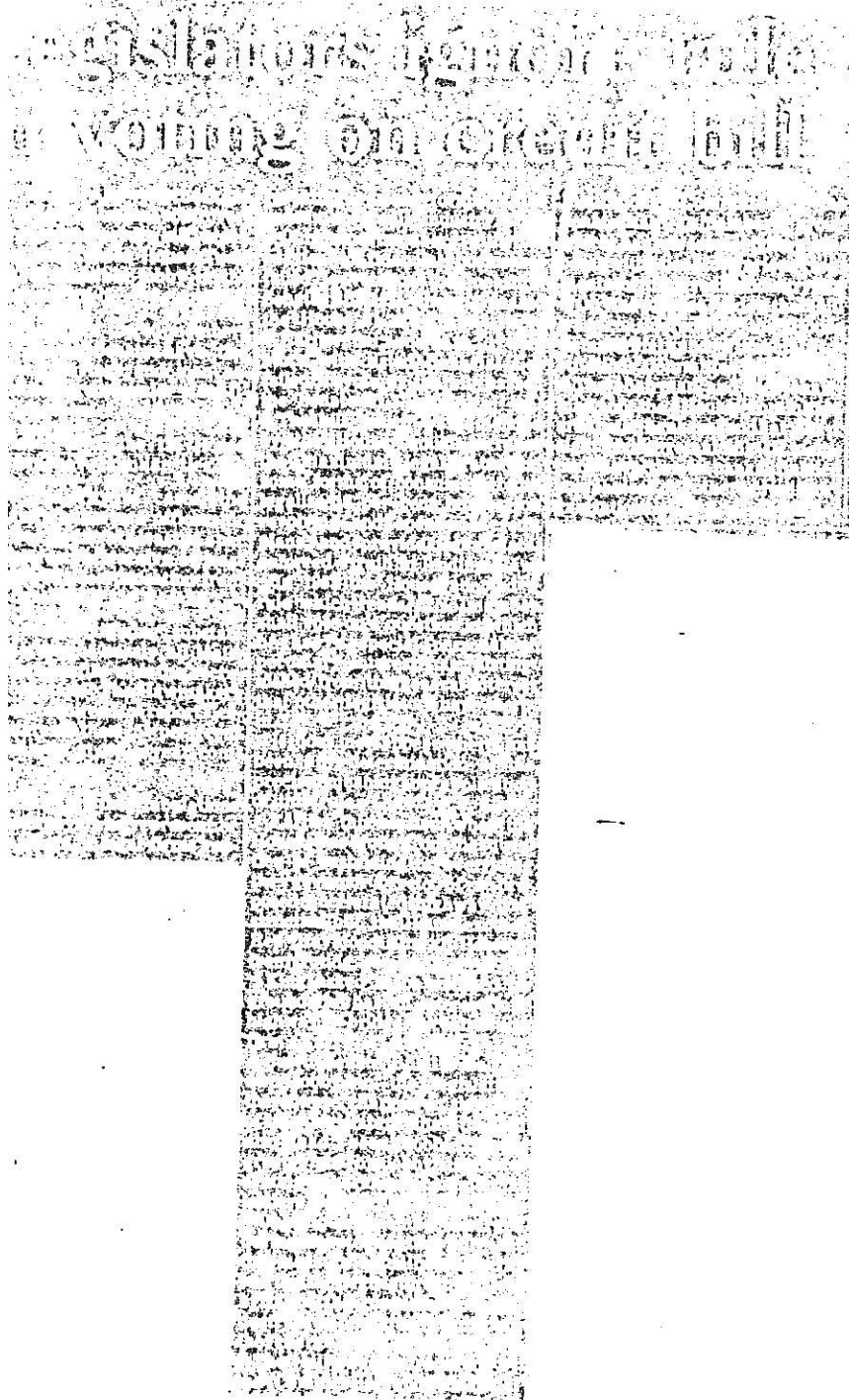
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Many Have Lending Institution Ties

Bill on Credit Has 'Built-In Lobby' Among Solons

By THE ASSOCIATED PRESS

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Hope to Reduce Rates on Loans

Topeka — AP — A Senate-House conference committee plans to recommend rolling back some of the increases in interest rates on consumer loans contained in a truth-in-lending bill, authoritative sources said yesterday.

It was learned that Gov. Robert Docking, himself a banker, has let it be known that he considered the proposed increases to be too great and asked that the conference committee reduce them.

The sources declined to go so far as saying that Docking threatened to veto the measure unless the rates were cut back. But they said it was made plain that the bill's chances for a veto would be lessened if the rates were reduced.

Senate president Pro Tem Glee S. Smith, R-Lained, was asked about the reports the rates would be reduced.

Smith said there is sentiment from some adjustment in rates.

The Senate leader added that the conference committee is expected to complete its work by today and report to the Senate.

The bill passed both houses of the legislature by overwhelming margins.

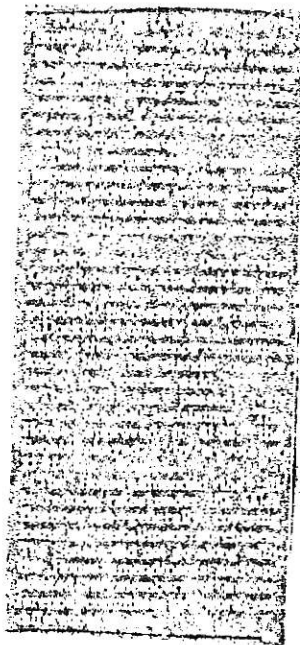
There were widespread reports Wednesday that the conference committee planned to reduce the proposed hikes under the general interest law -- covering loans by banks and savings and loan associations.

A delegation of representatives of financial institutions called on Docking Tuesday, and discussed the bill with him.

It was reported that Docking gave them the word about his feelings on the bill and they relayed it to legislative leaders.

Smith himself was named as one of the members of the Senate conference committee. The other Senate member is Sen. Robert F. Bennett, R-Prairie Village, chairman of the Committee on Commercial and Financial Institutions.

The House members are Reps. Harry E. Lutz, R-Sharon Springs; Rep. William Fish, R-Leawood; and Rep. Gay H.



Plan Rollback In Lending Bill

TOPEKA (AP) — Glee S. Smith Jr., president pro tem of the Kansas Senate, said Wednesday a Senate-House conference committee studying a truth-in-lending bill is expected to complete its work by today and report to the Senate.

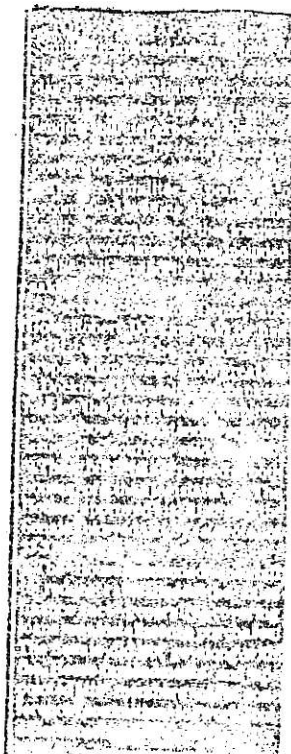
The committee plans to recommend rolling back some of the increases in the interest rate on consumer loans included in the bill, authoritative sources said.

Sources close to Democratic Gov. Robert Docking said he has let it be known he considers the proposed increases too great.

Docking, himself a banker, has let the conference committee know how he stands on the issue, the sources said.

The bill has passed both houses of the legislature. The House approved it 81-28; the Senate okayed it by a vote of 33-3.

The House amended the bill to reduce rates under the sales finance act—generally covering loans on installment purchases. The Senate did not go along with the House amendments and appointed its members of a conference committee to work out differences.



Lending Bill Approved by Senate 30-6

TOPEKA (AP) — The Kansas Senate approved, 30-6, today a conference committee report on a bill combining truth in lending legislation and increasing the maximum legal interest rates on some consumer loans.

The measure now goes to Gov. Robert Docking, who had interceded to ask the legislature to reduce some of the proposed rate hikes.

The final version approved by the conference committee reduces the amount of increase in the rate on the first \$300 under the general interest law, but makes the increase even greater on the next \$700.

Present law provides for a maximum interest rate of \$8 per \$100 on loans up to \$3,000.

The Senate approved a rate of \$12 per \$100 on loans up to \$300 and \$10 per \$100 on loans of from \$300 to \$1,000, and \$8 per \$100 on loans over \$1,000.

The House had cut the rate to 9 per \$100 on loans from \$300 to \$1,000.

The conference committee reduces the rate on loans to \$300 to \$10 per \$100, and increased the rate on loans of \$300 to \$1,000 back to \$10 per \$100.

The conference committee report retained a House change from the Senate version that resulted in keeping interest rates under the Sales Finance Act unchanged. The final version also leaves rates under the Consumer Loan Act and credit unions unchanged.

The bill also legalizes 18 percent interest on revolving and open credit systems.

Senate OKs
Lending Bill
To Governor

The Senate today approved a bill authorizing the governor to lend up to \$1 million to the state's poor, a measure that would help the state's poorest citizens.

The bill, which was introduced by Sen. [Name], would allow the governor to lend the money to any person who is unable to obtain credit from any other source.

The bill also would require the governor to report to the legislature the amount of money lent and the names of the borrowers.

The bill was passed by a vote of 18-10.

The governor said he would sign the bill as soon as it reaches his desk.

The bill is expected to become law in the next few days.

Truth in Lending Below Standards

TOPEKA (AP) — Atty. Gen. Kent Frizzell said Friday that the "truth-in-lending" sections of a bill enacted by the 1969 Legislature do not measure up to federal standards.

Frizzell said in an opinion for Gov. Robert Docking that he believes the bill, if signed into law, would not exempt Kansas from the federal statute.

There had been testimony by representatives of financial institutions in legislative committees that the truth in lending sections of the bill duplicated the federal truth in lending statute.

Other sections permit higher interest rates on some consumer loans, although the Legislature rolled back some of the proposed rate hikes.

Docking is considering whether to sign or veto the bill. He asked Frizzell for an opinion on its constitutionality and whether it would exempt Kansas from the federal law.

Frizzell answered that although he believes the bill would pass constitutional muster, he does not think it meets the standards of the federal law.

The attorney general said enforcement authority granted under the bill is inadequate. Also the bill seems to run contrary to the federal law's intent to make clear to the consumer certain terms used in selling credit.

Frizzell said an example of inadequate enforcement lies in the lack of power for the Consumer Credit Commissioner. He said the commissioner is limited to revoking or suspending licenses.

He said the commissioner now supervises about 600 licenses but that they would have to supervise about 10,000 nonlicensed registrants under the bill.

He said the commissioner would have no power to move against nonlicensees, since they have no licenses that could be revoked or suspended.

"For all practical purposes, therefore, the commissioner will be powerless to enforce compliance with Senate Bill 125 through administrative procedures," Frizzell said.

"If the Kansas act as a whole does not in all instances clearly and consistently state exactly what various terms, such as 'finance charge' mean, then it seems impossible to conclude that it would provide for a uniform disclosure of information to prospective debtors," he said.

Frizzell Says 'Truth' Bill Inadequate

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State's "Truth-in-Lending" Law May Not Meet Federal Standards

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"While these dissimilarities are not nearly as serious as the problems concerning adequate enforcement in relation to the exemption question, we do wish you to know that they do exist and could be the basis for denying exemption to the Kansas statute."

Bill Doesn't Measure Up

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The chief executive, a banker in private life, said he is asking legislative leaders to confer with Atty. Gen. Kent Frizzell before the Legislature returns April 25 to work out additional legislation that will correct weaknesses of the bill already passed.

"It is my opinion that this bill does not extend protection to the consumer to the depth I would prefer it to go," said Docking in a prepared statement released by his office. "The attorney general agrees with me.

"The bill is, however, necessary as a step forward in consumer protection. Kansas must have some type of 'truth in lending' legislation enacted by July 1, 1969, or consumer installment sales will automatically be under control of federal officials in Washington, D.C.

This would include hospitals, morticians, physicians, dentists, veterinarians and many others.

"By signing this bill into law, Kansas will preserve a portion of her state's rights in this area. The deficiencies contained in the bill can be corrected.

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Docking said the bill — Senate Bill 125 — does contain many good provisions which require disclosure of interest rates, which is of great importance to the consumer.

The governor said it was at his insistence that the interest originally contained in the bill was reduced from \$12 to \$10 per \$100 up to a maximum loan of \$300.

Under present law the maximum rate on this size loan is \$5 per \$100.

Docking said the bill also eliminates the minimum finance charge of \$15 on retail sales other than motor vehicles.

"This will prove to be a considerable reduction in finance charges an individual will be compelled to pay on all retail sales other than motor vehicles," Docking said.

Consumer Credit, 'Truth' Bills Signed

TOPEKA (AP) — Gov. Robert Docking said Saturday he is signing into law a bill that increases maximum legal interest rates for consumer credit at banks and enacting a so-called "truth in lending" law.

The chief executive, a banker in private life, said he is asking legislative leaders to confer with Atty. Gen. Kent Frizzell before the Legislature returns April 25 to work out additional legislation that will correct weaknesses of the bill already passed.

"It is my opinion that this bill does not extend protection to the consumer to the depth I would prefer it to go," said Docking in a prepared statement released by his office. "The attorney general agrees with me.

"The bill is, however, necessary as a step forward in consumer protection. Kansas must have some type of 'truth in lending' legislation enacted by July 1, 1969, or consumer installment sales will automatically be under control of federal officials in Washington, D.C. This would include hospitals,

morticians, physicians, dentists, veterinarians and many others.

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Good Provisions

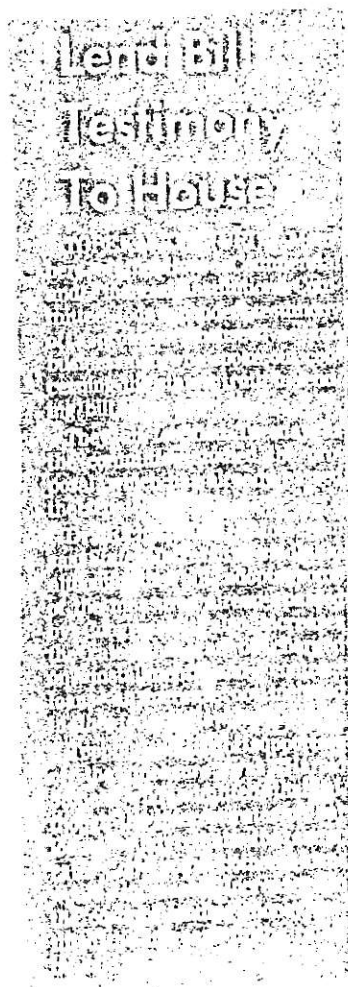
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Kansas House passes 'truth-in-lending' bill

TOPEKA, Kan. (UPI) — The house today passed the so-called "truth-in-lending" bill with its increased interest rates on some small loans.

The vote was 51-28.

The bill may be forced into a joint conference committee to resolve amendments made by a house committee. It has already passed the senate.

If the senate should agree to the house committee amendments, no joint conference committee would be needed. The bill would then go to the desk of Gov. Robert B. Docking.

Ten motions or proposed amendments were made but failed on the controversial bill which was carried in floor discussion by Rep. William Fish, R-Leawood.

The Johnson County lawmaker explained to the house membership that the bill would bring Kansas law into compliance with some requirements of the federal truth-in-lending law. The purpose of truth-in-lending is to disclose true interest rates.

As opponents brought out in floor debate, the bill also would increase interest rates on some

small loans, mainly installment and contract loans. For example, on installment loans under \$300 the rate would be increased from 14.5 per cent a year to 21.36 per cent.

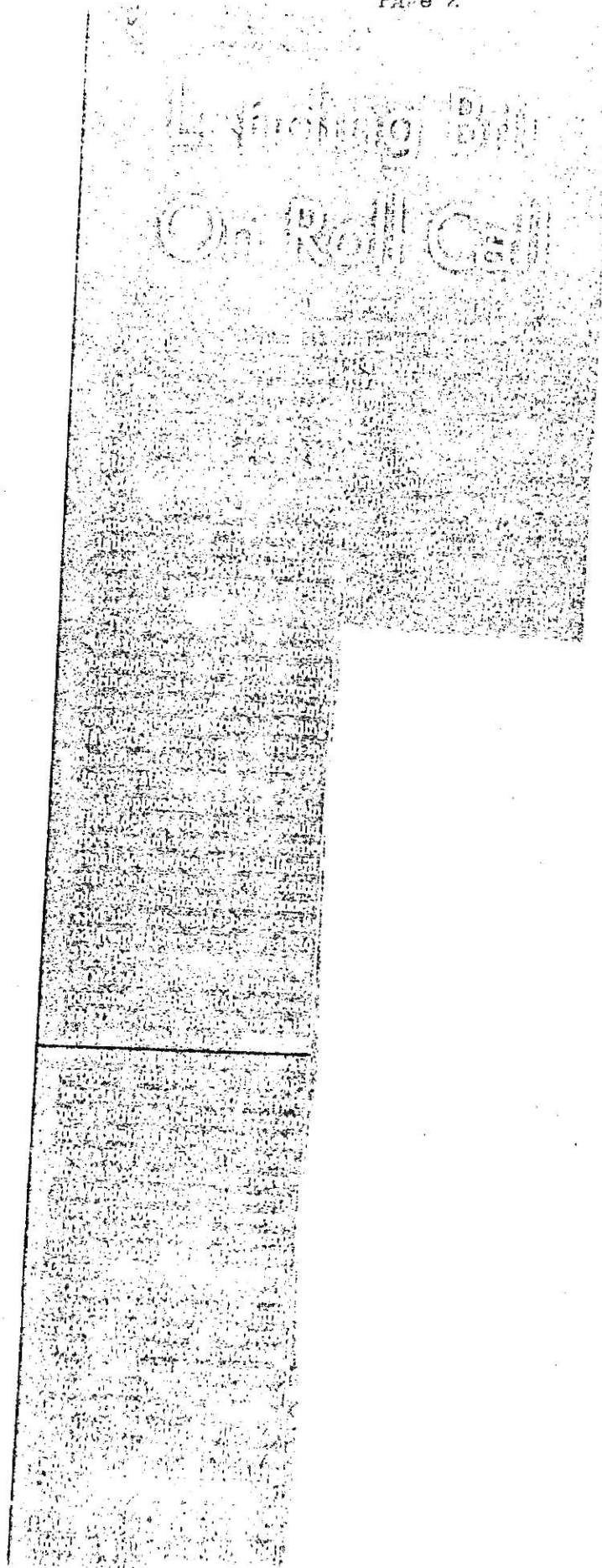
One of the measure's main opponents was Rep. Robert Keenan, D-Great Bend, who called it "sick legislation".

The Great Bend attorney said Kansas was "truth in lending," but he added, "truth in lending here is being used only as a cloak for an increase in interest rates." He said the bill itself was written by a lobbyist.

"Special interest can provide you with money for your campaigns, but they can't provide you with votes," Keenan said, noting there is no support among the people for increased interest rates.

A final roll call vote also was expected today on a bill to appropriate \$552,872 for the governor's office, including \$220,000 for a state airplane, its operation and insurance. The measure gained preliminary approval Monday along with several other appropriation measures.

April 3, 1969



House To Vote On Small Loan Bill

TOPEKA, Kan. (UPI) — The house today passed the so-called "truth-in-lending" bill with its increased interest rates on some small loans.

The vote was 81-23.

The bill may be forced into a joint conference committee to resolve amendments made by a house committee. It has already passed the senate.

If the senate should agree to the house committee amendments, no joint conference committee would be needed. The bill would then go to the desk of Gov. Robert B. Docking.

The measure gained preliminary approval Monday night after nearly four hours of debate.

Ten motions or proposed amendments were made but failed on the controversial bill which was carried in floor discussion by Rep. William Fish, R-Leawood.

The Johnson County lawmaker explained to the house membership that the bill would bring Kansas law into compliance with some requirements of the federal truth-in-lending law. The purpose of truth-in-lending is to disclose true interest rates.

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Three resolutions were introduced Monday, two directed at Congress.

One asked Congress to consider legislation to curb "the infiltration and spread of pornography and obscene material."

Another asked Congress to name interstate 70 in honor of Dwight D. Eisenhower.



Appendix Q 1

Parsons Sun February 4, 1969

Page 4

Look This Over

A "truth in lending" bill will be introduced soon in the Kansas Legislature. Consumers, who have few people to represent them, had best take note.

Unless the state acts, a federal truth in lending law will become operative in Kansas. But there's more than meets the eye.

Lenders want to take advantage of the situation to legalize rates of interest up to 28 per cent on installment loans in Kansas. This, to say the least, would be slightly exorbitant if not extortionate.

Another gimmick of the bill is a flat finance charge of \$15 on any retail installment transaction, however small. Tidy little sum, that.

A lobbyist representing the small loan industry, seldom honored for compassion, told a Senate committee the bill as drawn has the support of several organizations including the Kansas State Chamber of Commerce and the Kansas Bankers Assn.

Progressive merchants, of course, will resist the enactment of any legislation which exacts inflated interest and carrying charges from consumers.

There is just that much less money remaining for other purchases when buyers are saddled with heavy and continuing interest, carrying charges and assorted other fees.

Truth in lending legislation is desirable. It should not become a vehicle for gouging the consumer at the same time.

Residents of Labette and Neosho counties in particular who want to express their opposition to the terms of the proposed legislation can do so by contacting State Sen. William A. Dearth of Parsons when he is home this weekend. He is a member of the Senate committee which will hold hearings on the bill.

Ripe for a Veto

A so-called "truth in lending" bill which has won legislative approval in Kansas is in fact an illegitimate offspring of strange bedmates.

The Kansas Bankers Assn. has joined hands with small loan companies in pushing for the measure. The bankers association represents the legitimate lending functions of banks. Some small loan companies, despite the legal facade behind which they operate, have not outlived loan shark days. Collection tactics are merciless and outrageous, not to mention indefensible.

Kansas was faced with the enactment of a "truth in lending" bill by July 1 or else the provisions of a federal law approved last year would become effective in the state.

But instead, the bankers association and small loan firms produced a monstrosity which contains "truth in lending" and legalizes higher interest rates on small, consumer loans. The two items really do not belong in the same bill.

Here is a measure ripe for a veto by Gov. Robert Docking. Only in Kansas, perhaps, could a bill so insensitive to the public interest be passed. Only in Kansas because lobbyists have such a stranglehold on the legislature.

"Truth in lending" legislation is a legitimate objective. It is also possible to justify higher interest rates on consumer loans, although not as high as the banker-small loan combine is asking for. Nor should they be cemented into a law without provision for flexibility when interest rates in general return to normal.

Gov. Docking would be acting in the public interest by vetoing the bill and forcing proper legislation to be enacted on the subjects involved.

Editorials

THE PARSONS SUN

MONDAY, APRIL 21, 1969. PAGE 6

Too Cute

A lobbyist's dream has turned into a nightmare in Kansas.

A so-called "truth in lending" and consumer loan measure, written by a small loan lobbyist and shepherded through the recent legislature by the Kansas Bankers Assn. and the State Chamber of Commerce, among others, has backfired but good.

The Kansas attorney general, Kent Frizzell, has informed Gov. Robert Docking that the bill will not in fact satisfy requirements of the federal "truth in lending" law as was represented to the legislature.

States are required to enact their own "truth in lending" laws by July 1 or else the federal statute will become effective in their domains.

"I must conclude," said Frizzell, that the bill "would not exempt the state of Kansas from the federal truth-in-lending law and I could not, as the law stands" recommend to the Federal Reserve Board that the bill is substantially similar or may be adequately enforced.

A brazen fraud upon the people of Kansas! It was charged and never denied during legislative debate that the highly complex measure was drafted by a small loan lobbyist, whose interests are hardly those of the public at large. But he was too cute.

Docking has announced he will sign the bill, despite its shortcomings, but ask the legislature to make immediate amends when it convenes late this week to bring the Kansas law into line with federal rules.

The Kansas bill, as Frizzell interpreted it, merely omits enforcement provisions. That's a neat trick any lobbyist would dearly love to accomplish. But it is not to be in Kansas.

The responsibility rests with the legislature. It has its own bill-drafting resources and should not rely upon lobbyists for the task. It should give more attention to the public's interest in considering legislation rather than meekly accepting the advice of self-serving lobbies.

The Kansas Bankers Assn. and the State Chamber of Commerce hardly covered themselves with glory by their involvement. As organizations with a great deal of potential for the good, they are caught with egg on their faces. Perhaps they owe an apology to the state at large.

Senate Gives

Interest Bill

Tentative OK

The Kansas Senate gave preliminary approval Tuesday to a bill that would permit higher interest rates on many consumer loans but would give consumers the right to know more precisely what the rates are.

There were no votes against the measure on the voice vote. It is to come up for final roll call vote today.

The bill would permit maximum rates on most installment loans of up to \$300 to be hiked from 14 to 21 per cent a year and rates on loans from \$300 to \$1,000 to be raised from 14 to 18 per cent.

Rates on loans of \$1,000 to \$3,000 would remain unchanged. Rates on loans over \$3,000 could be increased to 14 per cent a year from the present 11.

Sales Finance Act

Rates under the Sales Finance Act — covering loans of credit by a retailer — would remain unchanged except for loans from \$300 to \$1,000. These rates would be raised from 16 to 18 per cent a year.

Sen. Robert F. Bennett, R-Prairie Village, floor manager of the bill, said that unless the state acts, federal truth-in-lending legislation will go into effect July 1 in Kansas.

The senator said the measure combines general installment loans and sales finance loans under one package with similar interest rates.

The new maximum rates would be: loans up to \$300, \$12 per hundred per year, or 1.78 per cent a month or 21.46 per cent a year; loans of \$300 to \$1,000, \$10 per hundred per year, or 1.50 per cent a month or 17.98 per cent a year; over \$1,000, \$8 per hundred per year, or 1.20 per cent a month or 14.46 per cent a year.

Installment Loans

The rates on most installment loans permitted by present law are: loans of up to \$3,000, \$8 per hundred per year, or 1.20 per cent a month or 14.46 per cent a year; loans over \$3,000, \$6 per hundred per year, or .90 per cent a month or 10.9 per cent a year.

The rates on loans under the Sales Finance Act now are: loans of up to \$300, \$12 per hundred per year, 1.78 per cent a month or 21.46 per cent a year; \$300 to \$1,000, \$9 per hundred per year, or 1.35 per cent a month or 16.24 per cent a year; over \$1,000, \$8 per hundred per year, or 1.20 per cent a month, or 14.46 per cent a year.

Lending Truth Bill Hides Rate Boost, Foes Claim

Kansas financial institutions are attempting to hide proposed interest rate increases behind the facade of a so-called truth-in-lending bill, opponents of the bill charged Tuesday.

They asked the House Committee on Commercial and Financial Institutions to separate the two subjects so the proposed interest rate hikes can be judged on their own merits.

Dr. Richard L. D. Morse, head of the department of Family Economics at Kansas State University, spearheaded opposition to the rate increases.

Conflict Claimed

He declared it conflicts with the intent of the federal truth-in-lending act, designed to require all lenders to disclose the annual interest rate.

Dr. Morse said the federal government would not honor a Kansas bill that contained the interest increase provisions in the measure under consideration. He warned it would bring federal examination and regulation of lending institutions in Kansas.

However, the K-State economist said he favors enactment of a Kansas law which would eliminate federal regulation, but stressed that interest rate increases proposed by the bill probably would make such a state statute unacceptable to the federal government.

Rate Increase Alleged

After the meeting, Dr. Morse said the bill would increase interest rates on installment loans for such items as television sets, refrigerators and furniture from 50 to 67 per cent.

He said the bill would hike interest rates from \$3 per \$100 to \$12 per \$100 on the first \$300; from \$6 per \$100 to \$10 per \$100 on loans of \$300 to \$1,000, and from \$6 per \$100 to \$8 per \$100 on loans over \$1,000.

The bill, Dr. Morse declared,

would freeze into state statutes an interest rate on revolving credit purchases that is unnecessarily high.

18 Per Cent

He told the committee that these rates would be fixed at 18 per cent a year under the bill. The State of Washington set such rates at 12 per cent per year, he said.

Revolving charge accounts operate in Kansas under an attorney general's opinion which has not been tested in court, Dr. Morse said.

Others testifying against the bill included H. J. "Jim" Yount of Topeka, vice president of the Kansas State Federation of Labor, and Gerald Robinson, director of the Topeka Office of Economic Opportunity. They charged the proposed interest rate increases will work additional financial hardships on low-income families.

Advantages Claimed

Supporters of the bill stressed the truth-in-lending aspects of the measure.

Harold Stones, who told the committee he was speaking in behalf of seven financial associations, said the measure was in the best interests of consumers, retailers, lenders and creditors.

Stones said the bill "gives the consumer the opportunity to protect himself" by requiring that the annual rate of interest be disclosed.

If a consumer is dissatisfied with the annual interest rate offered by one institution, he can shop for a better rate. Stones told the committee.

Act of 1958

He testified the interest rates proposed by the bill are substantially the ones which have been used throughout Kansas since enactment of a rates finance act in 1958.

The higher rates of interest on revolving charge accounts,

Stones said, are justified because of the added expense of keeping track of small accounts.

He also warned the committee that interest rate maximums that are too low drive legitimate lenders out of the business and thus dry up credit sources for low-income groups. It sends them to the loan sharks, Stones said.

Stanley Lind declared he believes the bill must cover both truth in lending and proposed maximum interest rates in the same measure to attack the entire problem of credit.

Same Techniques

He said federal legislation uses the same technique.

Lind charged that opponents of the measure are deliberately trying to confuse the issues.

Homemaker Group Fights Interest Bill

The Kansas Home Economics Assn. has added its voice to those already raised in opposition to the so-called truth-in-lending bill before the Kansas House of Representatives.

Mrs. Joye Sterrett, a home economics teacher at Topeka High School and the organization's legislative chairman, said the association represents about 300 professional home economists in business and education.

"Our association supports the principles of truth in lending contained in the first part of the Senate bill but we oppose provisions in the rest of it that would allow higher interest rates and increase credit selling," she said.

House Committee

The measure, already approved by the Senate, is now being considered by the House Commercial and Financial Institutions Committee.

The truth-in-lending sections of the measure require merchants to disclose the dollar cost and annual percentage rate of interest they charge on credit transactions.

Mrs. Sterrett noted that a bill which requires truth in lending but which does not deal with regulation of interest rates or credit sales had been introduced in the House by Rep. B. Q. McCray, D-Wichita, and is still pending in the Commercial and Financial Institutions Committee.

Separate Section

"We would like to see the Legislature consider Mr. McCray's bill or separate the truth-in-lending portion of the Senate Bill from those which allow higher consumer interest rates," she said.

"The legislation as written and passed by the Senate is difficult to understand, and many people are unaware that it would result in higher interest rates and encourage inflation," Mrs. Sterrett declared.

Topeka Daily Capital 29
Thursday, March 27, 1969

Protection of Borrowers On Interest Rates Sought

A state legislator asked the House Committee on Commercial and Financial Institutions Wednesday to put some consumer protection into a bill which deals with interest rates on loans.

Rep. Robert Keenan, D-Great Bend, told the House panel the measure under consideration "offers complete creditor rights

but is silent on the rights of the borrowers."

Keenan has attacked the bill several times on grounds it permits excessive increases in interest rates charged by lending institutions in Kansas.

Rate-Increase Provision

The measure blends provisions of the recently enacted federal truth-in-lending act into a bill that also would authorize most creditors in the state to increase interest rates.

The truth-in-lending provisions of the measure will go into effect all over the country July 1 this year, whether or not Kansas adopts a state administered bill. It requires that lenders disclose interest rates to borrowers, including the interest computed as an annual rate.

Keenan again pointed out that loans which bear interest at the rate of 1½ per cent per month on the unpaid balance amount to 18 per cent per year figured on an annual basis.

State Inspection

Kansas lending institutions want a state administered law under which they would be examined by Kansas' agencies instead of federal examiners. The federal government says it will exempt states from federal inspection if their state laws are equal to the federal act.

One of the consumer protection clauses Keenan requested would set up a three day "cooling off" period for door-to-door solicitation sales. A purchaser could cancel his contract

within three days after the sale. The provision is designed to offer protection against high pressure salesmen.

Another provision Keenan requested would allow a debtor who was charged an excess interest rate to get a refund of the excess charges.

Another provision requested by Keenan would entitle the borrower to receive damages equal to double the amount of the interest if the creditor fails to disclose information about the interest rate to the debtor.

Professor Has Clash on Bill With Lobbyist

By MICK ROOD
Urban Affairs Writer

The chief lobbyist for the Kansas Bankers Assn. (KBA) has accused a Kansas State University professor of using half truths and inaccuracies in opposing a truth-in-lending bill in the Legislature that would like interest rates.

Harold A. Stones, KBA director of research, in a letter last Tuesday to Dr. Richard L. D. Morse, head of K-State's department of home economics, said:

"... scores of copies of an anonymous flyer opposing SB 125, 'Watch Your Interest,' are being passed out to legislators. Quite a few have asked me for an analysis and have indicated they were told by the disseminator that you are the author.

Hard to Believe

"I find this hard to believe because of the half-truths and inaccuracies it contains. If this is true, I shall be extremely disappointed and it will be most difficult to restore enough confidence to continue our past relationship working for consumer education projects," Stones wrote.

Stones sent copies of the letter to K-State President James McCain and C. Ned Cushing, chairman of the Kansas Board of Regents.

"I don't want to be dealing anybody dirt or anything like that ... or keep him from testifying before the committee," Stones explained Saturday. He said his letter was not an official KBA statement.

Stones said Saturday that copies were sent to McCain and Cushing because "I felt Kansas State was speaking."

Broadcast Criticized

Earlier in the letter, Stones had criticized a broadcast 10 days ago by Morse over KSAC — the K-State radio station.

In the broadcast, Morse criticized SB 125 for adding increased interest rates on some installment loans and retail credit transactions to truth-in-lending legislation patterned after federal law which will take effect July 1.

Morse said in a return letter to Stones Thursday that he did write the "Watch Your Interest" leaflet, but wondered where the inaccuracies were. Stones would not elaborate on that Saturday.

Similar Answer

"I regret that you gave such wide coverage to your letter, a matter which I believe we could have settled by phone. But because you have made this a semi-public matter I feel obligated to answer similarly," Morse wrote Stones Thursday.

Other copies of Stones' letter had gone to the station manager at KSAC in Manhattan; Rep. Harry F. Lutz, chairman of the House Commercial and Financial Institutions Committee; Rep. Art Gabriel, vice chairman of the same House committee; Joe Mermis, president of KBA, and George Lister, vice president of KBA.

Morse released copies of the letters to the press on Saturday.

Stones and Morse clashed during testimony on the bill — which has passed the Senate — before the House Commercial and Financial Institutions Committee March 19.

A Departure

"I think he was introduced in his official capacity as a Kansas State professor," Stones said of the hearing Saturday. "I felt that this was a departure from custom."

Not so, said Dr. McCain Saturday night.

"He was invited to testify before the committee and he felt an obligation to do so. He was speaking as an individual — as an expert in his field. That comes up frequently," McCain said.

The persistent said K-State professors have been allowed to voice opinions on matters concerning their fields of academic interest. Morse was not speaking for the university, McCain said.

Duty to Kansas

Morse, who has testified before numerous federal and congressional bodies in behalf of consumer protection legislation, said Saturday, "The state of Kansas pays my salary, and I have a duty to Kansas citizens to speak out on this issue."

In his return letter to Stones on Thursday, Morse acknowledged that he had said in the KSAC broadcast that SB 125 would be an extra burden to Kansas taxpayers. Stones had said this was incorrect.

Keenan Claims

Loan Bill Still

Permits Hikes

A bill that allegedly was stripped of its increases in consumer loan interest rates still has rate hikes in it, Rep. Robert Keenan, D-Great Bend, charged Thursday.

Keenan said a close analysis of the lengthy and complicated measure shows that at least two categories of installment loan interest rates would be raised by provisions in the bill.

The measure, which combines federally-required truth-in-lending provisions with proposed changes in interest rates charged by Kansas financial institutions, was recommended for passage Wednesday by the House Commercial and Financial Institutions Committee.

Bill Overhauled

The committee overhauled the bill during its Wednesday meeting, and made changes in the interest hike portion of the bill which reportedly took out all rate increases.

But Keenan said Thursday the bill still contains provisions which would authorize higher maximum interest rates on loans in two categories—those on amounts between \$100 and \$300, and between \$300 and \$1,000.

Keenan said the present maximum interest rate on loans in the \$100 to \$300 range is \$8 per \$100 per year under the Kansas General Interest Law. The bill would raise that rate to \$12 per \$100 per year, he said—an increase of 50 per cent.

Higher Rate

Keenan said present interest rates on loans in the \$300 to \$1,000 category are \$8 per \$100 per year, but that the bill would authorize a new rate of \$9 per \$100 per year in that classification.

Under the Sales Finance Act, the committee did throw out one proposed increase.

The Senate bill would have raised the interest on amounts between \$300 to \$1,000 from \$9 to \$10 per \$100 per year. The House panel put the rate back at \$9 Wednesday.

The Great Bend legislator also charged the bill does a disservice to consumers by legalizing revolving type credit systems, which have effective annual interest rates of 18 per cent. It is calculated on the basis of 1½ per cent per month on the unpaid balance.

Legalize Cards

He also said the bill would legalize bank credit cards which require the merchant to subtract five per cent from the price the buyer paid to cover the costs of the bank collecting the bill for the merchandise.

Keenan has been in the forefront of legislators who have attacked the bill because it tacked increased interest rates onto a bill that was labeled by financial institution spokesmen as a truth-in-lending bill.

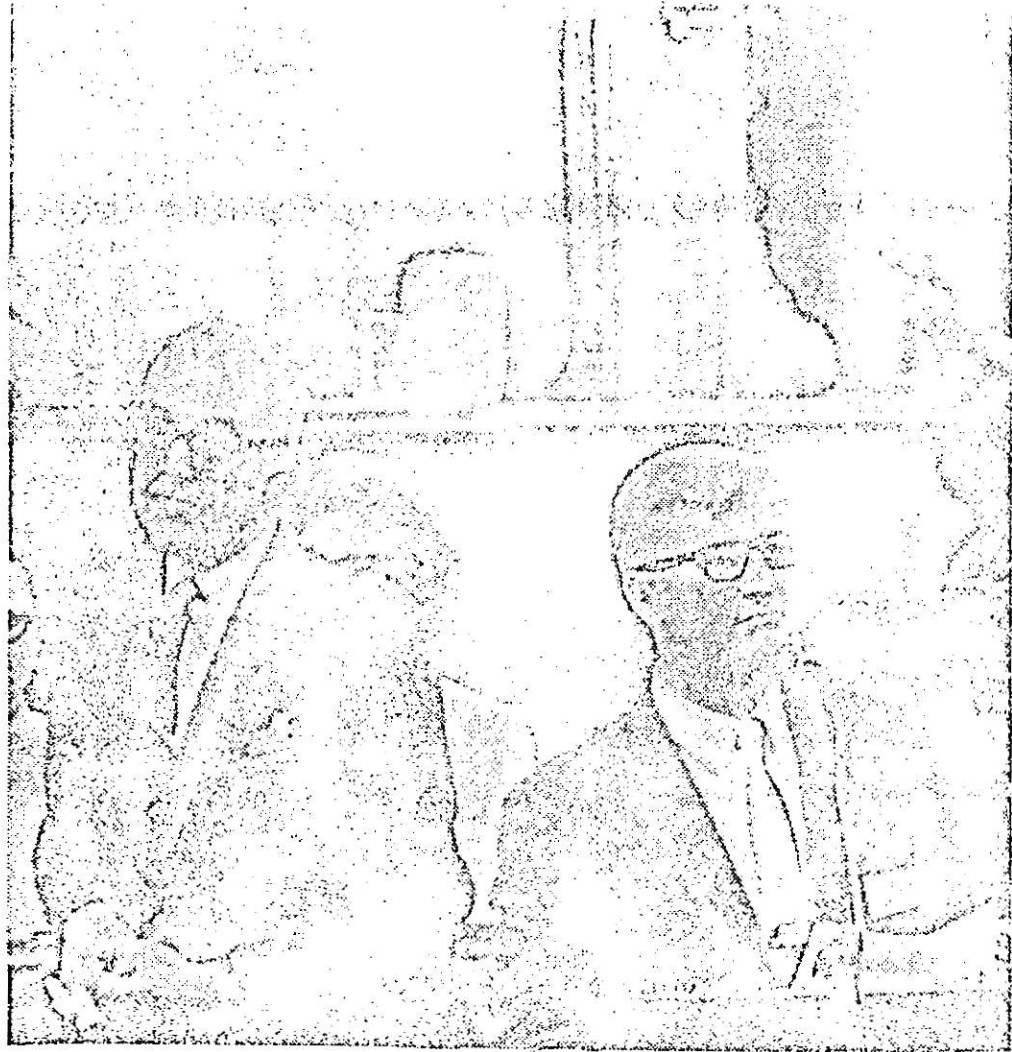
The truth-in-lending portion of the measure is designed to force lenders into disclosing interest rates in terms of annual percentages. The truth-in-lending measure is a federal act and will go into effect nationwide July 1 of this year, with or without a Kansas statute to tailor the act to this state.

No Ceiling Change

Keenan pointed out that existing law allows finance companies in Kansas to charge borrowers a maximum of three per cent per month on the unpaid balance.

This adds up to 36 per cent per year if expressed in terms of annual interest rates.

The bill makes no change in the three per cent per month maximum.



—Staff Photo

A proponent of the so-called truth-in-lending bill, State Rep. William R. Fish, R-Leawood, appeared somewhat skeptical as Rep. Robert

P. Keenan, D-Great Bend, took the microphone to argue against the bill Monday afternoon during House debate.

Interest Rate Bill Tentatively OK'd

By ROGER MYERS
Statehouse Writer

A bill that implements truth-in-lending across Kansas and also raises loan interest rates was tentatively approved Monday by the House of Representatives after the longest debate of the session.

The measure was advanced to third reading and a final roll call vote following four hours of argument on the House floor. It is expected to come up for final action today in the House.

The measure withstood a barrage of proposed amendments

and a cascade of charges that Kansas bankers had inspired the measure to satisfy their own special financial interests.

The bill is designed to implement provisions of the recently enacted federal Truth-in-Lending Act which will require lending institutions to disclose their interest rates in terms of annual percentage rates.

Present Kansas lending laws are a welter of add-on charges that are expressed in terms of so much in interest per \$100 of money loaned.

Rep. Jerry Harper, R-Wichita, one of the House members who spearheaded the attack on the bill, declared in his closing arguments the measure is fraudulent and deceitful.

Last Amendment

Harper offered the last of 10 unsuccessful proposed amendments to the bill — a proposal which would have deleted interest rate increase provisions from the measure and left the truth-in-lending portion as a separate piece of legislation.

Truth-in-lending under the federal act will take effect nationwide July 1 whether the state enacts a statute or not. The state law was proposed as a method of maintaining state control over Kansas lending institutions which otherwise would be scrutinized by the federal government.

In a straw vote on the bill's final outcome, Harper's amendment was defeated 56-35.

Sneaked In

Rep. Robert Keenan, D-Great Bend, who battled throughout the four-hour debate to make

(Continued on Page 2, Col. 6)

Interest Rate Bill Gets Tentative OK

2 Topeka Daily Capital
Tuesday, April 8, 1969
(Continued From Page 1)

changes he said would protect the borrower, charged the state's financial community used truth-in-lending "... to sneak in here and raise interest rates."

At one point in his arguments against the rate hike portion of the bill, Keenan declared lobbyists representing the financial community had circulated a letter to some legislators Monday morning saying there were 74 votes in favor of the bill with its interest rate increases attached. That is 11 votes more than necessary to pass a bill in the House.

"If the special interests can predict the fate of a bill before it has even been argued on this House floor; if this is so, then we (House members) need to move the lobbyists in here and we ought to go out into the halls."

Hits at Lobbyists

Rep. Jack Turner, R-Wichita, also assailed the rate increase portion of the bill and hit at lobbyists for the financial community.

He urged the Republican majority in the House to vote for the amendment which would have separated truth-in-lending from the interest rate increase.

Turner said he was directing his remarks to House Republicans, who control the House by an 87-33 margin, when he declared, "The outcry for this bill hasn't come from the people, it's come from a coalition of lobbyists."

"Are we going to put up with this just because it's the bankers?" he asked.

Backer of Bill

Rep. William Fish, R-Leawood, a member of the House Commercial and Financial Institutions Committee, presented the bill on the floor.

He did not attempt to counter the charges against lobbyists.

"I'm not going to speak to the galleries," Fish said, motioning to the sparse crowd that remained in the gallery overlooking the House floor. "This bill does not purport to be an all-encompassing overhaul of consumer credit statutes."

Fish said the great proliferation of credit card arrangements in Kansas was proof of the people's demand for credit, and he warned that revolving charge accounts and open-end credit such as bank credit cards would disappear from the state unless the bill was enacted in its entirety.

Bank Rates

The Johnson County legislator also said during his presentation that the bill does raise interest rate ceilings that apply to the banks.

"What this raises, and the only thing it raises," Fish declared, "is bank interest rates."

He said the state's existing Consumer Loan Act would not be changed by the bill, and that the Kansas Sales Finance Act also would stay the same.

Finance companies may charge a maximum of 36 per cent interest per year on loans under maximums set by the Consumer Loan Act.

Rate Increases

The bill would authorize banks in Kansas to increase maximum rates from \$8 to \$12 per \$100 on the first \$300 of money loaned, an increase of 50 per cent.

It would permit an increase from \$8 to \$9 per \$100 on the amount between \$300 and \$1,000.

It would permit an increase from \$6 to \$8 per \$100 on loans of more than \$1,000.

The bill also would provide statutory authorization for revolving and open-end type charge accounts, which those types of credit do not have now in Kansas.

Committee to Ask Reductions in Interest Rates

A Senate-House conference committee plans to recommend rolling back some of the increases in interest rates on consumer loans contained in a truth-in-lending bill, authoritative sources said Wednesday.

It was learned that Gov. Robert Docking, himself a banker, has let it be known that he considered the proposed increases to be too great and asked the conference committee to reduce them.

The sources declined to go so far as saying Docking threatened to veto the measure unless the rates were cut back. But they said it was made plain that the bill's chances for a veto would be lessened if the rates were reduced.

Senate President Pro Tem Glee S. Smith, R-Larned, was asked about the reports the rates would be reduced.

Smith said there is sentiment for some adjustment in rates.

The Senate leader added the conference committee is expected to complete its work by today and report to the Senate.

The bill passed both houses of the Legislature by overwhelming margins. The Senate vote was 33-3; the House vote was 81-26.

The House had amended the bill to reduce rates under the sales finance act—generally covering loans on installment purchases. The Senate did not go along with the House amend-

ments and appointed a conference committee to work out differences.

There were widespread reports Wednesday the conference committee planned to reduce the proposed hikes under the general interest law—covering loans by banks and savings and loan associations.

A delegation of representatives of financial institutions called on Docking Tuesday, and discussed the bill with him.

It was reported that Docking gave them the word about his feelings on the bill and they relayed it to legislative leaders.

Smith himself was named as one of the members of the Senate conference committee. The other Senate member is Sen. Robert F. Bennett, R-Prairie Village, chairman of the Committee on Commercial and Financial Institutions.

The House members are Reps. Harry F. Lutz, R-Sharon Springs; Rep. William Fish, R-Leawood and Rep. Gay H. Brokaw, R-Coffeyville.

Topeka Capital April 19, 1969

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- In an analysis of the bill requested by Gov. Robert DeLoach, the attorney general noted that federal implementing legislation requires "a state's final course" to give any state law his blessing and comment. "I could not issue an

"I must, I conclude that Senate Bill No. 145 (truth-in-lending) would not exempt the State of Kansas from the federal truth-in-lending law, and I could not, as the law now stands, recommend it to the Federal Reserve board. But Senate Bill No. 145 is substantially similar or may be adequately enforced," he said.

federal regulations which require banks to disclose the annual rate of interest on installment loans to borrowers.

"There is no administrative

The so-called truth-in-lending bill raised considerable controversy during its passage through the Legislature this session. The portions which drew loudest protest were those which raised consumer loan interest rates.

Interest Rate Passed
The bill also raises the interest rate on loans of \$100 to \$1000. The present rate is \$8 per year. The bill raises the maximum rate allowable to \$10 per year.

Title Supported
But Prizzell said in the opinion that the measure does not go far enough to limit the restriction on the following two subjects in the process of legislation.

"Generally, all of the provisions concerning relations between creditors and debtors, and the extension of credit, with the possible exception of Part VII which simply increases the powers of farmers' credit unions in relation to them to contract with banks for the extension of credit and service.

"My conclusion is that we have a great deal to learn from the methods of the Soviet Union," Frizzell continued. "My conclusion is that our leaves a great deal to be learned from the methods of the Soviet Union."

Jurisdiction Question
Frizzell said in the bill, "too many creditors are under jurisdiction of a regulatory body to enforce provisions of the bill to enforce provisions of the measure."

He said the state credit commission organized to enforce the creditors not under jurisdiction of an existing court.

Only enforcement
to the commission
on or revocation
his license to do b
on said.

Licensee, the license, such as an revolving charge, is not subject to any of the powers of the consumer commissioner since he has no license which may be suspended or revoked.

The opinion noted that the former credit commission presently supervises absentee licensees, but that under Bill No. 125 the commission would have to supervise the non-licensed registrars.

Appendix R 10
Topeka Capital, April 20, 1969
Page 1

Correction Urged In Loan Bill Flaws

A top aide of Gov. Robert Docking said Friday he would recommend the so-called truth-in-lending bill be signed into law and at the same time have the governor ask proper legislative authorities to make changes to correct the measure's alleged flaws.

Thomas Van Cleave, legislative liaison representative for the governor, said he will advise Docking to sign the measure after the attorney general's opinion Friday which

declared the bill probably will not satisfy federal standards.

Van Cleave said he would simultaneously recommend the governor ask the Legislature, which is to reconvene here next Friday, to correct deficiencies which Atty. Gen. Kent Frizzell said would not exempt the state from the federal truth-in-lending act.

Van Cleave, a former Democrat state legislator from Kansas City, Kan., said copies of the attorney general's opinion would be mailed to all members of the Legislature.

In addition, Van Cleave said, he intended to telephone State Sen. Robert Bennett, R-Prairie Village, and ask him to initiate action to eliminate alleged enforcement problems in the bill.

Bennett is chairman of the Senate's Commercial and Financial Institutions Committee.

Van Cleave said gubernatorial veto of the so-called state truth-in-lending bill was necessary Friday night because of constitutional deadlines

(Continued on Page 2, Col. 3)

which requires a governor to sign or veto a bill three days after it is passed by his office.

If the governor does not sign a bill within three days after receiving it, the measure becomes law without his signature.

Van Cleave said the alleged flaws could be corrected early and quickly if legislators would work with the attorney general.

The governor's legislative representative said the governor requested an attorney general's analysis of the lengthy truth-in-lending measure passed by the just-adjourned Kansas Legislature.

"We still have time to correct it," Van Cleave commented.

Van Cleave noted the governor cannot force the Legislature to make corrections in the bill, but said federal regulations of lending institutions in Kansas probably would result if the lawmakers failed to act.

The Legislature recessed Wednesday afternoon and adopted resolutions in both houses that will bring them back to Topeka April 24 to act upon legislation vetoed by the governor.

Gov. Robert Docking said Saturday he is signing into law a bill that increases maximum legal interest rates for consumer credit loans and adds a so-called "truth in lending" law.

But the chief executive, a banker in private life, said he is asking legislative leaders to confer with Atty. Gen. Kent Frizzell before the Legislature returns April 25 to work out additional legislation that will correct weaknesses of the bill already passed.

"It is my opinion that this bill does not extend protection to the consumer to the depth I would prefer it to go," Docking said in a prepared statement released by his office. "The attorney general agrees with me."

'Step Forward'

"The bill is, however, necessary as a step forward in consumer protection. Kansas must have some type of 'truth in lending' legislation enacted by July 1, 1969, or consumer installment sales will automatically be under control of federal officials in Washington, D.C. This would include hospitals, morticians, physicians, dentists, veterinarians and many others."

"By signing this bill into law, Kansas will preserve a portion of her state's rights in this area. The deficiencies contained in the bill can be corrected."

Docking said the bill — Senate Bill 125 — does contain many good provisions which require

(Continued on Page 2, Col. C)

Governor Signs Loan-Debt Bill

(Continued From Page 1)

disclosure of interest rates, which is of great importance to the consumer.

The governor said it was at his insistence that the interest originally contained in the bill was reduced from \$12 to \$10 per \$100 up to a maximum loan of \$100.

Under present law the maximum rate on loans is \$12 per \$100.

Docking said the bill eliminates the minimum finance charge of \$15 on retail sales other than motor vehicles.

"The bill provides for a considerable reduction in finance charges an individual will be compelled to pay on all retail sales other than motor vehicles," Docking said.

Topeka Daily Capitol 4/21/69

'Truth-in-Lending' Measure Assailed

MANHATTAN (Special) — The chairman of the Kansas Consumer Advisory Council said Sunday that Gov. Robert Docking does not fully understand the so-called "truth-in-lending" bill he plans to sign into law.

The bill would increase maximum legal interest rates for consumer loans at banks and require disclosure of true annual interest rates on loans.

Dr. Richard Morse of Kansas State University said Docking is operating under a misunderstanding in saying that "Kansas must act before July 1, 1969, or else consumer installment sales will automatically come under the control of federal officials."

Morse said, "All of the states, including Kansas, will be under the federal law, whether or not they pass their own laws concerning truth in lending."

Former Consultant

Morse was a consultant to the U.S. Treasury when the federal bill was drafted and testified for the federal bill.

Morse attacked Senate Bill 125 on several other counts,

hinting that lending practices which "could not bear the light of full disclosure" may have forced the legislators to add a provision increasing interest rates on some loans from \$8 per \$100 per year to \$10 per \$100 per year.

"In the closing days of the session, the bankers were saying that unless this bill was passed, bank credit cards will be illegal in Kansas," Morse said.

'Imperfect Bill'

"Why did our State Banking Commission authorize and permit state banks to engage in practices which are not consistent with state law?" Morse asked.

Morse continued that "the governor chose to sign what he admitted was an imperfect bill, then he asked the legislators to confer with the attorney general to clean it up."

It is the legislators' job to write correct bills in the first place, Morse emphasized.

Although Docking said Saturday that Senate Bill 125 will "preserve a portion of her (Kansas') state's rights," Morse said the only thing the bill will do is "add an extra layer of government."

All Banks Supervised

"There is not a bank in Kansas that is not already under federal supervision in some way — they are all members of FDIC, or are national banks," Morse said.

The people of Kansas are being short-changed through the marriage of the two issues in this bill — the "truth-in-lending" section and the section hiking interest rates, Morse said.

"What the consumers need is to see all the facts about credit disclosed, without extra gimmicks, so they can shop for credit," he said.

THE WICHITA EAGLE Page 15A

Thursday, February 13, 1969

Truth-in-Credit Meets Dissent In Legislature

From The Topeka Bureau
TOPEKA — Rep. Robert Keenan, D-Great Bend, Wednesday blasted the proposed Consumer Credit Protection Act, calling it "a wolf in sheep's clothing."

Hearings on the bill are to open Thursday in the Senate Commercial and Financial Institutions Committee, headed by Sen. Robert F. Bennett, R-Prairie Village.

"It's the interest bill to top them all. Ironically, it is referred to as 'the truth-in-lending bill.' The trouble is that it would create and legalize interest rates on all types of sales of up to 28 per cent per year," Keenan said.

HE CHARGED the bill is the product of Kansas State Chamber of Commerce.

Bennett said the federal government has passed a truth-in-credit bill that goes into effect July 1. "If we don't want to be regulated by the federal government, we have to put our own house in order," he said.

IN THE PAST, he said, the state has given advantages to some lending agencies. Bennett said the proposed law would deal uniformly with all agencies.

He warned that, unless something is done, "the guy who actually reads the money will be written out of the money market."

Bennett added, "He (Keenan) may carry the shield of the consumer but he's giving more aid to the seller by trying to block this legislation."

KEENAN CHARGED, "Senate Bill No. 125 is enacted, will create and legalize interest on goods sold and service rendered at atrocious rates."

He said the bill allows interest on credit sales at 1.82 per cent month up to \$300 (22 per cent year), 1.5 per cent on the excess up to \$1,000 (18 per cent a year) and 1.23 per cent on the part over \$1,000 (15 per cent a year).

"Then, too, it guarantees the seller a minimum finance charge of \$15 on any retail installment transaction. If you are late with a payment, you pay a 5 per cent penalty (up to \$2.50)," Keenan said.

Senate Passes Consumer Bill, Hikes Interest

Legislative Calendar, Page 14A

By AL POLCZINSKI, of The Topeka Bureau

TOPEKA — A truth-in-lending bill in which the truth may hurt passed on final roll call vote Wednesday in the Senate. The vote was 31 to 3 with two abstentions.

The bill provides that the consumer who uses a credit plan for his buying or the person who obtains a loan must be advised of the exact interest rate he is charged and what any other finance charges are involved in the transaction.

HOWEVER, THE BILL also hikes interest rates on many consumer loans, especially in the small, high-risk bracket, and combines general installment loans and sales finance loans into one package with similar interest rates.

Sen. Robert Bennett, R-Prairie Village, floor manager of the bill during Senate debate on Tuesday, said the legislation is designed to make sure the consumer knows what he is paying for credit.

Bennett said the first 29 sections of the bill conform to federal truth-in-lending legislation which would go into effect in Kansas on July 1 if the state did not adopt its own law.

THE REMAINDER OF the bill sets out regulations and rates for various finance plans.

The maximum interest rates on most installment loans of up to \$300 would be increased from 14 to 21 per cent a year; on loans from \$300 to \$1,000 would rise from 14 to 18 per cent; on loans from \$1,000 to \$3,000 the interest rate remains the same and on loans over \$3,000, the rate would go up from 11 to 14 per cent.

Rates under the Sales Finance Act — covering loans of credit by a retailer — would remain unchanged except for loans from \$300 to \$1,000. These would increase the rate from 16 to 18 per cent a year.

The bill has come under attack from some quarters which contend the full disclosure proceedings will drive all interest charges up to the higher maximums.

Lending Bill Amendments Proposed

From The Topeka Bureau

TOPEKA -- Two state representatives from Wichita Monday were harshly critical of the "Truth-in-Lending" bill in testimony before the House Commercial and Financial Institutions Committee.

Reps. Jerry Harper and Jack Turner, both Republicans, offered a handful of amendments to the controversial bill.

The measure, already with Senate approval, is scheduled for a vote in the committee Tuesday.

"As the bill stands, I find it most offensive," Harper said.

"I think the whole bill was put together to lead people down the primrose path," Turner said.

TURNER PROPOSED an amendment which would divide the bill, leaving only the first portion which deals with conforming to the federal truth-in-lending legislation which goes into effect July 1.

Turner also took exception to a section of the bill which would remove any legal stumbling blocks to use of bank credit cards.

He said a 5 per cent discount is allowed when a merchant agrees to permit banks to collect his debts through the bank cards.

He charged that the bank cards will drive consumer prices up.

Harper proposed an amendment that would require merchants to give a 5 per cent discount to customers who pay cash rather than use credit cards.

"Otherwise, you're penalizing a man for paying cash," Harper said.

HARPER ALSO opposed a section which would require a lender who charged more than the legal interest rates to pay back the overcharge and attorney's fees if he were convicted.

An amendment was proposed to require forfeiture of the entire principal if excessive rates were charged.

Harper also said the present 30-month limitation on small loan company loans should not be eliminated. Those loans can be made at 36 per cent interest a year.

"It's just pure and simple extortion without the limit," he said.

THE WICHITA EAGLE
Wednesday, April 2, 1969

'Truth-in-Lending' Bill Pushed by House Group

From The Topeka Bureau

TOPEKA — A "truth-in lending" bill, with proposed interest rate increases eliminated, was recommended for passage Tuesday by a House committee.

The House Commercial and Financial Institutions Committee lowered proposed interest rate hikes to their present level, made several

technical amendments and sent the bill to the floor of the House for debate.

AMENDMENTS TO remove interest hikes were offered by Rep. Shelby Smith, R-Wichita.

Rep. Harry Lutz, R-Sharon Springs, chairman of the committee, said as the bill left the committee, consumers would pay no higher interest rates than they now pay.

The measure is expected to be debated hotly on the floor of the House. Several members already have said they plan a major assault on the bill.

Supporters of the "truth-in-lending" bill say its enactment will allow the state to regulate its lending institutions under the new federal legislation.

WITHOUT STATE legislation, the institutions will be regulated by federal agencies.

The Federal Reserve Board must decide whether the legislation, if enacted, is substantially similar to the federal law, thus exempting the state from federal administration.

Amendments made by the committee would cut the interest rate on installment loans of between \$300 and \$1,000 from the proposed \$10 per \$100 a year to \$9 per \$100 per year.

THE AMENDMENT also changed the proposed monthly rate of 1.5 per cent to the present rate of 1.35 per cent.

Another of Smith's amendments reinstated the present 30-month limitation on the length of time money may be borrowed at 36 per cent interest — the rate authorized to be charged by finance companies.

Other portions of the bill would give statutory authority to revolving credit accounts and bank cards such as BankAmerica and Bankmark.

THE WICHITA EAGLE

Tuesday, April 8, 1969

Truth-in-Lending Bill Wins in House Prelim

By JOHN PETTERSON
Of The Topeka Bureau

TOPEKA — The controversial truth-in-lending bill, despite labeling by its opponents as "simply a fraud," won preliminary approval Monday in the Kansas House after nearly four hours of intense debate.

The bill, sponsored by a coalition of financial and business interests, increases interest rates on some categories of small bank loans.

The measure survived 10 attempts to amend its provisions and emerged from the debate exactly as the House Commercial and Financial Institutions Committee had recommended.

A FINAL VOTE on the measure is scheduled for Tuesday morning. The bill has been passed by the Senate. With the anticipated House passage, the bill probably will be thrown into a House-Senate conference committee.

Much of the opposition to the bill came from the Democratic side of the House, although several Republicans fought it strongly.

Asked if he thought Gov. Robert Docking would veto the bill when it reaches his desk, Rep. Frank Gaines, D-Augusta,

minority party policy committee chairman, said, "I know he will."

Rep. Richard C. (Pete) Loux, D-Wichita, minority floor leader, indicated the stage was being set for a veto.

THE SPEAKER of the House, Rep. Calvin Strowig, R-Abilene, said he doubted if Republicans could muster the 84 votes necessary to override a possible veto.

The bill has been supported by the Kansas Bankers Association, the Kansas State Chamber of Commerce, Kansas Association of Finance Companies, Kansas Motor Car Dealers Association, Western Retail Implement and Hardware Association, Kansas Credit Insurers Committee and Kansas Credit Union League.

The bill would give Kansas officials the administrative control over truth-in-lending requirements now found in federal law.

Kansas has until July 1 to decide whether it wishes to handle the controls itself or let the federal government hold the reins.

The first 26 sections of the
(Turn to Page 7A, Col. 2)

THE WICHITA EAGLE

Tuesday, April 8, 1969

Page 7A

Truth-in-Lending Bill Wins in House Prelim

★ From Page 1

bill deal with truth in lending. The remaining sections legalize revolving credit and bank credit cards.

One section raises interest rates banks may charge. The present bank interest charge is \$3 per \$100 on the first \$3,000.

THE BILL would allow banks to charge \$12 per \$100 on the first \$300, \$9 per \$100 on the next \$300 and \$8 per \$100 thereafter.

Rep. William Fish, R-Leawood, said the increased rates can be justified because of the increases in the prime interest rate since the levels were first authorized in 1953.

At one point in the debate, Rep. Jerry Harper, R-Wichita, read a letter he said was distributed to some members of the Legislature and signed by three lobbyists—Noble Drake of the State Chamber of Commerce, Harold Stones of the bankers association and Stanley Lind, representative of the finance companies.

"WE CERTAINLY DO thank you for your affirmative response to S. B. 125 (the truth-in-lending bill) which may be voted on today by the House committee of the whole.

"We would like you to accept the House committee amendments and resist all other amendments. At the present time, 74 representatives have stated an intention to do so. Also, many others have given a 'probable' affirmative. Unfortunately, time has not permitted all House members to be contacted," the letter reportedly stated.

The letter prompted Rep. Robert Keenan, D-Great Bend, to note that he could never be convinced a group of lobbyists could predict the outcome of a piece of legislation in advance.

"If it's true, we need to meet the lobbyists in here and out there," he said.

"The special interests could provide the money for campaigns," he added, "but they can't deliver votes at the polls."

HARPER ATTEMPTED to separate the bill, leaving out the first section that deals with implementation of the federal truth-in-lending requirements.

The remainder, he said, should be studied, along with proposed uniform consumer credit code introduced in the Senate.

The attempt to divide the bill failed on a roll call vote, 23-

"This bill is a sick bill. It is a bad piece of legislation," Keenan said. "Gentlemen, has an odor so foul it stinks."

Throughout the debate, registered lobbyists for the bankers association were seated in a corner of the gallery.

In the other corner was Richard L. D. Morse, Manhattan, a Kansas State University economics professor who proposed various portions of the bill.

Fish, a member of the House committee which recommended passage of the bill, defended it, saying it does not attempt to overhaul finance statutes but rather is an attempt to make immediate changes where needed.

"THE PEOPLE of Kansas want credit whether Mr. Keenan wants to give it to them or not," Fish said.

He warned that on July 1 revolving credit and credit-card sales will stop in Kansas without enactment of the bill.

Later in the debate, Harper said that without the last sections of the bill, nothing will be made illegal that is legal now.

"S.B. 125 without the amendment (to divide it) is simply a fraud — deception," he charged.

"If you vote for the amend-

Lending Bill No Shelter for State From Action by U.S., Says Frizzell

Picture on 14A

By JOHN PETERSON
Of The Topeka Bureau

TOPEKA—The so-called

truth-in-lending bill passed by the 1969 legislature will not exempt the state from the provisions of the federal Truth-in-Lending Act, Atty.

Gen. Kent Frizzell said Friday.

In an opinion issued at the request of Gov. Robert Docking, Frizzell said as the bill now stands, he could not recommend to the Federal Reserve Board that it is substantially similar or may adequately be enforced.

Without the power to exempt Kansas from the provisions of the federal act, the controversial measure merely raises some interest rates on loans, legalizes revolving credit loans, legalizes bank credit cards and extends the credit card privilege to credit unions.

SUPPORTERS OF the bill claimed its primary purpose was to give Kansas administrative control over the federal act.

Docking, in two separate requests, asked Frizzell if the bill was constitutional and if it would exempt the state from the provisions of the federal Truth-in-Lending Act.

Frizzell said the state measure appears to be constitutional. However, various dissimilarities from the federal act probably would keep Kansas from being exempted.

While the attorney general (Turn to Page 14A, Col. 2)

Lending Bill No Shelter for State From Action by U.S., Says Frizzell

★ From Page 1

said the bill appears to be constitutional. "This does not mean that there may not be constitutional problems in attempting to enforce the provisions of the act."

The so-called truth-in-lending bill generated heated controversy in both houses of the Kansas Legislature before it was passed.

LOBBYISTS FOR the state's financial interests, including banks and finance companies, along with the Kansas State Chamber of Commerce, spent long hours in efforts to assure the measure's passage.

A number of interest rate increases were eliminated from the bill by the House Financial and Commercial Institutions Committee.

Commenting on the enforcement provisions of the measure, Frizzell said:

"My opinion (that the state would not be exempted by the bill) is based in part upon a conclusion that our legislation leaves a great deal to be desired as to methods of its enforcement."

"It is my opinion that there

are no adequate methods for enforcement consistent with those which will presumably be required by the Federal Reserve Board."

Under the federal act, the Federal Reserve Board may exempt from the requirements of the credit transaction provisions of P. L. 90-321 any class of credit transactions within any state if the board determines that state has substantially similar laws.

A MAIN PROVISION of the federal law requires interest rates to be expressed to the borrower in terms of annual percentage.

"In my opinion (1) there is no provision for adequate enforcement of Senate Bill 125, and (2) there are significant differences affecting the substantial

similarity of Senate Bill 125 to P. L. 90-321," the attorney general said.

Frizzell said the bill fails to provide for adequate administrative enforcement of its provisions and remedies for incorrect disclosures.

Many of these same points were outlined by opponents of the bill, led by Rep. Robert Keenan, D-Great Bend.

Informed of the attorney general's opinion, Keenan's first reaction was "I'm delighted."

"I think the people of Kansas have a friend in the attorney general," he said.

The Great Bend Democrat said that if Docking vetoes the measure there would be little chance of the House overriding his decision.

"That thing has so many areas in it that are so grossly

KENT FRIZZELL
... Federal act

unfair you could expose them in hours," he said.

The governor's office has until the next week to act on it.

*Called 'Wolf In Sheep's Clothing'*The Hutchinson News
Thursday, February 13, 1969

Pending Consumer Bill Is Blasted

TOPEKA — Terming a senate bill designed to give consumer credit protection a "wolf in sheep's clothing," Rep. Robert P. Keenan, D-Great Bend, has begun a personal campaign to inform the consumer that he "is about to be consumed."

Keenan who last year attacked a revolving credit bill, has issued a legislative report on Senate Bill 125, saying, "It's the interest bill to top them all."

The report says that despite the provisions designed to give the consumer protection, the "trouble is that it would create and legalize interest rates on all types of sales of up to 28 per cent per year. The features contained to protect the buyer are certainly not worth the price that is put thereon by this bill. It is the product of the

Kansas State Chamber of Commerce.

The Senate bill is called, "The Consumer Credit Protection Act," but Keenan says "ironically it is referred to as 'The Truth in Lending Bill.'"

Keenan's legislative report details the portions of the bill that would exact "atrocious rates" of interest from the Kansas consumer.

The bill "would create interest on goods sold on credit of 1.83 per cent per month up to \$300 or 22 per cent per year; 1.50 per cent on the excess up to \$1,000 or 18 per cent a year; and 1.23 per cent on the part over \$1,000 or 15 per cent a year."

The bill would also guarantee the seller a finance charge of \$15 on any retail installment transaction.

If a debtor was late with a

payment, he would pay a 3 per cent penalty which could go up to \$2.50.

The bill would cover sales of all types and would also apply to charges relating to "work, labor, privileges with respect to transportation, hotel and restaurant accommodations, education, entertainment, recreation, physical culture, hospital accommodations, funerals, cemetery accommodations, and the like."

Used Car Higher

Keenan's report says that if a customer buys a car, he could be charged up to \$7 per \$100 or 15 per cent a year; if he buys a used car under two years old, the rate could be \$10 per \$100, or 21 per cent a year; but if a customer buys a car older than two years, he would have to pay \$13 per \$100, or 23 per cent a year.

The report notes that the present legal interest rate is 6 per cent per annum.

Interest Rate Bill

Hutchinson News Tuesday, April 8, 1969 Page 2

Has First Approval

TOPEKA (AP)—A bill to increase interest rates on some form of credit, legalize revolving and open end credit plans and enact a state version of the federal "truth in lending" law won preliminary approval in a prolonged session of the Kansas House of Representatives Monday.

The House went into an afternoon session at 4 p.m. and took four hours to debate various features of the bill.

All attempts at floor amendments were voted down except for a corrective amendment by Rep. William Fish, R—Leawood. Fish had the job of guiding the bill through the lengthy session.

Rep. Robert Keenan, D—Great Bend, led the fight against provisions of the bill dealing with subjects other than the "truth in lending."

Keenan said the bill was written by a lobbyist for lending institutions. He said letters had been sent to the members of the House by lobbyists for the state Chamber of Commerce, the Kansas Bankers Association, and the Consumer Loan industry urging them to resist all floor amend-

"If this is so," said Keenan, "I suggest we move the lobbyists in here and we move out there (in the hallway where the lobbyists usually congregate)."

Says Lending Bill Only Raises Rates

The Hutchinson News
Saturday, April 19, 1969

By RICH LOVETT

TOPEKA — Despite an attorney general's opinion that a controversial "truth-in-lending" bill does nothing more than raise legal interest rates on most bank loans and legalize revolving credit, indications were that Gov. Robert Docking would announce Saturday he had signed the measure into law.

The governor's press secretary, Pat Burnau, told The News Friday night that Tom Van Cleave, legislative liaison to Docking, would recommend the bill be signed.

Docking, an Arkansas City banker, was to consider the bill Friday night and make an announcement of his decision Saturday morning, Burnau said.

Burnau said that "there are deficiencies in the bill that the governor will ask the legislature to correct" in later legislation, but he declined to elaborate.

The Legislature will reconvene April 25 to consider any bills Docking has vetoed, and would be at liberty to pass any new legislation it chooses.

'Does Not Conform'

In a legal opinion requested by the governor, Kansas Atty. Gen. Kent Frizzell said Friday the truth-in-lending bill passed earlier this month by the Legislature is "essentially dissimilar" and "does not conform to" the requirements of the federal truth-in-lending law.

The federal law will go into effect July 1 in all states that have not passed a bill whose requirements are not essentially the same as the federal law.

Frizzell said the Legislature's version would not prevent the federal law from taking effect in Kansas.

He also noted in his opinion that the bill passed by the Legislature "also in-

creases the interest rate on most bank loans to about 17 to 20 per cent of the amount of the loan.

Asked if it could be deduced from his opinion that the bill does nothing more than raise interest rates and legalize revolving credit, Frizzell said:

"If my answer to the governor's question is held proper by the courts — and in this case it would be a federal decision — then that would be the net effect of the bill, yes."

Lacks Enforcement

In addition to being dissimilar from the federal law, Frizzell said the measure also lacks the necessary enforcement provisions required by the federal law.

The federal provisions call for criminal penalties for willful and knowing violations; civil penalties for failure to make required disclosures; policing provisions; and remedies for incorrect disclosures.

Frizzell said the Legislature's bill lacks the latter two requirements.

In response to a second question from Docking, the attorney general said the bill is in his opinion, constitutional. The governor had wondered about a section of the Kansas Constitution saying no banking law shall be in force until it has been approved by a majority of the voters at a general election.

"This provision has been interpreted by the Kansas Supreme Court in an 1875 case and it was held that the constitutional provision applied only to banks that circulated their own currency," Frizzell said.

"None do or have (circulated currency) since before 1875," he said.

Hutchinson News Tuesday, April 22, 1969 Page 4

'Truth' Bill Falls Short

Before the Kansas Legislature enacts a truth-in-lending law, it'll have to establish a truth-in-legislating policy.

The so-called "truth-in-lending" bill passed by the lawmakers just doesn't live up to its nomenclature. The bill, in fact, only raises the legal interest rates on most bank loans and allows revolving credit.

It does little or nothing to meet the requirements of the federal truth-in-lending law.

The bill most likely will be signed into law by Gov. Docking, even though it isn't what Docking ordered. But it does raise an interesting question.

Why do our lawmakers pass bills under titles that misrepresent the

content of the measures? Are they trying to mislead the public?

Putting a "beef vegetable" label on a can of pea soup doesn't fool anyone. Sooner or later, the consumer is going to open the can and taste it.

What was it Abe Lincoln said about fooling some of the people some of the time but not all the people all of the time?

It's ironic that the Kansas truth-in-lending law will in fact be as misleading as the practice it is designed to correct. The law is supposed to require the lender to spell out in specific language the terms of the loan, enforced by stiff penalties.

In other words, putting a label on the can before it's sold. Something the lawmakers should have done with the can of worms they're selling.

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The first of these is the fact that the government has been unable to control the price of oil. This has led to a sharp increase in the cost of living for the average citizen. The second is the fact that the government has been unable to control the exchange rate of the dollar. This has led to a sharp increase in the cost of foreign goods. The third is the fact that the government has been unable to control the money supply. This has led to a sharp increase in inflation.

The government has tried to control the price of oil by imposing a price ceiling. However, this has led to a shortage of oil and a sharp increase in the cost of living. The government has also tried to control the exchange rate of the dollar by imposing a fixed exchange rate. However, this has led to a shortage of foreign goods and a sharp increase in the cost of living. The government has also tried to control the money supply by imposing a fixed money supply. However, this has led to a sharp increase in inflation.

The government has failed to control the price of oil, the exchange rate of the dollar, and the money supply. This has led to a sharp increase in the cost of living for the average citizen. The government has failed to control the price of oil, the exchange rate of the dollar, and the money supply. This has led to a sharp increase in the cost of living for the average citizen.

Memo From Roy Garrett

Your Representative
In The House



With only three weeks left in this session of the Legislature it becomes more demoralizing to see the dramatic and very appalling efforts on the part of both lobbyists and legislators (to gain or kill) whichever situation befits the occasion. Legislation that would benefit "special interest" groups.

Bills introduced in the House during the past week included Senate Bill 28, the (so-called accelerated highway bill.) Legislators favoring special interest groups refused to accept concurrent increases to the special fuels tax, or decrease the shrinkage allowance for handling gasoline in distribution. Research indicates that less than one per cent shrinkage occurs in distribution, rather than the present allowable three and a half per cent. There was apparent refusal on the part of special interest groups to change the antiquated fuels tax formulas. Legislators ignored the rather fraudulent and blithely worded proposed trend in interest bonds rates. Articles of US news and World Reports show there is a lack of bond purchases at the five and a half percent interest rate. Five percent was the proposed rate in Senate Bill 28. All of the items debated on the floor faced attempts to override them by special interest groups.

Senate Bill 125, is another case in the offing which will see and has already seen, the workings of special interest groups.

Lauded with an alias of the "truth in lending bill" it will, as presently written, allow interest rates increases to installment loan institutions, which in my opinion are already too high. With this alias this bill will be another fraud to our Kansas public, namely Mr. Average Citizen, like you and I.

Consumer Panel Argues Duties, Takes Stands

By MICK ROOD
Urban Affairs Writer

The Kansas Consumer Advisory Council, after stumbling for two hours on its watchdog philosophy, took initial stands Tuesday on three consumer issues before the Legislature.

But strong division among council members, who are appointed by the attorney general, bogged progress on a lengthy agenda.

Progress ended during discussion of state truth-in-lending legislation now being considered in a Senate committee. Differing views came to a head during an exchange over Senate Bill 125, a complex combination of controls on creditors and increased interest rates on installment loans and retail credit.

Statement of Purpose
Dr. Richard Morse of Kansas

State University, council chairman, authored a statement of purpose for the council, which said recognition of consumer interest does not reflect basic distrust of business.

But two new appointees of Atty. General Kent Frizzell were not so sure.

Noble Drake, director of the State Chamber of Commerce retail division, and Howard K. Gilpin, president of Iola State Bank, reminded council mem-

bers some so-called consumer protection proposals can hinder legitimate business profits.

Bill "Repulsive"

Rep. Robert P. Keenan, R-Great Bend, told Drake that SB 125 is "repulsive" because truth-in-lending restrictions are saddled with interest rate hikes. Keenan said retailers should give strong consideration to separating the two components, which packaged together are "unfair to the public."

Noble
Drake



The state representative noted that the bill was authored by

Stanley Lind, lobbyist for the Kansas Bankers Assn. and the State Chamber of Commerce, among others.

Drake answered that SB 125 hikes retail credit interest in only one category.

Some Doubt

Gilpin said there was some doubt whether revolving credit can be offered unless the uniform 1½ per cent per month interest in the bill is approved.

Morse told members the

group would be endorsing principles, not specific legislative bills in order to avoid a lobbying charge. Most of the discussion Tuesday, however, centered on the exact wording of pending legislation.

In other action the group:

—Endorsed authorizing consumers to consider unsolicited merchandise as gifts as in SB 14.

—Tabled a proposed three-day cooling-off period following

credit purchases of more than \$50 from door-to-door salesmen, provided for in HB 1324.

—Endorsed deletion of a sentence in the proposed SB 9 Criminal Code that would allow legalization of lotteries, free games, etc.

—Voted unanimously to propose returning meat inspection to the State Food and Drug Dept., rather than the State Agriculture Dept. as outlined in meat inspection act legislation.

2 Legislators Seek Changes In Interest Bill

Two state representatives, charging that a truth-in-lending bill before the Legislature is really designed primarily to raise consumer loan interest rates, proposed a series of amendments Monday.

Reps. Jerry Harper and Jack Turner, Wichita Republicans, appeared before the House Committee on Commercial and Financial Institutions to offer the amendments.

Harper and Turner are among several legislators who are leading an attack on the interest rate increase portion of the bill.

Out of Committee

Rep. Harry Lutz, R-Sharon Springs, chairman of the committee, said his panel may vote the measure out of committee at its meeting today, but added that no decision has yet been made.

Lutz also indicated that his panel probably would not act on the flock of amendments proposed by opponents of the interest rate increase. Instead, Lutz indicated, the panel would leave it to the full House of Representatives to make decisions on the proposed amendments.

The bill has drawn considerable fire since it was pointed out that the measure would raise the maximum interest rates on most categories of consumer loans in the state, besides requiring lenders to disclose interest charges in terms of annual percentage rates as required under the recently enacted federal truth-in-lending act.

Harper offered an amendment which would restore interest maximums to their present levels, along with a proposed amendment which would require lenders to forfeit all interest plus the principal amount of the loan if they were found guilty of charging excessive interest rates.

He suggested another amendment which would allow cash purchasers the same five per cent discount on merchandise allowed under some types of credit cards.

Harper said these systems provide that merchants will take 95 cents on the dollar from banks which reimburse them immediately for the cost of merchandise sold to a customer. The customer then is billed for the full amount of the purchase by the bank processing the credit card purchase.

Three Names

Turner declared the bill could be called "truth-in-lending, a loan shark's bill or a banker's bill, depending on your point of view."

"The whole bill," he charged, "is designed to lead the Legislature down the primrose path."

Turner noted that proposed interest rate increases in the second portion of the bill do not express interest in terms of annual percentage rates, and said, "That's the whole purpose of the truth-in-lending act passed by Congress."

Turner recommended, as did Harper, that the interest rate increase be deleted from the bill and held over to the next session of the Legislature "to find out what its impact is really going to be on the consumer, banks and retailers."

The Wichita legislator said interest rate increases proposed by the second portion of the bill "can't help but drive up consumer prices."

Turner also warned that enactment of the bill would bring federal control and supervision to lending institutions in Kansas.

The federal truth-in-lending act goes into effect July 1, except in states which enact an acceptable state law on the subject.

Turner indicated he does not believe the bill would pass federal scrutiny and declared, "In my judgement, this will lead to federal control in an amount the sponsors never contemplated."

Lending Bill OK'd, Sent To Docking

The Kansas Senate today approved a conference committee report on a bill combining truth in lending legislation with increases in maximum legal interest rates on some consumer loans. The vote was 30-6.

The measure, adopted earlier today by the House, now goes to Gov. Robert Docking, who had interceded to ask the Legislature to reduce some of the proposed rate hikes.

Opponents of interest rate hikes in the bill said they are not satisfied with the measure's final form, but added "neither are the bankers."

The bill rolls back interest rate hikes that reportedly would affect the largest number of borrowers — the interest charged on loans of up to \$300.

The conference committee agreed to lower the interest in that category to 10 per \$100 of money loaned per year, a rate that Rep. Robert Keenan, D-Great Bend, said figures out to an annual interest rate of 18 per cent.

The bill originally had called for a rate of 12 per \$100 of the amount loaned per year on loans up to \$300.

The present statutory interest limit on such loans is 8 per \$100 per year.

The conference also raised one of the categories of interest.

The conferees increased the interest rate on loans ranging in the \$301 to \$1,000 category up to 10 per \$100 per year. The bill

as it had left the House called for a rate of 9 per \$100 per year.

The present statutory interest limit on loans between \$301 and \$1,000 is 8 per \$100 per year.

Keenan said the conference committee did not disturb a clause in the bill which limits the length of finance company loans to 30 months duration.

Other major provisions in the measure legalize revolving type credit and bank credit cards in Kansas, which was one of the major goals of financial interests which authored the so-called truth-in-lending bill. Such credit presently operates in the state under authority of an attorney general's opinion which does not have the force and effect of law.

The stated aim of the bill was to give Kansas a law which would conform the state to federal truth-in-lending requirements. The federal law will require that lenders disclose the amount of interest in terms of the annual percentage rate.

The federal act takes effect nationwide on July 1 of this year and financial interests in the state had to hurry to get a state law passed that would put regulation and examination of the credit industry in Kansas under state agencies instead of federal officials.

The bill does not change the current interest rate ceiling of 36 per cent which finance companies in the state can charge customers.

(Continued on Page 2, Col. 6)

KANSAS DAILY NEWSPAPER COVERAGE OF SENATE
BILL 125--TRUTH IN LENDING

by

PAMELA WECKMAN REISIG

B. S., Kansas State University, 1968

AN ABSTRACT OF A MASTER'S THESIS

submitted in partial fulfillment of the

requirements for the degree

MASTER OF SCIENCE

Department of Family Economics

KANSAS STATE UNIVERSITY
Manhattan, Kansas

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The objective of this study was to evaluate the news coverage given to Kansas Senate Bill 125--Truth in Lending--by all the daily newspapers of Kansas. All daily newspapers of Kansas were searched during the time period the bill was before the legislature.

Most of the daily newspapers (65 per cent) used wire service exclusively. However, several newspapers (13 per cent) used other sources in addition to the wire service coverage. These newspapers quoted local legislators, or had local legislators write articles or wrote staff written articles or editorials. Some newspapers (19 per cent) had no coverage of the bill.

This study revealed that news coverage by many newspapers was sparse and that news coverage by many newspapers began late in the bill's life. Selection of wire service news was random, with no general trend for selection. However, human interest articles about persons in the legislature or those testifying before the legislature were printed by more newspapers than articles about legislative progress of the bill. Only two papers, and these were not the largest papers, gave editorial coverage.