I think also mentioned here was sewer services, and unfortunately we can't do anything about that in the Federal bill, but we recognize it as a problem.

Our next witness is the distinguished Assemblyman from the Bronx, one of the most admirable and imaginative and hardworking public servants in our City. He is here because he introduced a tightening of the Truth In Lending Laws in the State Legislature, and we are very glad to have him comment on the bill before us or any other aspect of the problem.

STATEMENT BY ASSEMBLYMAN ROBERT ABRAMS OF THE 81ST DISTRICT

Assemblyman ABRAMS. Before I begin my formal testimony, I would like to applaud Congressman Jonathan Bingham for his consistent effort for affording the consumer of the nation the chance to know what he is getting and how much he is paying.

I, my first year in the New York State Legislature, introduced the Truth in Lending bill which he sponsored upon his election to Congress.

It is now an honor for me to appear before him to urge enactment of this legislation which you and Congressman Halpern are sponsoring.

The CHAIRMAN. Thank you very much, Mr. Abrams. We are delighted to have you, and I want to thank you for the kind words you gave me.

I know that you have been leading the fight for consumers in the Assembly for the past two and a half years.

Congressman HALPERN. I want to commend the distinguished Assemblyman and I want to thank him for the honorable mention he gave to my name here today.

I can see why you enjoy the fine reputation you have. You contribute greatly to the consumer legislation and the interests of the consumer, and I want to extend my most hearty welcome to you.

The CHAIRMAN. Our next witness is Miss Leona Finestone, Director of the Chelsea Conservation Project of the Hudson Guild.

We are happy to have you, Miss Finestone.

STATEMENT OF MISS LEONA FINESTONE

Miss FINESTONE. I planned to bring other witnesses, who could not come because of illness but I want to speak on the experience that they had.

I would like to tell you what we have found in our community, which covers 14th to 34th Streets, from Sixth Avenue to the Hudson River.

We provide many services for these families and the problems they have among them.

One of the most important problems is the problem of buying on installment plans. They not only buy from local stores, they buy from door-to-door salesmen, who really are a blight. They sell household goods that could easily be bought for a fraction of the cost of what the purchase price is in the contract.

We had an occasion where a woman came in here and she told us that the company which had sold her a sewing machine wanted an additional payment, which she said she had already made. Fortunately she had all of her receipts. This doesn't always happen, because people lose weekly receipts.

In adding them up, I found she had paid $219 for a sewing machine which, if it works, could cost probably $45. In one year it was more than, well, five times the amount of the actual upkeep value of such a machine.

First of all, it didn't work, and secondly she couldn't get them to repair it. Thirdly, they were dunning her for monies she did not owe.

Assuming she didn't known the language, we needed an interpreter, and we have interpreters in our office.

I called up and read off the receipts, and they withdrew the complaint.

We have a very large Puerto Rican population in Chelsea, and this population is the most picked upon, naturally, because of the language problem and the unfamiliarity.

They buy from local stores, and they buy furniture, and the furniture costs them $2,000, and if you look at this furniture you know it is not worth more than $200. $2,000 is ten times the amount of the furniture.

They are shy about calling the stores. It is impossible for them, after they sign the contract, to withdraw, as you have heard these people testify.

I think that prevention is the most important measure that we can take. These people go in blindly and they are blind because there is no way that they can get help without adequate Federal legislation.