

an automatic washing machine. Most of these families had spent considerable money furnishing their apartments. The typical family bought sets of furniture for at least two rooms when it moved into public housing and had spent approximately \$500 for furniture. Some 16 percent had paid more than \$1,000 for furniture bought at the time of the move.

The prices they paid for appliances were quite high. Forty percent paid more than \$300 for their TV set and 13 percent had paid more than \$400. A number of families owned expensive combination television and phonograph sets and one family reported paying \$900 for such an appliance.

Partly because they are so dependent upon credit and partly because they are intimidated by the large downtown store, most of the families buy their major durables from neighborhood merchants or from door-to-door peddlers rather than going to the large department stores and discount houses. Symbolic of the narrow shopping scope of the poor is the practice of buying from door-to-door credit peddlers, the men with the traditional slogan of "a dollar down, a dollar a week." Fully half the families surveyed had made at least one credit purchase from these door-to-door salesmen and more than a third had made repeated purchases.

The poor, then, like others in our society, have major wants as consumers, and there are innumerable merchants in low-income areas who are all too eager to provide them with the goods they want and, I might add, often with goods that they do not want.

Because they are poor and have such low ratings as credit risks and because they lack the training to be sophisticated shoppers, persons of low income are easy prey to unscrupulous, exploitative merchants. The marketing system in which they are forced to operate is in many respects a deviant system. I have elsewhere described it as a commercial jungle in which exploitation and fraud are the norm rather than the exception. High-pressure tactics, "bait" ads, and "switch sales," misrepresentation of price and quality, and the sale of used merchandise as new all flourish in this special system of sales and credit. Responding to ads announcing appliances and furniture at unusually low prices, the consumer soon succumbs to the salesman's switch sale technique and buys a much more expensive model.

Along "furniture row" on Third Avenue in East Harlem, in New York, the bait ad appearing in every store window announces three rooms of furniture for "only \$149" or "only \$199." The customer who inquires about this bargain is shown a bedroom set consisting of two flimsy bureaus and one bed frame. He learns that the spring and mattress are not included in the advertised price but can be had for another \$100 or so. The living room set in these "specials" consists of a fragile-looking sofa and one unmatched chair.

Mr. REUSS. May I interrupt at this point?

Mr. ROSENTHAL. Yes.

Mr. REUSS. On this question of installment sales which you are discussing, and particularly that on appliances, TV sets, what today is the amount, typically, of the downpayment in relation to the total price, and what are the terms of the installment sales?