Resolution Directing the Investigation of Retail Sales and Credit Practices in the District of Columbia Area

WHEREAS the Federal Trade Commission, by virtue of subsections (a) and (b) of Section 6 of the Federal Trade Commission Act, has the authority to investigate the business and practices of any corporation engaged in interstate commerce and its relation to other corporations, individuals and partnerships, and to require corporations engaged in such commerce to file written special reports with the Commission in such form as the Commission may prescribe, as to its business practices and relation to other corporations, partnerships and individuals; and

WHEREAS the sale of merchandise through installment credit constitutes an important means of distributing goods in the national economy and the District of Columbia, the purchase of such goods is of major importance to lower income groups, as well as other consumers; and abuses of retail credit and deceptive practices in the advertising and sale of such goods under credit arrangements may be of serious consequence; and

WHEREAS it appears to the Federal Trade Commission that it is in the public interest for it to conduct an investigation of retail credit practices connected with the sale of goods in the District of Columbia for the purpose of aiding it in the enforcement and administration of the statutes committed to it for enforcement:

NOW, THEREFORE, IT IS HEREBY Resolved, that the Federal Trade Commission, in the exercise of the powers vested in it by law, and pursuant to its published procedures and rules of practice (16 C.F.R. Sec. 1.1 et seq.), and with the aid of any and all compulsory processes available to it, including the use of subsection (b) of Section 6 orders to file special reports, forthwith proceed, through its Bureau of Economics, to investigate and collect information for the reasons and purposes stated herein from such businesses as may be designated by the Commission regarding their organization, business, conduct, practices, management, and their relation to other corporations, partnerships and individuals.

By direction of the Commission,

Joseph W. Shea,
Secretary.

Dated: July 25, 1966.

APPENDIX TABLE A.—VALUE OF INSTALLMENT CONTRACTS ASSIGNED TO FINANCE COMPANIES AND BANKS BY DISTRICT OF COLUMBIA RETAILERS, DISTRIBUTED BY EFFECTIVE ANNUAL RATE OF FINANCE CHARGE

[Dollar amounts in thousands]

Effective annual rate of finance charge (percent)	Value of contracts at each effective annual rate assigned to—			
	Finance companies		Banks [1]	
	Value of contracts	Percent of total	Value of contracts	Percent of total
29	$381	3.2		
27	23	.2		
26	480	4.1		
24	4,162	34.9		
23	4,575	38.4		
22	1,111	9.3	$27	0.7
17	206	1.7	2,900	74.3
15			17	.4
14	266	2.2	194	5.0
13			115	2.9
11			650	16.7
Rates not available	711	6.0		
Total	11,915	100.0	[1] 3,903	100.0

[1] Practically all (99.2 percent) of the total value of contract assignments to banks was by general market furniture retailers.

Source: FTC survey.