

It is my thought that that kind of an issue should not delay the passage of the bill which you have.

Other controls ordered by this bill such as those regulating the amount of credit that may be extended or maintained on commodity futures contracts are also under study by Government agencies directly concerned, and once again it is our position that those studies or those problems should not postpone this legislation.

Finally, I might say we do not object to a comprehensive study of the consumer finance industry. It seems to us that that study might be conducted best by existing Government agencies or by the Congress rather than through the establishment of the proposed bipartisan Commission on Consumer Finance.

I brought with me today on my right the Deputy Director of OEO, Bertrand Harding who will be able, along with other associates of his and mine, to answer specific questions we hope about what we are doing and what we think. Let me just say that Bert Harding before coming to us was the Deputy Director of the Internal Revenue Service and he has been a Government servant for a number of years and has received many of the highest awards in the civil service system and the Arthur Fleming Award and Rockefeller awards and so on. I consider him to be one of our distinguished civil servants here in Washington. I am happy he is here with me today and will be able to stay as long as the committee would like.

Let me just conclude by saying that OEO, our agency, has not done as much as we would have liked to have done in the area of consumer education, but we have done some things. We have financed a number of consumer education programs which involve the creation of credit unions among the poor, education of poor people of how to purchase, how to use the foods they buy, what kinds of contracts to avoid, and we think that these programs that we have started—I might say just barely started—will in the long run prove very helpful to them. But no matter what we do our efforts must be supported by legislation of the type that is before this committee today and we therefore support the bill pending here with great enthusiasm.

Thank you, Madam Chairman.

(The complete statement of Mr. Shriver follows:)

STATEMENT OF HON. SARGENT SHRIVER, DIRECTOR, OFFICE OF ECONOMIC OPPORTUNITY

Chairman Sullivan and members of the Subcommittee on Consumer Affairs, the Office of Economic Opportunity supports this bill. Indeed, adequate protection, through legislation, of the low-income consumer in his credit transactions is vital to the lasting success of many of our own programs. Honest disclosure, in clear and simple terms, of all the elements of the lending or credit transaction, including the expression of the finance charge as an annual percentage rate, is the keystone to this protection. For the middle class consumer with a "line of credit" it is probably enough; for he can shop for credit from the bargaining position that comes with being a good risk and a good customer. But our agency's concern is with the disadvantaged, low-income consumer, who has too little money to be either a good risk or a good customer. Consequently he has no choice, but must take the only credit he can find, which too often is that offered by an unscrupulous merchant or small loan office in the ghetto.

Of course I am not saying that all merchants or lenders are unscrupulous; nor that all merchants and lenders in the ghetto are dishonest. As a matter of fact we recently funded a demonstration consumer project in the Bedford Stuyvesant area of Brooklyn in which local neighborhood merchants and residents will work