

any special advantages, political or otherwise. It seems to me that this is a remarkable record and one that should provide inspiration to young people throughout the country. It shows that this is still a land of opportunity.

Now, I would like to ask both of you gentlemen a question with regard to the \$10 exemption in the Senate bill. This committee had testimony this morning from representatives of the American Retail Federation in which the argument was made that the \$10 exemption is needed to preserve the extension of credit in small amounts to consumers, presumably many of those in the poverty category. The argument seems to be that because of the interest rates being so high on these small transactions, that they should not be disclosed because that will either discourage the buyers from making the purchases or maybe the sellers will be ashamed to reveal the percentage rates involved.

All I would like to know is whether you feel that there will be an adverse effect, either on businessmen who sell these small amounts or on the purchasers, and I am not particularly interested on that side of it, on whether the purchasers will be deprived of making purchases that they should be allowed to make.

Secretary TROWBRIDGE. If I could start by thanking you very sincerely for your very kind remarks and say how much I appreciate the pleasure I have had in working with you and all of your colleagues here in the last 2 years in public service.

In answer to your direct question, it seems to me that one of the arguments against the \$10 exemption is one of additional burden on the businessman. I find it a little bit hard to give too much credence to that, because basically the tables for calculation of the annual rate of financial charge cover anything above the \$10 credit cost level in any event. I would think that the addition to those tables of another column covering everything down to \$10 and below would not be that much of an administrative burden.

Secondly, I feel that the average American businessman is a very reputable guy and I don't see why he should be embarrassed by the explanation to his customer of the financial charges involved in the sale of an item of say \$100 value that might have financial charges in the \$10 range or below.

It is, I would think, to the advantage of the businessman extending such credit to know that the customer is looking at his offer in relation to a competitive offer and both offers are being made under the same ground rules.

Thirdly, I would think there is a real advantage to the customer in a better knowledge of just what he is buying. So the one possible detriment in my mind is that of an additional administrative burden, which I think can be handled by the expansion of the interest-rate tables, financial charge tables; and surely by the time this bill would be entering into effect—I gather the dates are either mid-1968 or mid-1969—I am not sure which will come out as the final one, but there is obviously time ahead for adjustment to this requirement—these tables will be available. Those various factors seem to me persuasive in arguing against the \$10 exemption.

Mr. HARDING. Of course, I think we perhaps feel even more strongly than would most agencies about the need for protection in this lower end of the spectrum.