STATEMENT OF HON. ROBERT C. MOOT, ADMINISTRATOR, SMALL BUSINESS ADMINISTRATION, PRESENTED BY HOWARD GREENBERG, DEPUTY ADMINISTRATOR

Mr. GREENBERG. Thank you, Madam Chairman.

As you pointed out at the beginning of the hearing, Administrator Robert C. Moot was unable to be here because of a conflict with another committee and I asked that I read the statement which he has prepared for presentation to the committee.

"Madam Chairman and members of the subcommittee, I am very pleased to have the opportunity to express my views on H.R. 11601—the Consumer Credit Protection Act. In his message to the Congress on consumer interest last February 16, President Johnson said, 'As a matter of fair play to the consumer, the cost of credit should be disclosed fully, simply, and clearly.'

"The Small Business Administration is on record in support of the original Senate bill, S. 5, and Madam Chairman, I today reiterate my support of the full disclosure provisions of H.R. 11601.

"This subcommittee and other committees of the Congress have heard and will continue to hear from many of the departments and agencies of the executive branch. Each of us has his own constituency, in the case of SBA the nearly 5 million small businesses in America today. But we all have something in common, and that is that each of our constituents, just as each of yours, is a consumer, and as a consumer he is entitled to certain basic rights. I believe that it is basically right that each consumer should know exactly how much he is to pay for an item when he buys on credit.

"Credit purchasing is becoming more and more a way of life with the American buying public. Last year interest costs alone totaled nearly $13 billion. This is to the good. It is good for our economy and it is good for the purchaser, particularly those with moderate or low incomes. Credit makes it possible for these people to own and enjoy the increasing variety of products and services supplied by our free enterprise system, products and services designed to make life easier and more bountiful.

"The fundamental test for success under our economic system has always been based upon competition, that is, the best product at the best price. Ingenuity, inventiveness, and plain hard work have always been the hallmarks of our most successful businessmen and industrialists. And the consumer has been the beneficiary.

"However, as our competitive system has grown and flourished, so has the marketplace presented an ever more vast panoply of products and services for the consumer to choose from. The buyer has had to become more selective, more sophisticated in his buying habits. And if it is good that American productive genius continues to turn out an increasing variety of goods for the consumer to choose from, then it is also right that the buyer should be able easily and quickly to determine the total price that he is paying for a product.

"The full disclosure provisions of H.R. 11601 are, I believe, totally essential to aid the consumer in arriving at an intelligent and economical decision when he is about to make a purchase on credit. And I believe, Madam Chairman, that the time for this legislation is now.